



Wyoming Department of Transportation

Financial and Compliance Report

September 30, 2024





Wyoming Department of Transportation

TABLE OF CONTENTS

Independent Auditor's Report.....	2
Management's Discussion and Analysis.....	5

BASIC FINANCIAL STATEMENTS

Statement of Net Position.....	16
Statement of Activities.....	17
Balance Sheet - Governmental Funds.....	18
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities.....	21
Statement of Fiduciary Net Position - Fiduciary Fund.....	22
Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	23
Notes to the Basic Financial Statements.....	24

REQUIRED SUPPLEMENTARY INFORMATION

Infrastructure Assets Reported Using the Modified Approach.....	50
Schedule of Revenues Appropriated and Expenditures Allocated - Budget and Actual - WYDOT General Fund.....	54
Schedule of Revenues Appropriated and Expenditures Allocated - Budget and Actual - State Infrastructure Bank Fund.....	55
Schedule of the Department's Proportionate Share of the Net Pension Liability - Public Employee Pension Plan.....	56
Schedule of the Department's Contributions - Public Employee Pension Plan.....	56
Schedule of the Department's Proportionate Share of the Net Pension Liability - State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan.....	57
Schedule of the Department's Contributions - State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan.....	57
Schedule of the Department's Proportionate Share of the Net Pension Liability - Law Enforcement Pension Plan.....	58
Schedule of the Department's Contributions - Law Enforcement Pension Plan.....	58
Schedule of the Department's Proportionate Share of the Total OPEB Liability.....	59
Notes to Required Supplementary Information.....	60

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Nonmajor Governmental Funds.....	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	70

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards.....	74
Notes to Schedule of Expenditures of Federal Awards.....	75
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 <i>Government Auditing Standards</i>	76
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	78
Schedule of Findings and Questioned Costs.....	81
Summary Schedule of Prior Audit Findings.....	85
Exhibit I Corrective Action Plans.....	87



Wyoming Department of Transportation



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, 2024, 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, 2024, 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

Correction of Errors

As discussed in Note 1 to the financial statements, the Department restated net position as of October 1, 2023 to correct errors in the previously issued financial statements. Our opinions, based on our audit, are 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.



Wyoming Department of Transportation

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.



Wyoming Department of Transportation

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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, 2025 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.

MHP Assurance Services, LLP

Cheyenne, Wyoming
March 5, 2025



Wyoming Department of Transportation

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, 2024.

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, 2024 by \$6.18 billion. This is an increase of \$124.27 million from 2023. The Department's unrestricted net position increased by \$69.15 million from a negative \$60.26 million to a positive \$8.89 million. The Department's restricted net position decreased by \$2.70 million from \$63.37 million to \$60.67 million. The Department has \$6.12 billion invested in infrastructure and capital assets which is an increase of \$57.83 million from the previous year.

The Department's investment in road, bridge, and communication infrastructure assets during the year resulted in an increase of \$37.41 million in infrastructure assets.

Fund Financial Statements

As of September 30, 2024, the Department's governmental funds reported combined fund balances of \$376.83 million, an increase of \$47.61 million. The Department's governmental funds had \$37.03 million classified as nonspendable consisting of \$34.03 million invested in inventories and \$3.00 million in prepaid items. The Department had \$60.67 million classified as restricted fund balance. This amount includes \$2.00 million restricted for wildlife conservation, \$15.34 million restricted for the transportation information system, \$0.79 million restricted for radioactive waste clean-up, \$0.74 million restricted for ignition interlock device expenditures, \$2.41 million restricted for air service enhancement, \$13.29 million restricted for commercial air service improvement, \$26.06 million restricted for loans on infrastructure projects, and \$0.04 million restricted for other governmental entities per Wyoming Statute. The Department had \$81.17 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 \$19.02 million classified as assigned fund balance to include \$15.22 million for the purpose of its State Infrastructure Bank Fund, \$2.34 million for the Motorcycle Safety Fund, \$1.26 million for communication system enhancements, and \$0.20 million related to other nonmajor governmental funds. The Department had \$178.93 million classified as unassigned fund balance to include \$179.56 million in the WYDOT General Fund and negative \$.63 million in the Federal Transit Authority 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.



Wyoming Department of Transportation

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.



Wyoming Department of Transportation

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



Wyoming Department of Transportation

inflows of resources by \$6.18 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 \$5.92 billion investment in road, bridge, and communication infrastructure assets. These assets are not available for future spending. The Department has \$8.39 million in outstanding debt relating to noncurrent capital assets. The Department's other significant noncurrent liabilities include net pension liability of \$135.08 million and total OPEB liability of \$105.67 million for the year ended September 30, 2024. The Department's \$60.67 million restricted net position reflects resources that are legally restricted for specific purposes. The unrestricted net position increased \$69.15 million to \$8.89 million.

The following financial information was derived from the September 30, 2024 and 2023 Statements of Net Position.

Summary of Net Position

	2024		2023*		Increase (Decrease)	
Current assets	\$ 505,799,399	7.63%	\$ 445,199,583	6.83%	\$ 60,599,816	13.61%
Noncurrent assets						
Infrastructure	5,915,614,726	89.23%	5,878,206,034	90.24%	37,408,692	0.64%
Other capital assets	200,833,597	3.03%	189,565,766	2.91%	11,267,831	5.94%
Prepaid items	7,301,569	0.11%	1,003,558	0.02%	6,298,011	627.57%
Total assets	6,629,549,291	100.00%	6,513,974,941	100.00%	115,574,350	1.77%
Deferred outflows of resources	68,702,591	100.00%	96,745,180	100.00%	(28,042,589)	-28.99%
Current liabilities	118,656,231	31.30%	113,053,282	23.12%	5,602,949	4.96%
Noncurrent liabilities	260,472,557	68.70%	351,295,144	76.88%	(90,822,587)	-25.85%
Total liabilities	379,128,788	100.00%	464,348,426	100.00%	(85,219,638)	-18.35%
Deferred inflows of resources	134,194,819	100.00%	85,717,824	100.00%	48,476,995	56.55%
Net position						
Invested in capital assets	6,115,362,555	98.88%	6,057,537,376	99.84%	57,825,179	0.95%
Restricted net position	60,673,333	0.98%	63,371,680	1.04%	(2,698,347)	-4.26%
Unrestricted net position	8,892,387	0.14%	(60,255,185)	-0.88%	69,147,572	-114.76%
Total net position	\$ 6,184,928,275	100.00%	\$ 6,060,653,871	100.00%	\$ 124,274,404	2.05%

*As discussed in Note 1, the financial statements for fiscal year ended September 30, 2023, have been restated.

The current assets of \$505.80 million consist of \$334.59 million in cash, \$130.10 million in accounts receivable, \$.10 million in advances to the primary government, \$3.98 million due from the primary government, \$3.00 million in prepaid assets, and \$34.03 million in inventories. The \$60.60 million increase in current assets is largely due to an increase in cash at year end due to a continued effort in fiscal year 2024 to increase cash reserves on hand.

The current liabilities of \$118.66 million, an increase of \$5.60 million, are comprised of \$102.08 million in accounts payable, \$2.31 million due to other governments, \$.03 million in accrued interest payable, \$0.18 million in deposits held for others, \$1.02 million in lease purchase payable due within one year, \$.60 million in lease and subscription liabilities due within one year, and \$12.44 million in compensated absences due within one year. The \$5.60 million increase is due to the increase in accounts payable, which normally fluctuates with the timing and mix of projects in progress. The noncurrent liabilities of \$260.47 million are mostly due to the recognition of the Department's \$135.08 million net pension liability, \$105.68 million total OPEB liability, compensated absences due in more than one year of \$12.94 million, lease purchase



