

# City of Cody, Wyoming

## Basic Financial Statements June 30, 2023





# City of Cody Government

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## Elected Officials

Matt Hall	Mayor
Andy Quick	Council President
Emily Swett	Council Vice-President
Don F. Shreve, Jr.	Council Member
Kelly Tamblyn	Council Member
Lee Ann Reiter	Council Member
Jerry Fritz	Council Member

## Leadership Team

Barry A. Cook	City Administrator
Jason Stafford	Chief of Police
Cindy Baker	Administrative Services Officer
Phillip Bowman	Public Works Director
Leslie Brumage	Finance Officer
Scott Kitchen	Information Technology Director
Rick Manchester	Parks, Facilities, and Recreation Director
Todd Stowell	City Planner

City of Cody, Wyoming  
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For the fiscal year ended June 30, 2023

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CITY OF CODY  

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WYOMING

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Cody, Wyoming

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

#### ***Opinions***

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

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

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

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

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

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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



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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of changes in net pension liability and related ratios on pages 3–12 and 55–62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cody's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023, on our consideration of the City of Cody's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cody's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cody's internal control over financial reporting and compliance.

City of Cody, Wyoming  
Management Discussion and Analysis  
June 30, 2023

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

**Financial Highlights**

- The City of Cody's net position at the close of the current fiscal year was \$106,536,043, an increase of \$6,504,541 over the prior fiscal year. Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$74,915,246 (70%) include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Restricted net position of \$353,521 (1%) is restricted by constraints imposed from outside the City such as voters, grantors, contributors, or laws or regulations of other governments.
  - (3) Unrestricted net position of \$31,267,276 (29%) represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- Total expenses during the year were \$30,569,018 compared to total revenues of \$37,073,545.
- Net capital assets in the governmental-type funds decreased by \$2,361,140 and increased by \$4,209,829 in the business-type funds.
- Assessed Valuation: the assessed valuation for the City of Cody for 2023 was \$216,363,508, an increase of \$25,433,587 or approximately 13% over 2022.

**Overview of the Financial Statements**

The annual report consists of three parts: 1) Management's Discussion and Analysis, 2) the basic financial statements, and 3) required supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status similar to a private-sector company.

The remaining statements are fund financial statements that focus on individual parts of the City government, reporting City operations in more detail than what is presented in the government-wide statements.

City of Cody, Wyoming  
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	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government	The activities of the City that are not proprietary such as administration, police, streets, and parks & recreation	Activities the City operates similar to private businesses such as the solid waste, water, wastewater, and electric utilities
Required financial statements	Statement of Net Position, Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that become due during the year or soon thereafter, no capital assets are included	All assets and liabilities both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the fiscal year, expenditures when goods or services have been received and payment is due	All revenues and expenses during the year, regardless of when cash is received or paid

### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Cody's finances, in a manner similar to a private-sector business. The *statement of activities* presents information reflecting how Cody's net position has changed during the fiscal year just ended.

The government-wide financial statements distinguish the functions of Cody that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, administrative services, public safety, parks, public facilities, recreation, and public works. The business-type activities include solid waste collection, water, wastewater and electric.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cody, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cody can be divided into two categories: governmental funds and proprietary funds.



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- **Governmental Funds** - Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. These funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary funds** – Fee based services are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

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

The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes are found on pages of this document.

### **Supplemental Information**

In addition to the basic financial statements, which include the accompanying notes, this report also presents *required supplemental information*. Included is a budgetary comparison for the General Fund, the Capital Projects Fund, the Vehicle Replacement Fund, the Specific Purpose Fund, and the American Rescue Plan Fund comparing actual results (using the basis of budgeting) with the original budget and the final amended budget.

Other supplemental information included with the basic financial statements are the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance schedules for the non-major governmental funds (special revenue and capital projects), and schedule of net changes in pension liability and pension contributions.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of Cody's net position reflects its investment in capital assets (e.g. land, buildings, machinery & equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens; consequently, they are not available for future spending.

The following summary of net position and changes in net position are presented for the current fiscal year, with comparison totals for the prior fiscal year.