Wyoming Department of Transportation

agreement payable due in more than one year of \$5.71 million, and lease and subscription liabilities due in more than one year of \$1.06 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							
	2024		2023*		Increase (Decrease)		
Revenues							
Program revenues							
Charges for services	\$	42,587,259	4.41%	\$	33,964,458	3.55%	\$ 8,622,801 25.39%
Operating grants and contributions		514,528,101	53.32%		537,848,635	56.19%	(23,320,534) -4.34%
Capital grants and contributions		17,861,557	1.85%		17,244,218	1.80%	617,339 3.58%
General revenues							
Motor fuels tax and registration fees		204,643,343	21.22%		206,266,290	21.55%	(1,622,947) -0.79%
Motor fuels tax and registration fees - local governments		63,408,884	6.57%		65,168,909	6.81%	(1,760,025) -2.70%
Mineral royalty and severance tax		68,740,864	7.13%		71,884,707	7.51%	(3,143,843) -4.37%
State appropriations		6,705,448	0.70%		3,379,081	0.35%	3,326,367 98.44%
Investment income		37,502,307	3.89%		13,453,058	1.41%	24,049,249 178.76%
Other revenue		8,778,637	0.91%		7,916,158	0.83%	862,479 10.90%
Total revenue		964,756,400	100.00%		957,125,514	100.00%	7,630,886 0.80%
Expenses							
Road preservation and maintenance		569,597,178	67.77%		611,981,082	67.45%	(42,383,904) -6.93%
Planning		14,748,066	1.75%		13,593,983	1.50%	1,154,083 8.49%
Highway safety		6,243,265	0.74%		7,391,126	0.81%	(1,147,861) -15.53%
Administration		37,659,242	4.48%		39,735,024	4.38%	(2,075,782) -5.22%
Federal transit		15,964,353	1.90%		22,725,531	2.50%	(6,761,178) -29.75%
Licensing and registration		13,704,678	1.63%		13,629,744	1.50%	74,934 0.55%
Licensing and registration - local governments		63,408,884	7.54%		65,168,909	7.18%	(1,760,025) -2.70%
Law enforcement		47,332,796	5.63%		49,731,956	5.48%	(2,399,160) -4.82%
Statewide communication network		12,738,512	1.52%		11,831,772	1.30%	906,740 7.66%
Airport improvement		57,952,941	6.90%		70,722,489	7.79%	(12,769,548) -18.06%
Flight services		802,617	0.10%		707,126	0.08%	95,491 13.50%
Interest on long-term debt		329,464	0.04%		304,758	0.03%	24,706 8.11%
Total expenses		840,481,996	100.00%		907,523,500	100.00%	(67,041,504) -7.39%
Change in net position		124,274,404			49,602,014		74,672,390
Net position, beginning		6,068,057,938			6,011,051,857		57,006,081
Restatement for correction of an error (Note 1)		(7,404,067)			-		(7,404,067)
Net position, beginning, as restated		6,060,653,871			6,011,051,857		49,602,014
Net position, ending	\$	6,184,928,275		\$	6,060,653,871		\$ 124,274,404

*As discussed in Note 1, the financial statements for fiscal year ended September 30, 2023, have been restated.

The Department's total revenues increased by \$7.63 million when compared to the previous year. In fiscal year 2024, the Department experienced an overall increase in revenues due to increase in investment earnings and charges for services offset by a decrease in operating grants and contributions received.

Total expenses, when compared with 2023, decreased by \$67.04 million. Road preservation and maintenance expenses decreased \$42.38 million in fiscal year 2024 primarily due to the size and timing of projects including decreased Federal funding for projects and \$12.77 million for airport improvement resulting from the decrease in operating grants and contributions received. 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.



Wyoming Department of Transportation

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, 2024, the Department's governmental funds reported combined fund balances of \$376.83 million, an increase of \$47.61 million compared to the prior year.

The General Fund is the main operating fund of the Department. As of September 30, 2024, the total fund balance was \$294.76 million. The State Infrastructure Bank fund balance as of September 30, 2024 was \$41.28 million. The remaining nonmajor governmental funds have a combined fund balance of \$40.79 million.

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

Summary of Revenue - Governmental Funds							
REVENUES	2024		2023		Increase (Decrease)		
Motor fuels tax and registration fees	\$	117,045,099	12.21%	\$	115,591,477	12.10%	\$ 1,453,622 1.26%
Motor fuels tax and registration fees - local governments		57,886,429	6.04%		59,877,514	6.27%	(1,991,085) -3.33%
Mineral royalty and severance tax		69,415,242	7.24%		72,807,309	7.62%	(3,392,067) -4.66%
Highway user fees		107,919,790	11.26%		110,253,984	11.54%	(2,334,194) -2.12%
Highway user fees - local governments		5,522,455	0.58%		5,291,395	0.55%	231,060 4.37%
Federal aid		444,394,050	46.40%		467,445,491	48.93%	(23,051,441) -4.93%
Federal grant		80,335,880	8.38%		86,123,752	9.02%	(5,787,872) -6.72%
Use of property and money		86,717	0.01%		53,011	0.01%	33,706 63.58%
Interest and investment		37,502,309	3.91%		13,453,057	1.41%	24,049,252 178.76%
City, county, and other matching		14,495,488	1.51%		12,901,611	1.35%	1,593,877 12.35%
Flight services		575,697	0.06%		591,903	0.06%	(16,206) -2.74%
Statewide communication network		393,935	0.04%		301,266	0.03%	92,669 30.76%
Other state sources		6,705,448	0.70%		3,379,081	0.35%	3,326,367 98.44%
Other miscellaneous		15,753,981	1.64%		7,077,740	0.74%	8,676,241 122.58%
Revenue from others		189,359	0.02%		181,551	0.02%	7,808 4.30%
Total revenues	\$	958,221,879	100.00%	\$	955,330,142	100.00%	\$ 2,891,737 0.30%

Total revenues for governmental activities increased from \$955.33 million in 2023 to \$958.22 million in 2024. In 2024, the Department saw an increase of investment income yet a decrease in federal aid and grant revenue. The schedule on the following page shows expenditures by activities compared to the prior year.



Wyoming Department of Transportation

Summary of Expenditures - Governmental Funds

	2024		2023*		Increase (Decrease)	
EXPENDITURES						
Current						
Road preservation and maintenance	\$ 627,496,405	68.83%	\$ 631,277,256	67.74%	\$ (3,780,851)	-0.60%
Planning	15,085,424	1.65%	13,382,175	1.44%	1,703,249	12.73%
Highway safety	6,955,898	0.76%	6,830,989	0.73%	124,909	1.83%
Administration	40,085,233	4.40%	38,587,142	4.14%	1,498,091	3.88%
Federal transit	15,872,150	1.74%	22,612,999	2.43%	(6,740,849)	-29.81%
Licensing and registration	18,950,891	2.08%	13,210,362	1.42%	5,740,529	43.45%
Licensing and registration -						
local governments	63,408,884	6.95%	65,168,909	6.99%	(1,760,025)	-2.70%
Law enforcement	49,293,976	5.41%	49,479,758	5.31%	(185,782)	-0.38%
Statewide communication network	12,670,258	1.39%	11,773,247	1.26%	897,011	7.62%
Airport improvement	57,939,658	6.35%	70,471,257	7.56%	(12,531,599)	-17.78%
Flight services	802,616	0.09%	707,126	0.08%	95,490	13.50%
Capital outlay	-	0.00%	4,796,482	0.51%	(4,796,482)	-100.00%
Debt Service						
Principal	2,850,645	0.31%	3,277,879	0.35%	(427,234)	-13.03%
Interest	366,458	0.04%	410,523	0.04%	(44,065)	-10.73%
Total expenditures	<u>\$ 911,778,496</u>	<u>100.00%</u>	<u>\$ 931,986,104</u>	<u>100.00%</u>	<u>\$ (20,207,608)</u>	<u>-2.17%</u>

*As discussed in Note 1, the financial statements for fiscal year ended September 30, 2023, have been restated.

Expenditures for governmental functions decreased from \$931.99 million in 2023 to \$911.78 million for fiscal year 2024. The majority of the decrease occurred in airport improvement and Federal transit expenditures due to the decrease in Federal aid received, along with a decrease in capital outlay as there were no subscription assets capitalized in fiscal year 2024.

Capital Assets and Debt Administration

The Department's investment in capital assets for its governmental activities as of September 30, 2024 amounted to \$6.12 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 \$37.41 million in infrastructure assets, which was an increase of \$14.86 million from fiscal year 2023. The Department had additions to depreciable assets of \$29.67 million for vehicles, aircraft, and road machinery and \$2.27 million for general property. 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, 2023	Additions	Deletions	Transfers	Ending Balance September 30, 2024
Infrastructure	\$ 5,878,206,034	\$ 37,408,692	\$ -	\$ -	\$ 5,915,614,726
Nondepreciable capital assets					
Land	\$ 8,494,808	\$ -	\$ -	\$ -	\$ 8,494,808
Work in progress	4,278,014	1,273,119	-	(637,332)	4,913,801
Depreciable and amortizable capital assets					
Site improvements	15,998,211	-	-	-	15,998,211
Buildings	206,641,686	-	(22,850)	637,332	207,256,168
Vehicles, aircraft, and road machinery	186,740,913	29,669,057	(7,142,134)	-	209,267,836
General property	21,423,922	2,274,995	(2,144,946)	-	21,553,971
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	4,796,483	-	(688,136)	-	4,108,347
Total capital assets at historical cost	461,180,503	33,217,171	(9,998,066)	-	484,399,608
Total depreciation, depletion and amortization	(271,614,737)	(20,094,104)	8,142,830	-	(283,566,011)
Non-infrastructure capital assets - net	\$ 189,565,766	\$ 13,123,067	\$ (1,855,236)	\$ -	\$ 200,833,597

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, 2024, the Interstate NHS is at 3.4, the Non-Interstate NHS is at 3.1, and the Non-NHS is at 2.8.

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 Federal Highway Administration (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, 2024, the bridge ratings for Good Condition were 22.3% for NHS, 26.7% for Non-NHS, Fair Condition were 71.7% for NHS, 64.0% for Non-NHS, and for Poor Condition were 6.0% for NHS, and 9.3% 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 commissioners to the 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 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 100% of WyoLink assets and 100% 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 \$501.10 million for the year ended September 30, 2024. Actual expenditures on infrastructure for maintenance and preservation were \$523.70 million, a difference of \$22.60 million. The difference is due to the size and length of the construction projects.

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 \$17.20 million due to increased Federal funding received.
- Appropriated expenditure authority increased by \$17.20 million, which was attributable to the increase in Federal funding as well as due to the timing and size of highway improvement and maintenance projects.

Lease Purchase Agreement

At the end of the current year, the Department had \$6.73 million in outstanding debt related to its capital assets in the form of a lease-purchase agreement. The energy efficiencies should provide enough energy



Wyoming Department of Transportation

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

The coronavirus (COVID-19) pandemic has significantly impacted the economic conditions in the U.S. as federal, state and local governments reacted to the public health crisis. The State of Wyoming has seen improvement in revenues due to high energy prices and while the labor market is improving, it is still slow to recover. The supply chain issues have improved, however, the cost of materials continues to increase. 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). The annual average received of approximately \$100.00 million is anticipated to continue through fiscal year 2026. Based on the 2020 study undertaken by WYDOT and subsequently adjusted, additional federal dollars will help to reduce the annual unfunded transportation needs of \$411.32 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.



Wyoming Department of Transportation

BASIC FINANCIAL STATEMENTS



Wyoming Department of Transportation

STATEMENT OF NET POSITION

September 30, 2024

ASSETS

Current Assets

Cash with State Treasurer	\$ 334,590,997
Accounts receivable	130,097,536
Advances to primary government	100,000
Due from primary government	3,976,247
Prepaid items	3,004,772
Inventories	34,029,847
Total current assets	505,799,399

Noncurrent Assets

Depreciable and amortizable capital assets, net	187,424,988
Land and non-depreciable infrastructure	5,779,940,553
Construction in progress	149,082,782
Prepaid items	7,301,569
Total noncurrent assets	6,123,749,892

Total assets \$ 6,629,549,291

DEFERRED OUTFLOWS OF RESOURCES

Pension related	\$ 19,205,032
OPEB related	49,497,559
Total deferred outflows of resources	\$ 68,702,591

LIABILITIES

Current Liabilities

Accounts payable	\$ 102,093,489
Due to other governments	2,306,764
Accrued interest payable	28,504
Deposits of others	178,952
Lease purchase payable, due within one year	1,016,896
Lease/subscription liability, due within one year	595,349
Compensated absences, due within one year	12,436,277
Total current liabilities	118,656,231

Noncurrent Liabilities

Lease purchase payable, due in more than one year	5,712,792
Lease/subscription liability, due in more than one year	1,062,300
Compensated absences, due in more than one year	12,943,881
Net pension liability	135,080,499
Total OPEB liability	105,673,085
Total noncurrent liabilities	260,472,557

Total liabilities \$ 379,128,788

DEFERRED INFLOWS OF RESOURCES

Pension related	\$ 9,727,867
OPEB related	124,466,952
Total deferred inflows of resources	\$ 134,194,819

NET POSITION

Net Investment in Capital Assets	\$ 6,115,362,555
Restricted	60,673,333
Unrestricted	8,892,387
Total net position	\$ 6,184,928,275

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, 2024

			Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
FUNCTIONS/PROGRAMS						
Governmental Activities						
Road preservation and maintenance	\$ 569,597,178	\$ 33,970,266	\$ 444,481,169	\$ -	\$ (91,145,743)	
Planning	14,748,066	-	-	-	(14,748,066)	
Highway safety	6,243,265	52,629	4,453,376	-	(1,737,260)	
Administration	37,659,242	14,876	-	-	(37,644,366)	
Federal transit	15,964,353	-	25,096	17,861,557	1,922,300	
Licensing and registration	13,704,678	7,566,661	-	-	(6,138,017)	
Licensing and registration - local government	63,408,884	-	-	-	(63,408,884)	
Law enforcement	47,332,796	13,195	4,018,420	-	(43,301,181)	
Statewide communication network	12,738,512	393,935	-	-	(12,344,577)	
Airport improvement	57,952,941	-	61,550,040	-	3,597,099	
Flight services	802,617	575,697	-	-	(226,920)	
Interest on long-term debt	329,464	-	-	-	(329,464)	
Total governmental activities	<u>\$ 840,481,996</u>	<u>\$ 42,587,259</u>	<u>\$ 514,528,101</u>	<u>\$ 17,861,557</u>	<u>(265,505,079)</u>	
General Revenue						
Motor fuels tax and registration fees					204,643,343	
Motor fuels tax and registration fees - local governments					63,408,884	
Mineral royalty and severance tax					68,740,864	
State appropriations					6,705,448	
Interest and investment income					37,502,307	
Other revenue					8,778,637	
Total general revenue					<u>389,779,483</u>	
Change in net position					<u>124,274,404</u>	
Net Position, beginning					<u>6,068,057,938</u>	
Restatement for correction of an error (Note 1)					<u>(7,404,067)</u>	
Net Position, beginning as restated					<u>6,060,653,871</u>	
Net Position, ending					<u>\$ 6,184,928,275</u>	

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



Wyoming Department of Transportation

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

	WYDOT General Fund	State Infrastructure Bank Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash with State Treasurer	\$ 253,407,707	\$ 41,278,646	\$ 39,904,644	\$ 334,590,997
Accounts receivable	124,383,901	-	5,713,635	130,097,536
Due from other funds	28,031	-	-	28,031
Advances to primary government	-	-	100,000	100,000
Due from primary government	-	-	3,976,247	3,976,247
Prepaid items	-	-	3,004,772	3,004,772
Inventories	34,029,847	-	-	34,029,847
Total assets	\$ 411,849,486	\$ 41,278,646	\$ 52,699,298	\$ 505,827,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 92,898,227	\$ -	\$ 9,195,262	\$ 102,093,489
Due to other funds	-	-	28,031	28,031
Due to other governments	2,306,764	-	-	2,306,764
Deposits of others	178,952	-	-	178,952
Total liabilities	95,383,943	-	9,223,293	104,607,236
Deferred Inflows of Resources				
Unavailable revenue	21,706,706	-	2,681,406	24,388,112
Total deferred inflows of resources	21,706,706	-	2,681,406	24,388,112
Fund Balances				
Nonspendable	34,029,847	-	3,004,772	37,034,619
Restricted	-	26,061,739	34,611,594	60,673,333
Committed	81,169,589	-	-	81,169,589
Assigned	-	15,216,907	3,807,510	19,024,417
Unassigned	179,559,401	-	(629,277)	178,930,124
Total fund balances	294,758,837	41,278,646	40,794,599	376,832,082
Total liabilities, deferred inflows of resources, and fund balances	\$ 411,849,486	\$ 41,278,646	\$ 52,699,298	\$ 505,827,430

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, 2024

Total fund balances - Total governmental funds \$ 376,832,082

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	\$ 5,771,445,745	
Land	8,494,808	
Non-infrastructure WIP	4,913,801	
Infrastructure WIP	144,168,981	
Site improvements	15,998,211	
Buildings	207,256,168	
Vehicles, aircraft, and road machinery	209,267,836	
General property	21,553,971	
Gravel pits	1,233,000	
Software	10,341,469	
Right-to-use leased land	1,231,997	
Subscription assets	4,108,347	
Prepaid subscription implementation costs	7,301,569	
Accumulated depreciation, depletion, and amortization	<u>(283,566,011)</u>	
		6,123,749,892

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.

68,702,591

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.

24,388,112

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	\$ (135,080,499)	
Total OPEB liability	(105,673,085)	
Long-term lease purchase agreements	(6,729,688)	
Right-to-use leased/subscription liabilities	(1,657,649)	
Accrued interest on leases/subscriptions	(28,504)	
Compensated absences	<u>(25,380,158)</u>	
		(274,549,583)

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.

(134,194,819)

Net position of governmental activities

\$ 6,184,928,275

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, 2024

	WYDOT General Fund	State Infrastructure Bank Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Motor fuels tax and registration fees	\$ 117,045,099	\$ -	\$ -	\$ 117,045,099
Motor fuels tax and registration fees - local governments	57,886,429	-	-	57,886,429
Mineral royalty and severance tax	69,415,242	-	-	69,415,242
Highway user fees	106,214,918	-	1,704,872	107,919,790
Highway user fees - local governments	5,522,455	-	-	5,522,455
Federal aid	444,384,038	-	10,012	444,394,050
Federal grant	54,110,142	-	26,225,738	80,335,880
Use of property and money	-	-	86,717	86,717
Interest and investment	32,770,033	2,452,355	2,279,921	37,502,309
City, county, and other matching	11,444,034	-	3,051,454	14,495,488
Flight services	-	-	575,697	575,697
Statewide communication network	-	-	393,935	393,935
Other state sources	180,000	-	6,525,448	6,705,448
Other miscellaneous	15,753,981	-	-	15,753,981
Revenue from others	-	-	189,359	189,359
Total revenues	914,726,371	2,452,355	41,043,153	958,221,879
Expenditures				
Current				
Road preservation and maintenance	627,496,405	-	-	627,496,405
Planning	15,085,424	-	-	15,085,424
Highway safety	6,574,035	-	381,863	6,955,898
Administration	40,085,233	-	-	40,085,233
Federal transit	-	-	15,872,150	15,872,150
Licensing and registration	13,216,769	-	5,734,122	18,950,891
Licensing and registration - local governments	63,408,884	-	-	63,408,884
Law enforcement	49,293,976	-	-	49,293,976
Statewide communication network	-	-	12,670,258	12,670,258
Airport improvement	48,631,841	-	9,307,817	57,939,658
Flight services	-	-	802,616	802,616
Debt Service				
Principal	2,742,457	-	108,188	2,850,645
Interest	349,166	-	17,292	366,458
Total expenditures	866,884,190	-	44,894,306	911,778,496
Excess of revenue over expenditures	47,842,181	2,452,355	(3,851,153)	46,443,383
Other financing sources (uses)				
Transfers in	94,232,524	-	3,825,975	98,058,499
Transfers out	(98,056,794)	-	(1,705)	(98,058,499)
Proceeds from sale of assets	1,163,718	-	-	1,163,718
Total other financing sources (uses)	(2,660,552)	-	3,824,270	1,163,718
Net change in fund balances	45,181,629	2,452,355	(26,883)	47,607,101
Fund Balances, beginning	254,600,873	38,826,291	43,201,884	336,629,048
Restatement for correction of error (Note 1)	(5,023,665)	-	(2,380,402)	(7,404,067)
Fund Balances, beginning as restated	249,577,208	38,826,291	40,821,482	329,224,981
Fund Balances, ending	\$ 294,758,837	\$ 41,278,646	\$ 40,794,599	\$ 376,832,082