City of Cody, Wyoming  
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Condensed Statement of Net Position as of June 30 each year

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 22,238,909	\$20,074,882	\$ 26,418,904	\$23,017,292	\$ 48,657,813	\$43,092,174
Capital assets, net	27,073,420	29,434,557	47,841,826	43,631,997	74,915,246	73,066,554
Deferred outflows - pensions	2,735,520	2,874,361	320,784	206,809	3,056,304	3,081,170
Total assets & deferred outflows	\$ 52,047,849	\$ 52,383,800	\$ 74,581,514	\$ 66,856,098	\$ 126,629,363	\$119,239,898
Long-term debt outstanding	\$272,146	\$236,123	\$ 3,633,555	\$3,663,173	\$ 3,905,701	\$3,899,296
Other current liabilities	2,285,003	2,372,999	2,133,621	1,709,159	4,418,624	4,082,158
Deferred inflows	1,733,500	4,205,044	10,987	650,277	1,744,487	4,855,321
Net pension liability	8,291,388	5,395,630	1,733,120	975,994	10,024,508	6,371,624
Total liabilities	\$ 12,582,037	\$12,209,796	\$ 7,511,283	\$6,998,603	\$ 20,093,320	\$19,208,399
Net position						
Net investment in capital assets	\$ 27,073,420	\$29,434,560	\$ 47,841,826	\$43,631,997	\$ 74,915,246	\$73,066,557
Restricted	243,110	3,917,722	110,411	110,411	353,521	4,028,133
Unrestricted	12,149,282	6,821,725	19,117,994	16,115,087	31,267,276	22,936,812
Total net position	\$ 39,465,812	\$40,174,007	\$ 67,070,231	\$59,857,495	\$ 106,536,043	\$100,031,502

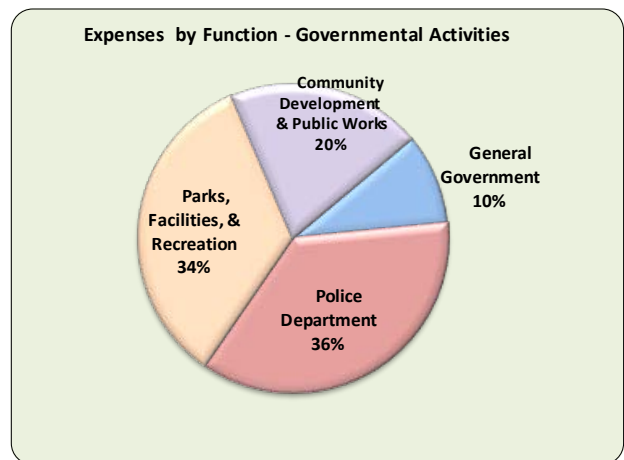
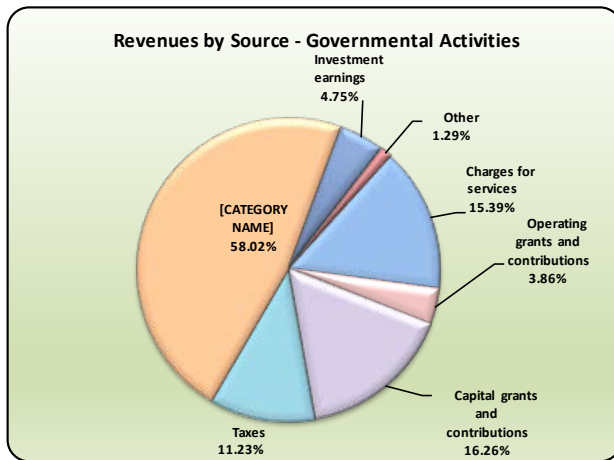
Changes in Net Position as of June 30 each year

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 2,154,896	\$2,030,726	\$ 21,043,775	\$19,644,050	\$ 23,198,671	\$21,674,776
Operating grants and contributions	540,781	396,802	2,500	10,740	543,281	407,542
Capital grants and contributions	2,276,397	351,883	1,303,615	799,824	3,580,012	1,151,707
General revenues						
Taxes	1,571,981	1,449,558	-	-	1,571,981	1,449,558
Intergovernmental	6,608,742	6,021,879	-	-	6,608,742	6,021,879
Investment earnings	665,399	28,903	677,775	18,465	1,343,174	47,368
Other	181,290	100,454	46,394	48,540	227,684	148,994
Total Revenues	13,999,486	10,380,205	23,074,059	20,521,619	37,073,545	30,901,824
Expenses:						
General Government	1,169,245	831,816	-	-	1,169,245	831,816
Police Department	4,480,563	3,598,834	-	-	4,480,563	3,598,834
Parks, Facilities, & Recreation	4,100,151	3,474,578	-	-	4,100,151	3,474,578
Community Development & Public Works	2,487,845	2,454,892	-	-	2,487,845	2,454,892
Proprietary	-	-	18,331,214	16,788,012	18,331,214	16,788,012
Total Expenses	12,237,804	10,360,120	18,331,214	16,788,012	30,569,018	27,148,132
Other Sources:						
Transfers-internal activity	1,249,116	684,570	(1,249,116)	(684,570)	-	-
Total Transfers	1,249,116	684,570	(1,249,116)	(684,570)	-	-
Change in net position	3,010,798	704,654	3,493,737	3,049,045	6,504,535	3,753,699
Net position - July 1	40,174,007	39,469,353	59,857,501	56,808,450	100,031,508	96,277,803
Adjustment to Beginning Net Position, GASB 100	(3,718,993)	-	3,718,993	-	-	-
Net position - June 30	\$ 39,465,812	\$ 40,174,007	\$67,070,231	\$59,857,495	\$ 106,536,043	\$100,031,502

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 Management Discussion and Analysis  
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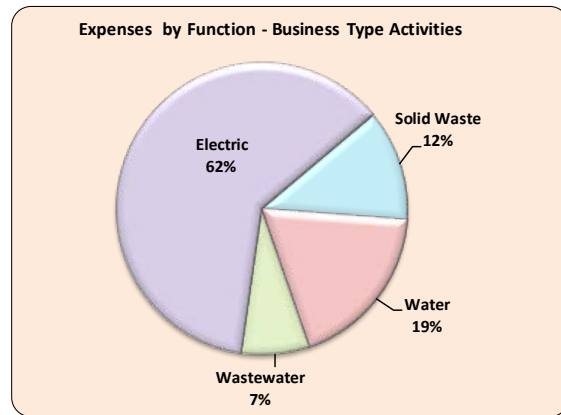
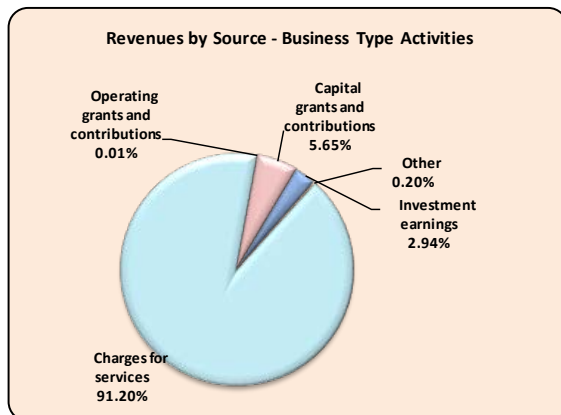
**Governmental Activities**

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. During the current fiscal year, the net position for governmental activities was \$39,467,812, a decrease of \$708,195 from the previous fiscal year. The following charts illustrate governmental revenues by source and the governmental expenses by function as reported on the statement of changes in net position.



**Business-type Activities**

In the City’s business-type funds the "economic resources" measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. During the current fiscal year, the net position for business-type activities was \$67,070,231, an increase of \$7,212,736 over the previous fiscal year. The following charts illustrate business-type revenues by source and the business-type expenses by function as reported on the statement of changes in net position.



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**Summary of Changes Affecting Net Position**