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, 2024

Net change in fund balances - total governmental funds \$ 47,607,101

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	\$ 77,927,432	
Current year depreciation, depletion, and amortization	(20,094,104)	
Disposition of assets	<u>(1,855,236)</u>	55,978,092

Some mineral royalties, severance tax, and other revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported in the governmental funds. 5,370,804

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. 955,468

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	\$ (342,360)	
Right-to-use leased liabilities	56,183	
Subscription liabilities	1,838,994	
Accrued interest on leases/subscriptions	36,995	
Net pension liability	10,411,687	
Total OPEB liability	<u>2,361,440</u>	14,362,939

Change in net position of governmental activities \$ 124,274,404

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, 2024

	<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	\$ 1,438,304
Total assets	<u>\$ 1,438,304</u>
LIABILITIES	
Due to other governments	\$ 1,305,468
Total liabilities	<u>\$ 1,305,468</u>
NET POSITION	
Restricted for other governments	\$ 132,836
Total net position	<u>\$ 132,836</u>

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, 2024

	<u>Custodial Fund</u>
	<u>Motor Vehicle Registration (MVR) to Other Governments Fund</u>
Additions	
Collections of fuel tax for other governments	\$ 5,716,588
Total additions	<u>5,716,588</u>
Deductions	
Payments of fuel tax to other governments	<u>5,758,489</u>
Total deductions	<u>5,758,489</u>
Change in net position	(41,901)
Net position, beginning	<u>174,737</u>
Net position, ending	<u><u>\$ 132,836</u></u>

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



Wyoming Department of Transportation

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 registrations, motor carrier licenses, drivers’ licenses, 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.



Wyoming Department of Transportation

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 and 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, including those issued or guaranteed by the U.S. Treasury or U.S. Government agencies, bonds from Wyoming agencies or political subdivisions, corporate notes, bonds, debentures, commercial paper, and banker’s acceptances. Additionally, the Treasurer can invest in loans identified by collateralized mortgage obligations, secured by cash flows from mortgages, and may be subject to prepayments that can lead to fluctuations in interest rates.

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



Wyoming Department of Transportation

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



Wyoming Department of Transportation

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. Capitalizable initial implementation costs incurred prior to the commencement date are recognized as noncurrent prepaid assets.

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, 2024, 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.



Wyoming Department of Transportation

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, 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 and grants 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



Wyoming Department of Transportation

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 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.

Beginning net position restatement due to correction of an error in previously issued financial statements:

During fiscal year 2024, the Department determined that a portion of accounts payable for the General Fund and Federal Transit Authority Fund were misstated. As a result, accounts payable for the General Fund and Federal Transit Authority Fund were understated by \$5.02 million and \$2.38 million as of September 30, 2023, respectively. The effects of that change to or within the financial reporting entity are shown in the table below:

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	Funds		Government-Wide
	General Fund	Federal Transit Authority Fund	Governmental Activities
9/30/2023, as previously reported	\$ 254,600,873	\$ 997,794	\$ 6,068,057,938
Error correction	(5,023,665)	(2,380,402)	(7,404,067)
9/30/2023, as restated	<u>\$ 249,577,208</u>	<u>\$ (1,382,608)</u>	<u>\$ 6,060,653,871</u>

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



Wyoming Department of Transportation

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, 2024, the governmental funds did not have bank balances on deposit, nor did the fiduciary fund have any bank balances on deposit.

The following summarizes cash and pooled cash investments:

Cash on deposit with State Treasurer	<u>\$ 336,029,301</u>
--------------------------------------	-----------------------

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

Statement of Net Position	
Cash with State Treasurer	\$ 334,590,997
Statement of Fiduciary Net Position	
Cash with State Treasurer	<u>1,438,304</u>
	<u>\$ 336,029,301</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, 2024:

	WYDOT	
	General Fund	Nonmajor Funds
Due from the Federal government	\$ 58,027,385	\$ 786,469
Due from other State agencies	12,745,142	70,917
Due from other governments	12,485,189	4,751,279
Other receivables	41,126,185	104,970
	<u>\$ 124,383,901</u>	<u>\$ 5,713,635</u>

Lease Receivable

The Department is a lessor for noncancelable leases of buildings that have been accounted for as a lease receivable with a balance of \$0 as of September 30, 2024. These leases have no variable payments nor residual value guarantees. The payments received for the year ended September 30, 2024 were \$64,449 with \$956 of the amount received as interest.

Note 4. Inventory

Inventories consist primarily of materials to maintain Department assets during the year. The schedule on the following page summarizes the value of inventories at September 30, 2024.



Wyoming Department of Transportation

Road materials and supplies	\$ 32,078,789
Motor operating supplies	730,201
General supplies	290,136
Statewide communication parts	711,591
Work in progress	569,130
	<u>34,379,847</u>
Less allowance for obsolescence	<u>(350,000)</u>
Total	<u>\$ 34,029,847</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, 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, 2024 are as follows:

	Due From	Due To
WYDOT General Fund	\$ 28,031	\$ -
Motorcycle Safety Fund	-	356
Federal Transit Authority Fund	-	1,666
Air Service Enhancement Fund	-	403
Flight Services Fund	-	24,862
Statewide Communication System Fund	-	744
	<u>\$ 28,031</u>	<u>\$ 28,031</u>

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, 2024.

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, 2024 are as follows:

	Transfers In	Transfers Out
WYDOT General Fund	\$ 94,232,524	\$ 98,056,794
Motorcycle Safety Fund	-	933
Federal Transit Authority Fund	1,500,000	772
Air Service Enhancement Fund	1,433,667	-
Flight Services Fund	200,000	-
Statewide Communication System Fund	692,308	-
	<u>\$ 98,058,499</u>	<u>\$ 98,058,499</u>

Note 6. Long-Term Obligations

The changes in the long-term liabilities of the Department are shown on the following page.



Wyoming Department of Transportation

September 30, 2024					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One Year
Governmental activities					
Lease purchase agreement PWB-13	\$ 1,288,183	\$ -	\$ 203,021	\$ 1,085,162	\$ 214,606
Lease purchase agreement BOA-14	6,396,973	-	752,447	5,644,526	802,290
Lease liability	1,091,447	-	56,183	1,035,264	58,605
Subscription liability	2,461,379	-	1,838,994	622,385	536,744
Compensated absences	25,037,798	12,778,637	12,436,277	25,380,158	12,436,277
Governmental activities					
Long-term liabilities	\$ 36,275,780	\$ 12,778,637	\$ 15,286,922	\$ 33,767,495	\$ 14,048,522

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 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, 2024. 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, 2024, were \$229,939, with \$26,918 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
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>\$ 1,085,162</u>	<u>\$ 59,242</u>	<u>\$ 1,144,404</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.



Wyoming Department of Transportation

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, 2024, were \$924,982, with \$172,535 of the amount paid as interest.

Annual debt service requirements for the 2014 lease purchase agreement are as follows:

2014 Lease Purchase Agreement:

Year ended September 30,	Principal	Interest	Total
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	1,025,414	46,896	1,072,310
2030	1,087,614	16,862	1,104,476
	<u>\$ 5,644,526</u>	<u>\$ 518,140</u>	<u>\$ 6,162,666</u>

Lease Liability

The Department is a lessee for various noncancelable leases of land that have been accounted for as right-to-use leased land. 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
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	16,408	26,595	43,003
2030 - 2034	103,378	124,759	228,137
2035 - 2039	145,495	106,840	252,335
2040 - 2044	198,086	81,998	280,084
2045 - 2049	243,537	49,111	292,648
2050 - 2054	35,482	24,873	60,355
2055 - 2059	41,134	19,221	60,355
2060 - 2064	47,686	12,669	60,355
2065 - 2069	55,282	5,073	60,355
	<u>\$ 1,035,264</u>	<u>\$ 566,012</u>	<u>\$ 1,601,276</u>



Wyoming Department of Transportation

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 as follows:

Year ended September 30,	Principal	Interest	Total
2025	\$ 536,744	\$ 29,530	\$ 566,274
2026	85,641	1,649	87,290
	<u>\$ 622,385</u>	<u>\$ 31,179</u>	<u>\$ 653,564</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 \$11,115,046 as of September 30, 2024, represents a contingent liability to the Department.



Wyoming Department of Transportation

Note 7. Capital Assets

Capital asset activities for the year ended September 30, 2024 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	4,709,772,068	205,231	-	53,032,608	4,763,009,907
Communication systems	60,089,438	-	-	2,863,241	62,952,679
Permanent easements	4,294,728	-	-	-	4,294,728
Work in progress	162,861,369	37,203,461	-	(55,895,849)	144,168,981
Total infrastructure related assets	5,878,206,034	37,408,692	-	-	5,915,614,726
Capital assets					
Nondepreciable capital assets					
Land	8,494,808	-	-	-	8,494,808
Work in progress	4,278,014	1,273,119	-	(637,332)	4,913,801
Depreciable and amortizable capital assets					
Site improvements	15,998,211	-	-	-	15,998,211
Buildings	206,641,686	-	(22,850)	637,332	207,256,168
Vehicles, aircraft, and road machinery	186,740,913	29,669,057	(7,142,134)	-	209,267,836
General property	21,423,922	2,274,995	(2,144,946)	-	21,553,971
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 based IT assets	4,796,483	-	(688,136)	-	4,108,347
Total capital assets	461,180,503	33,217,171	(9,998,066)	-	484,399,608
Less accumulated depreciation, depletion, and amortization					
Site improvements	(14,066,884)	(519,431)	-	-	(14,586,315)
Buildings	(131,604,172)	(6,126,694)	22,850	-	(137,708,016)
Vehicles, aircraft, and road machinery	(95,932,380)	(10,518,201)	5,367,143	-	(101,083,438)
General property	(17,550,650)	(1,064,529)	2,064,701	-	(16,550,478)
Software	(10,340,110)	-	-	-	(10,340,110)
Gravel pit	(236,051)	-	-	-	(236,051)
Right-to-use leased land	(120,129)	(78,285)	-	-	(198,414)
Subscription based IT assets	(1,764,361)	(1,786,964)	688,136	-	(2,863,189)
Total depreciation, depletion, and amortization	(271,614,737)	(20,094,104)	8,142,830	-	(283,566,011)
Total capital assets, net of depreciation, depletion, and amortization	189,565,766	13,123,067	(1,855,236)	-	200,833,597
Governmental activities, capital assets, net	\$ 6,067,771,800	\$ 50,531,759	\$ (1,855,236)	\$ -	\$ 6,116,448,323



Wyoming Department of Transportation

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

Road preservation and maintenance	\$ 18,017,374
Planning	12,265
Highway safety	19,080
Administration	499,647
Federal transit	111,053
Licensing and registration	413,189
Law enforcement	798,382
Statewide communication network	68,253
Airport improvement	154,861
	<u>\$ 20,094,104</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	\$ 34,029,847	\$ -	\$ -
Prepaid items	-	-	3,004,772
Restricted for			
Air service enhancement funds	-	-	2,406,106
Commercial air service improvement fund	-	-	13,287,902
Radioactive waste clean-up	-	-	789,932
Ignition interlock device expenditures	-	-	742,777
Loans made for road construction projects	-	26,061,739	-
Flight service expenditures	-	-	36,262
Wildlife conservation	-	-	2,008,158
Transportation information system	-	-	15,340,457
Committed for			
Additional \$.10 motor fuels tax for contract payments	81,169,589	-	-
Assigned to			
Loans made for road construction projects	-	15,216,907	-
Communication system enhancements	-	-	1,261,203
Motorcycle safety education	-	-	2,341,996
Other	-	-	204,311
Unassigned			
WYDOT General Fund	179,559,401	-	-
Federal transit authority			(629,277)
Total fund balances	<u>\$ 294,758,837</u>	<u>\$ 41,278,646</u>	<u>\$ 40,794,599</u>

A negative unassigned fund balance of (\$629,277) is reported in the Federal Transit Authority Fund due to timing of revenues received and expenditures made.



Wyoming Department of Transportation

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, 2024, member and employer contributions were required to be 9.25% and 9.37% of compensation,



Wyoming Department of Transportation

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 \$15,418,603 for the year ended September 30, 2024.

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, effective July 1, 2024, member contributions were required to be 18.92% of compensation and employer contributions were required to be 14.88% of compensation. Previously, the 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, effective July 1, 2024, the Department has elected to pay 15.89% of the member contributions in addition to the employer contribution. Previously, 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 \$4,775,200 for the year ended September 30, 2024.

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.



Wyoming Department of Transportation

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.

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 Wyoming State Statutes 15-5-301 through 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, effective July 1, 2024, member and employer contributions were required to be 9.50% and 9.50% of compensation, respectively. Previously, the member and employer contribution percentages were 8.60% and 8.60%, respectively. In accordance with Title 9-3-432 (a) of Wyoming State Statutes, effective July 1, 2024, the Department has elected to pay 9.50% of the member contributions in addition to the employer contributions. Previously, the Department has elected to pay 8.60% of the member contributions in addition to the employer contribution. Total contributions to the pension plan from the Department were \$341,868 for the year ended September 30, 2024.

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

At September 30, 2024, the following table shows the total net pension liability and total pension expense (offset) for the Department, in addition to the net pension liability and pension expense (offset) for each plan, for its proportionate share of the net pension liability.

	September 30, 2024	
	Net Pension Liability	Pension Expense (Offset)
Public Employee Pension Plan	\$ 110,882,200	\$ 1,501,408
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	\$ 22,942,379	\$ 594,571
Law Enforcement Pension Plan	\$ 1,255,920	\$ (49,988)
Total Liability for Department	\$ 135,080,499	\$ 2,045,991

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. There were no assumption changes for the 2023 actuarial valuation. 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



Wyoming Department of Transportation

plan for the year ended December 31, 2023, to the contributions of all participating employers for the same period to each plan.

The Department's proportionate share of each plan is as follows:

	Proportionate Share at December 31, 2023	Proportionate Share at December 31, 2022
Public Employee Pension Plan	4.884288409%	4.740532511%
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	62.462555900%	61.584879300%
Law Enforcement Pension Plan	0.929732404%	0.978157940%

At September 30, 2024, 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	\$ 2,142,249	\$ (484,386)
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	2,025,771	(842,556)
Law Enforcement Pension Plan	109,239	(65,569)
Net difference between projected and actual earnings on pension plan investments		
Public Employee Pension Plan	-	(3,930,450)
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	-	(999,310)
Law Enforcement Pension Plan	-	(75,733)
Changes in proportionate share of contributions		
Public Employee Pension Plan	2,523,824	(1,273,147)
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	272,713	(331,508)
Law Enforcement Pension Plan	1,046	(233,405)
Change in assumptions		
Public Employee Pension Plan	1,138,193	-
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	935,855	-
Law Enforcement Pension Plan	704,602	(1,491,803)
Contributions subsequent to the measurement date		
Public Employee Pension Plan	7,270,653	-
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	1,946,292	-
Law Enforcement Pension Plan	134,595	-
	<u>\$ 19,205,032</u>	<u>\$ (9,727,867)</u>

An amount of \$9,351,540 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, 2025. 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.



Wyoming Department of Transportation

	Public Employee Pension Plan	State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	Law Enforcement Pension Plan
Year ended September 30,			
2025	\$ (2,594,266)	\$ (295,776)	\$ (137,525)
2026	57,177	300,773	(591,176)
2027	8,082,057	2,470,602	(222,898)
2028	(5,428,685)	(1,414,634)	(100,024)
	<u>\$ 116,283</u>	<u>\$ 1,060,965</u>	<u>\$ (1,051,623)</u>

Actuarial assumptions

The total pension liability in the January 1, 2023 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 Pension Plan	State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	Law Enforcement 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, 2023, these best estimates are summarized in the table on the following page.



Wyoming Department of Transportation

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%	-0.30%
Gold	1.50%	2.13%	0.70%
Fixed Income	20.00%	3.38%	3.80%
Equity	51.50%	6.52%	8.20%
Marketable Alternatives	16.00%	4.39%	5.23%
Private Real Assets	10.50%	5.97%	7.48%
	100.00%		

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.....6.80% *
 *(prior year discount rate of 5.53%)

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, 2024, 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.



Wyoming Department of Transportation

	1% Decrease (5.80%)	Current (6.80%)	1% Increase (7.80%)
Public Employee Pension Plan	\$ 176,084,548	\$ 110,882,200	\$ 56,849,143
State Patrol, Game & Fish Warden, and Criminal Investigator Pension Plan	\$ 40,238,082	\$ 22,942,379	\$ 8,664,260
Law Enforcement Pension Plan	\$ 2,534,380	\$ 1,255,920	\$ 210,473

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 the 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 its 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.



Wyoming Department of Transportation

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

At September 30, 2024, the Department reported a liability of \$105,673,085 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2024. 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, 2024, the Department's proportion was 15.97601%, which was a decrease from the June 30, 2023 proportion of 16.24282%.

For the year ended September 30, 2024, the Department recognized OPEB expense (offset) of (\$2,361,440). At September 30, 2024, 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	\$ 1,587,162	\$ -
Differences between expected and actual experience	12,283,012	(23,458,780)
Change in proportionate share	7,538,448	-
Change in assumptions	28,088,937	(101,008,172)
	<u>\$ 49,497,559</u>	<u>\$ (124,466,952)</u>

An amount of \$1,587,162 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, 2025. 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,	
2025	\$ (13,186,031)
2026	(13,186,031)
2027	(11,495,465)
2028	(13,818,694)
2029	(11,009,088)
Thereafter	(13,861,246)
	<u>\$ (76,556,555)</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2023 (based on June 30, 2023 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.



Wyoming Department of Transportation

		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:	7.50% decreasing annually until reaching the ultimate trend rate of 4.50%
	Medicare:	17.25% decreasing annually until reaching the ultimate trend rate of 4.50%
Participation Rate	55% 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 3.65% at June 30, 2023, which represents an increase from the discount rate of 3.54% utilized for the June 30, 2022 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.



Wyoming Department of Transportation

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 3.65%, 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 (2.65%)	Current (3.65%)	1% Increase (4.65%)
Proportionate share of the collective total OPEB liability	\$ 127,424,384	\$ 105,673,085	\$ 88,708,623

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	6.50%	7.50%	8.50%
Medicare	16.25%	17.25%	18.25%
Proportionate share of the collective total OPEB liability	\$ 90,252,416	\$ 105,673,085	\$ 126,043,955

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 2024 for the second 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, 2023, through September 30, 2024, 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.



Wyoming Department of Transportation

The State's group insurance fund was solvent at June 30, 2024, and the Department expects to incur no liability in connection with the group insurance program. Group insurance premiums paid by the Department during fiscal year 2024 were \$28,600,556.

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, 2024, the State Workers' Compensation Fund reported a claims liability of approximately \$1.37 million. 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 2024 was \$2,046,253.

The Department does not carry unemployment insurance but pays the cost of actual claims incurred. The Department paid \$90,596 in unemployment claims for the fiscal year ended September 30, 2024.

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 \$14,140,162 for the year ended September 30, 2024.

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 \$430 million. Construction, maintenance, and airport improvement contracts make up the majority of these commitments. At September 30, 2024, 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, 2024 are as follows:

	WYDOT	
	General Fund	Nonmajor Funds
Construction and maintenance	\$ 304,746,323	\$ -
Airport improvement	53,555,610	406,609
Other	24,246,300	47,329,933
	<u>\$ 382,548,233</u>	<u>\$ 47,736,542</u>



Wyoming Department of Transportation





REQUIRED SUPPLEMENTARY INFORMATION



Wyoming Department of Transportation

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH September 30, 2024

The Department accounts for its infrastructure assets using the modified approach. The infrastructure consists of the road subsystem, 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, 2024, the overall PQR for Interstate NHS was 3.4, Non-Interstate-NHS was 3.1, and Non-NHS was 2.8. 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.

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

2024 PQR Condition Rating						
Condition	Interstate NHS		Non-Interstate NHS		Non-NHS	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	898	49.2%	787	36.6%	986	28.5%
Fair	648	35.5%	851	39.5%	1,393	40.3%
Poor	280	15.3%	515	23.9%	1,081	31.2%
Total	1,826	100.0%	2,153	100.0%	3,460	100.0%

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%

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



Wyoming Department of Transportation

2024 Structure Condition Rating				
Condition	NHS		Non-NHS	
	Area	Percent	Area	Percent
Good	1,799,491	22.3%	900,538	26.7%
Fair	5,799,657	71.7%	2,153,221	64.0%
Poor	483,029	6.0%	313,314	9.3%
Total	8,082,177	100.0%	3,367,073	100.0%

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%

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 100.0% of WyoLink assets and 100.0% 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

2024 Condition Rating				
Condition	WyoLink		Emergency Communications	
	Number of Assets	Percent	Number of Assets	Percent
Acceptable	85	100.0%	216	100.0%
Deficient	-	0.0%	-	0.0%
Total	85	100.0%	216	100.0%

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%
Total	55	100.0%	229	100.0%

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%
Total	56	100.0%	224	100.0%

The Department estimated maintenance and preservation expenditures on infrastructure assets of \$501.1 million for the year ended September 30, 2024. Actual expenditures on infrastructure for maintenance and preservation were \$523.7 million, a difference of \$22.6 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
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
2024	435.4	61.2	4.5	427.8	91.4	4.5



Wyoming Department of Transportation

**SCHEDULE OF REVENUES APPROPRIATED AND EXPENDITURES ALLOCATED -
BUDGET AND ACTUAL - WYDOT GENERAL FUND
For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues appropriated:				
Highway user fees	\$ 221,443,126	\$ 221,443,126	\$ 220,636,101	\$ (807,025)
Mineral royalties and severance taxes	71,309,000	71,309,000	71,309,000	-
General funds	-	1,444,445	180,000	(1,264,445)
Federal aid	395,398,300	384,136,677	425,130,416	40,993,739
Federal grants	36,748,111	63,164,164	58,349,598	(4,814,566)
Other sources	19,143,881	19,747,235	29,862,155	10,114,920
Total revenues appropriated	744,042,418	761,244,647	805,467,270	44,222,623
Expenditures allocated:				
Highway improvement program	432,193,907	389,512,329	399,002,698	(9,490,369)
Highway maintenance	122,921,205	131,471,804	127,026,107	4,445,697
Transportation planning	33,661,961	37,106,252	31,989,937	5,116,315
Other	18,444,478	18,797,790	13,598,558	5,199,232
Legislative appropriated	101,671,128	129,206,231	117,608,616	11,597,615
Capital outlay	24,594,385	44,594,887	38,391,912	6,202,975
Transfers out, other State agencies	10,555,354	10,555,354	7,450,336	3,105,018
Total expenditures allocated	744,042,418	761,244,647	735,068,164	26,176,483
Revenues appropriated over expenditures allocated	\$ -	\$ -	\$ 70,399,106	\$ 70,399,106

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
Revenues appropriated:				
Reimbursements on advance	\$ 10,000,000	\$ 10,000,000	\$ -	\$ (10,000,000)
Interest and investment revenue	641,014	641,014	1,559,172	918,158
Total revenues appropriated	10,641,014	10,641,014	1,559,172	(9,081,842)
Expenditures allocated:				
Project loans/advances	15,000,000	-	-	-
Revenues appropriated (under)/over expenditures allocated	\$ (4,358,986)	\$ 10,641,014	\$ 1,559,172	\$ (9,081,842)

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
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%
2024	4.884288409%	\$ 110,882,200	\$ 99,150,566	111.83%	80.19%

* 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
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%
2024	\$ 9,670,168	\$ 9,670,168	\$ -	\$ 103,203,503	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
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%
2024	62.462555900%	\$ 22,942,379	\$ 16,541,166	138.70%	83.70%

* 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
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%
2024	\$ 2,554,357	\$ 2,554,357	\$ -	\$ 17,166,375	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
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%
2024	0.929732404%	\$ 1,255,920	\$ 1,665,989	75.39%	86.90%

* 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
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%
2024	\$ 170,934	\$ 170,934	\$ -	\$ 1,934,744	8.83%

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 7 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%
2024	15.976010000%	\$ 105,673,085	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 General Fund
Revenues appropriated - actual amounts (basis of budgeting)	\$ 805,467,270
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	52,575,113
Differences in accrual basis revenues and cash basis budgetary amounts	56,683,988
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 914,726,371
	WYDOT General Fund
Expenditures allocated - actual amounts (basis of budgeting)	\$ 735,068,164
Net difference in project-length expenditures budgeted each year for the length of the project, compared to expenditures incurred on specific contracts in progress	965,784,415
Differences in accrual basis expenditures and cash basis budgetary amounts	(833,968,389)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 866,884,190
	State Infrastructure Bank Fund
Revenues appropriated - actual amounts (basis of budgeting)	\$ 1,559,172
Differences in budgetary basis to GAAP Unrealized gain on investments	893,183
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 2,452,355
	State Infrastructure Bank Fund
Expenditures allocated - actual amounts (basis of budgeting)	\$ -
Differences in budgetary basis to GAAP Project loan advances	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ -



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, 2023 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, 2023 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%
2023	6.80%	6.80%	6.80%

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%
2023	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%
2023	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%
2023	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%
2023	2.50%	2.50%	2.50%



Wyoming Department of Transportation

Cost of Living Increases			
Measurement Date (WRS Year Ended)	Public Employee Pension Plan	State Patrol, Game & Fish Warden, and Criminal Investigator 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%
2023	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 and June 30, 2023 measurement dates.

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

Measurement Date (June 30):	Discount Rate	Inflation Rate	Salary Increases Rate	Pre-Medicare HTC*	Medicare 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%
2023	3.65%	2.25%	2.50 - 8.50%	7.50%	17.25%

*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 study.



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, 2024

	Motorcycle Safety Fund	Wildlife Conservation Fund	Federal Transit Authority Fund	IFTA Decal Fund	Transportation Information System Fund	Radioactive Waste Fees Fund
ASSETS						
Cash with State Treasurer	\$ 2,371,009	\$ 1,908,158	\$ 1,343,351	\$ 204,311	\$ 15,340,312	\$ 685,082
Accounts receivable	-	-	4,398,034	-	145	104,850
Advances to primary government	-	100,000	-	-	-	-
Due from primary government	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 2,371,009	\$ 2,008,158	\$ 5,741,385	\$ 204,311	\$ 15,340,457	\$ 789,932
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 28,657	\$ -	\$ 3,687,590	\$ -	\$ -	\$ -
Due to other funds	356	-	1,666	-	-	-
Total liabilities	29,013	-	3,689,256	-	-	-
Deferred Inflows of Resources						
Unavailable revenue	-	-	2,681,406	-	-	-
Total deferred inflows of resources	-	-	2,681,406	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	2,008,158	-	-	15,340,457	789,932
Assigned	2,341,996	-	-	204,311	-	-
Unassigned	-	-	(629,277)	-	-	-
Total fund balances	2,341,996	2,008,158	(629,277)	204,311	15,340,457	789,932
Total liabilities and fund balances	\$ 2,371,009	\$ 2,008,158	\$ 5,741,385	\$ 204,311	\$ 15,340,457	\$ 789,932



Wyoming Department of Transportation

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
\$ 743,039	\$ 2,735,623	\$ 13,303,972	\$ 33,616	\$ 1,236,171	\$ -	\$ 39,904,644
-	-	1,139,689	45,141	25,776	-	5,713,635
-	-	-	-	-	-	100,000
-	-	-	-	-	3,976,247	3,976,247
-	-	-	-	3,004,772	-	3,004,772
\$ 743,039	\$ 2,735,623	\$ 14,443,661	\$ 78,757	\$ 4,266,719	\$ 3,976,247	\$ 52,699,298
\$ 262	\$ 329,114	\$ 1,155,759	\$ 17,633	\$ -	\$ 3,976,247	\$ 9,195,262
-	403	-	24,862	744	-	28,031
262	329,517	1,155,759	42,495	744	3,976,247	9,223,293
-	-	-	-	-	-	2,681,406
-	-	-	-	-	-	2,681,406
-	-	-	-	3,004,772	-	3,004,772
742,777	2,406,106	13,287,902	36,262	-	-	34,611,594
-	-	-	-	1,261,203	-	3,807,510
-	-	-	-	-	-	(629,277)
742,777	2,406,106	13,287,902	36,262	4,265,975	-	40,794,599
\$ 743,039	\$ 2,735,623	\$ 14,443,661	\$ 78,757	\$ 4,266,719	\$ 3,976,247	\$ 52,699,298



Wyoming Department of Transportation

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2024

	Motorcycle Safety Fund	Wildlife Conservation Fund	Federal Transit Authority Fund	IFTA Decal Fund	Transportation Information System Fund	Radioactive Waste Fees Fund
Revenues						
Highway user fees	\$ 516,328	\$ 122,536	\$ -	\$ 23,723	\$ 540,824	\$ 399,600
Federal aid	-	-	10,012	-	-	-
Federal grant	-	-	15,178,109	-	-	-
Use of property and money	-	-	-	-	-	-
Interest and investment	140,090	122,231	63,612	12,713	784,799	-
City, county, and other matching	-	-	-	-	-	-
Flight services	-	-	-	-	-	-
Statewide communication network	-	-	-	-	-	-
Other state sources	-	-	-	-	-	-
Revenue from others	-	189,359	-	-	-	-
Total revenues	656,418	434,126	15,251,733	36,436	1,325,623	399,600
Expenditures						
Highway safety	381,863	-	-	-	-	-
Federal transit	-	-	15,872,150	-	-	-
Licensing and registration	-	-	-	20,668	5,659,401	-
Statewide communication network	-	-	-	-	-	-
Airport improvement	-	-	-	-	-	-
Flight services	-	-	-	-	-	-
Debt Service						
Principal	-	-	108,188	-	-	-
Interest	-	-	17,292	-	-	-
Total expenditures	381,863	-	15,997,630	20,668	5,659,401	-
Excess(deficiency) of revenue over expenditures	274,555	434,126	(745,897)	15,768	(4,333,778)	399,600
Other financing sources (uses)						
Transfers in	-	-	1,500,000	-	-	-
Transfers out	(933)	-	(772)	-	-	-
Total other financing sources (uses)	(933)	-	1,499,228	-	-	-
Net change in fund balances	273,622	434,126	753,331	15,768	(4,333,778)	399,600
Fund Balances, beginning	2,068,374	1,574,032	997,794	188,543	19,674,235	390,332
Restatement for correction of an error (Note 1)		-	(2,380,402)	-	-	-
Fund balances, beginning as restated	2,068,374	1,574,032	(1,382,608)	188,543	19,674,235	390,332
Fund Balances, ending	\$ 2,341,996	\$ 2,008,158	\$ (629,277)	\$ 204,311	\$ 15,340,457	\$ 789,932



Wyoming Department of Transportation

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
\$ 101,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,704,872
-	-	-	-	-	-	10,012
-	-	-	-	-	11,047,629	26,225,738
-	-	-	-	86,717	-	86,717
50,019	194,802	781,510	-	130,145	-	2,279,921
-	-	3,051,454	-	-	-	3,051,454
-	-	-	575,697	-	-	575,697
-	-	-	-	393,935	-	393,935
-	-	-	-	6,525,448	-	6,525,448
-	-	-	-	-	-	189,359
151,880	194,802	3,832,964	575,697	7,136,245	11,047,629	41,043,153
-	-	-	-	-	-	381,863
-	-	-	-	-	-	15,872,150
54,053	-	-	-	-	-	5,734,122
-	-	-	-	6,199,810	6,470,448	12,670,258
-	1,551,982	3,178,654	-	-	4,577,181	9,307,817
-	-	-	802,616	-	-	802,616
-	-	-	-	-	-	108,188
-	-	-	-	-	-	17,292
54,053	1,551,982	3,178,654	802,616	6,199,810	11,047,629	44,894,306
97,827	(1,357,180)	654,310	(226,919)	936,435	-	(3,851,153)
-	1,433,667	-	200,000	692,308	-	3,825,975
-	-	-	-	-	-	(1,705)
-	1,433,667	-	200,000	692,308	-	3,824,270
97,827	76,487	654,310	(26,919)	1,628,743	-	(26,883)
644,950	2,329,619	12,633,592	63,181	2,637,232	-	43,201,884
-	-	-	-	-	-	(2,380,402)
644,950	2,329,619	12,633,592	63,181	2,637,232	-	40,821,482
\$ 742,777	\$ 2,406,106	\$ 13,287,902	\$ 36,262	\$ 4,265,975	\$ -	\$ 40,794,599



Wyoming Department of Transportation





SINGLE AUDIT SECTION



Wyoming Department of Transportation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended September 30, 2024

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	-	\$ 3,379,701	\$ 3,379,701
Airport Improvement Program	20.106	-	35,959,447	36,075,585
<i>Total Airport Improvement program</i>			<u>39,339,148</u>	<u>39,455,286</u>
Federal Highway Administration				
Highway Research & Development Program	20.200	-	-	688,751
COVID-19: Highway Planning and Construction	20.205	-	-	10,955,147
Highway Planning and Construction	20.205	-	6,688,298	430,352,143
<i>Total Highway Planning and Construction</i>			<u>6,688,298</u>	<u>441,307,290</u>
Highway Training & Education	20.215	-	-	114,391
Fuel Tax Evasion - Intergovernmental Enforcement Effort	20.240	-	-	28,536
Federal Motor Carrier Safety Administration				
<i>FMCSA Cluster</i>				
Motor Carrier Safety Assistance	20.218	-	-	3,460,341
Federal Transit Administration				
Metropolitan Transportation Planning & State and Non-Metropolitan Planning and Research	20.505	-	117,444	142,540
COVID-19: Formula Grants for Rural Areas	20.509	-	721,583	817,956
Formula Grants for Rural Areas	20.509	-	8,306,177	11,140,166
<i>Total Formula Grants for Rural Areas</i>			<u>9,027,760</u>	<u>11,958,122</u>
<i>Transit Services Programs Cluster</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	-	446,007	446,007
<i>Federal Transit Cluster</i>				
Bus and Bus Facilities Formula Program	20.526	-	1,728,419	1,728,419
Office of the Secretary (OST) Administration Secretariate				
National Infrastructure Investments	20.933	-	-	5,617
National Highway Traffic Safety Administration				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety Program	20.600	-	897,909	2,668,045
National Priority Safety Programs	20.616	-	582,785	1,785,331
<i>Total Highway Safety Cluster</i>			<u>1,480,694</u>	<u>4,453,376</u>
Alcohol Open Container Requirements	20.607	-	10,078	87,120
Total U.S. Department of Transportation			<u>58,837,848</u>	<u>503,875,796</u>
Executive Office of the President				
High Intensity Drug Traffic Areas Program	95.001	-	-	101,138
U.S. Department of Homeland Security				
Passed through the State of Wyoming Office of Homeland Security				
Homeland Security Grant Program	97.067	N/A	-	98,194
U.S. Department of Justice				
Drug Enforcement Administration				
Law Enforcement Assistance Narcotics & Dangerous Drugs Laboratory Analysis	16.001	-	-	52,618
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	-	7,541,054
Total Federal Award Expenditures			<u>\$ 58,837,848</u>	<u>\$ 511,668,800</u>

See Notes to Schedule of Expenditures of Federal Awards.



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, 2024. 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, 2024, 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, 2025.

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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002 and 2024-003, that we consider to be material weaknesses.



Wyoming Department of Transportation

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, 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 Findings

Government Auditing Standards require the auditor to perform limited procedures on the Department's response to the findings 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.

MHP Assurance Services, LLP

Cheyenne, Wyoming
March 5, 2025



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, 2024. 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, 2024.

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



Wyoming Department of Transportation

laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Department's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,



Wyoming Department of Transportation

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

MHP Assurance Services, LLP

Cheyenne, Wyoming
March 5, 2025



Wyoming Department of Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended September 30, 2024

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major Federal 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:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
20.526	Federal Transit 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



Wyoming Department of Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) For The Year Ended September 30, 2024

II. FINANCIAL STATEMENT FINDINGS

2024-001: Audit Adjustment to Prepaid Items (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 expenditures an expense relating to services for fiscal year 2025, resulting in an overstatement of expenditures in fiscal year 2024 and the absence of an offsetting prepaid in the current year under U.S. GAAP. As a result, an adjusting entry was proposed and recorded within the Department's Statewide Communication System Fund to record the prepaid item and decrease the corresponding expenditures by \$3.00 million.

Cause: The Department's current accounting software (PeopleSoft) does not provide the capability for the Department to track invoices using service dates. However, when the invoice was entered into the software, the Budget Department included fiscal year notations in the invoice number field to identify the applicable fiscal year based on service dates. The invoice was recorded with the incorrect fiscal year ('FY24') instead of the correct upcoming fiscal year ('FY25'). Financial Services performs a review of payments made near year end and records prepaid items, as necessary. However, this payment was made approximately 11 months prior to the end of the current fiscal year and used the incorrect fiscal year in the invoice number, so it was not identified as a prepaid item. The invoice was paid significantly in advance of the service period due to concerns with future budget availability.

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 providing additional training for the Budget staff to ensure the accuracy of fiscal year notations included in the invoice number. Additionally, we recommend that the Budget staff collaborate closely with Financial Services staff to communicate any payments made for future service dates. This collaboration will help ensure that prepaid items are accurately recorded in accordance with U.S. GAAP.

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

2024-002: Audit Adjustment to Revenue (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.



Wyoming Department of Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended September 30, 2024

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Condition/context: The Department properly accrued expenditures paid in fiscal year 2025 and the corresponding payables that were for fiscal year 2024 service dates. However, the Department recorded the revenue amounts due from local governments and the related accounts receivable in fiscal year 2025. As a result, an adjusting entry was proposed and recorded within the Commercial Air Service Improvement Fund to record the revenue and related receivable by \$1.14 million.

Cause: Due to the unique nature of these expenditures paid, which are subsequently billed to a local government, the accrual of revenue and receivable was inadvertently missed when the expenditure and payable were accrued. The revenue and receivable should have been recognized when the expenditure and payable were accrued.

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 that the Department implement additional procedures at fiscal year end when expenditures and accounts payable are accrued, to also record any corresponding revenue and receivable due from local governments.

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

2024-003: Internal Controls and Audit Adjustments related to Unrequested Grant Reimbursements (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 following adjusting journal entries were proposed and recorded:

	General Fund	Federal Transit Authority Fund
For fiscal year 2023:		
Decrease expenses and fund balance	\$5.02 million	\$2.38 million
For fiscal year 2024:		
Increase expenses and accounts payable	\$4.53 million	\$3.05 million
Increase Federal revenue and accounts receivable	\$6.38 million	\$0.93 million
Increase deferred inflows and accounts receivable	\$1.62 million	\$2.68 million

Cause: The Department does not have a process for estimating the portion of subgranted monies related to the fiscal year being reported that have not yet been requested for reimbursement by subgrantees.



Wyoming Department of Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended September 30, 2024

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Effect: Prior to the proposed audit adjustments, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP.

Identification as a repeat finding: No.

Recommendation: We recommend that the Internal Review Program develop a process to request from grant administrators amounts that have not yet been submitted and processed for reimbursement but relate to the fiscal year being reported. This will allow Financial Services to estimate accounts payable. Financial Services should also establish a process to identify accounts payable, which have associated Federal revenue and receivable at year end.

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

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



Wyoming Department of Transportation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended September 30, 2023

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.

Status: For the fiscal year ending September 30, 2024, the Department reviewed all invoices above a specified threshold for evaluation of proper inclusion or exclusion from the financial statements in accordance with U.S. GAAP.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.



Wyoming Department of Transportation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended September 30, 2023

II. FEDERAL AWARD 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.

Status: FFATA information for FY2019 - FY2023 has been caught up. Initial entries for FY2024 have been entered and continue to be monitored as the Department is at year-end. FY2025 agreements are now starting to be signed and will be entered once the projects have been implemented.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.



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, 2024

The following is the corrective action plan for the Schedule of Findings and Questioned Costs reported in the September 30, 2024 Financial and Compliance Report for the Wyoming Department of Transportation (the Department).

2024-001: Audit Adjustment to Prepaid Items (Material Weakness)

Condition/context: The Department included in expenditures an expense relating to services for fiscal year 2025 resulting in an overstatement of expenditures in fiscal year 2024 and the absence of an offsetting prepaid in the current year under U.S. GAAP. As a result, an adjusting entry was proposed and recorded within the Department's Statewide Communication System Fund to record the prepaid item and decrease the corresponding expenditures by \$3,004,772.

Recommendation: We recommend providing additional training for the Budget staff to ensure the accuracy of fiscal year notations included in the invoice number. Additionally, we recommend that the Budget staff collaborate closely with Financial Services staff to communicate any payments made for future service dates. This collaboration will help ensure that prepaid items are accurately recorded in accordance with U.S. GAAP.

Corrective Action Plan: Financial Services recorded the proposed adjustment. Budget and Financial Services will collaborate to provide additional training to Budget staff on using correct fiscal years in the invoice number field when paying invoices and the importance of ensuring the fiscal year is correct. Budget will notify Financial Services of any significant invoices paid in advance of the service dates for Financial Services' evaluation for recording any prepaid items.

Contact: Rodney Freier, Budget Manager, Budget Program and Mattie Bray, Controller, Financial Services

Anticipated Completion Date: September 30, 2025

2024-002: Audit Adjustment to Revenue (Material Weakness)

Condition/context: The Department properly accrued expenditures paid in fiscal year 2025 and the corresponding payables that were for fiscal year 2024 service dates. However, the Department recorded the revenue amounts due from local governments and the related accounts receivable in fiscal year 2025. As a result, an adjusting entry was proposed and recorded within the Commercial Air Service Improvement Fund to record the revenue and related receivable by \$1,139,689.

Recommendation: We recommend that the Department implement additional procedures at fiscal year end when expenditures and accounts payable are accrued, to also record any corresponding revenue and receivable due from local governments.

Corrective Action Plan: Financial Services recorded the proposed adjustment. When accruing accounts payable and related expenses, Financial Services will confirm with Budget if any significant accrued expenditures will be subsequently billed to local governments to ensure the proper accrual of the related revenue and accounts receivable.

Budget and Financial Services will collaborate to provide additional training to Budget staff on using correct fiscal years in the invoice number field when paying invoices and the importance of ensuring the fiscal year is correct. Budget will notify Financial Services of any significant invoices paid in advance of the service dates for Financial Services' evaluation for recording any prepaid items.

Contact: Mattie Bray, Controller, Financial Services

Anticipated Completion Date: September 30, 2025

2024-003: Internal Controls and Audit Adjustments related to Unrequested Grant Reimbursements (Material Weakness)

Condition/context: The following adjusting journal entries were proposed and recorded:

	General Fund	Federal Transit Authority Fund
For fiscal year 2023:		
Decrease expenses and fund balance	\$5.02 million	\$2.38 million
For fiscal year 2024:		
Increase expenses and accounts payable	\$4.53 million	\$3.05 million
Increase Federal revenue and accounts receivable	\$6.38 million	\$0.93 million
Increase deferred inflows and accounts receivable	\$1.62 million	\$2.68 million

Recommendation: We recommend that the Internal Review Program develop a process to request from grant administrators amounts that have not yet been submitted and processed for reimbursement but relate to the fiscal year being reported. This will allow Financial Services to estimate accounts payable. Financial Services should also establish a process to identify accounts payable, which have associated Federal revenue and receivable at year end.

Corrective Action Plan: Financial Services recorded the proposed adjustments. For programs exceeding specified thresholds on the Schedule of Expenditures of Federal Awards, Internal Review will request from grant administrators amounts of expenses incurred by vendors and subgrantees but not yet submitted and processed for reimbursement that relate to the fiscal year being reported. These amounts will be provided to Financial Services to estimate accounts payable and any associated Federal revenue and receivable for fiscal year end.

Contact: Mariá LaBorde, Internal Review Program Manager and Mattie Bray, Controller, Financial Services

Anticipated Completion Date: September 30, 2025.