	<u>Governmental Funds</u>	<u>Business-Type Funds</u>
<b>Assets and Deferred Outflows of Resources</b>		
Change in current assets	\$ 2,164,027	\$ 3,401,612
Change in capital assets	(2,361,137)	4,209,829
Change in deferred outflows	(138,841)	113,975
	<u>\$ (335,951)</u>	<u>\$ 7,725,416</u>
<b>Liabilities and Deferred Inflows of Resources</b>		
Change in current liabilities	\$ (87,996)	\$ 424,462
Change in long term debt	36,023	(29,618)
Change in deferred inflows	(2,471,544)	(639,290)
Changes in net pension liability	2,895,758	757,126
	<u>\$ 372,241</u>	<u>\$ 512,680</u>
<b>Revenues</b>		
Change in charges for services	\$ 124,170	\$ 1,399,725
Change in operating grants & contributions	143,979	(8,240)
Change in capital grants & contributions	1,924,514	503,791
Change in taxes	122,423	-
Change in intergovernmental revenues	586,863	-
Change in Investment earnings	636,496	659,310
Change in other revenue	80,836	(2,146)
	<u>\$ 3,619,281</u>	<u>\$ 2,552,440</u>
<b>Expenses</b>		
Change in General Government	\$ 337,429	\$ -
Change in Police	881,729	-
Change in Parks, Facilities, & Recreation	625,573	-
Change in Community Development & Public Works	32,953	-
Change in Solid Waste	-	(23,141)
Change in Water	-	341,740
Change in Wastewater	-	239,532
Change in Electric	-	225,562
	<u>\$ 1,877,684</u>	<u>\$ 783,693</u>
<b>Interfund Activity</b>		
Change in Interfund Transfers	<u>\$ 564,546</u>	<u>\$ 564,546</u>
Adjustment to Beginning Net Position, GASB 100	\$ (3,718,993)	\$ 3,718,993

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**General Fund Budgetary Changes**

The City adopts an annual budget for all funds. The City Council may adopt budget amendments during the year for supplemental appropriations which are generally contingent upon new or additional revenue sources or the spending of reserves. There was an increase of budgeted revenue of \$179,262 and an increase in expense appropriations in the amount of \$270,967 between the original and final amended budget in the General Fund. This was mainly due to grant award changes after the original budget was approved and the carry-over of incomplete projects from the prior fiscal year.

	<u>Original</u>	<u>Final</u>	<u>Changes</u>
Revenue			
General Fund Budget	\$ 10,322,543	\$ 10,501,805	\$ 179,262
	<u>\$ 10,322,543</u>	<u>\$ 10,501,805</u>	<u>\$ 179,262</u>
Expenses			
General Fund Budget	\$ 10,950,834	\$ 11,221,801	\$ 270,967
	<u>\$ 10,950,834</u>	<u>\$ 11,221,801</u>	<u>\$ 270,967</u>

**Capital Assets**

The City of Cody's net investment in capital assets for its governmental and business-type activities as of June 30th amounted to \$73,066,554, an increase of \$371,100 over the previous fiscal year. This investment in capital assets includes land, easements, buildings & improvements, machinery, equipment, infrastructure associated with the water, wastewater and electric distribution systems, as well as streets, trails and park facilities. The following summary of capital assets is presented for the current fiscal year with comparison totals for the prior fiscal year. Additional information pertaining to capital assets activity is available in the notes to the financial statements.

City of Cody's Capital Assets Net of Depreciation						
As of June 30 each year						
	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$2,418,607	\$2,418,607	\$614,332	\$614,332	\$3,032,939	\$3,032,939
Intangibles	52,481	52,481	12,855	0	65,336	52,481
Buildings	14,078,495	14,078,495	1,623,979	1,623,979	15,702,474	15,702,474
Improvements	6,684,461	5,965,966	138,093	23,166	6,822,554	5,989,132
Furniture & Fixtures	1,131,569	943,179	-	-	1,131,569	943,179
Machinery & Equipment	6,796,359	6,880,413	6,556,903	5,648,775	13,353,262	12,529,187
Infrastructure	16,424,699	19,867,585	63,879,832	57,347,782	80,304,531	77,215,366
Construction in Progress	477,361	634,553	6,711,255	6,772,981	7,188,616	7,407,534
Total Capital Assets	<u>\$48,064,033</u>	<u>\$50,841,278</u>	<u>\$79,537,249</u>	<u>\$72,031,014</u>	<u>\$127,601,280</u>	<u>\$122,872,292</u>
Less Accumulated Depreciation	<u>\$ (20,990,613)</u>	<u>\$ (21,414,112)</u>	<u>\$ (31,695,422)</u>	<u>\$ (28,411,871)</u>	<u>\$ (52,686,035)</u>	<u>\$ (49,825,983)</u>
Total Net Capital Assets	<u>\$27,073,420</u>	<u>\$29,427,166</u>	<u>\$47,841,826</u>	<u>\$43,619,143</u>	<u>\$74,915,246</u>	<u>\$73,046,310</u>

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Major capital asset acquisitions during the current fiscal year include:

- Building Improvements \$266,725
  - Auditorium fire suppression system
  - City Hall carpet replacement
- Construction in Progress \$359,897
  - Chip sealing
  - Mobile data terminals
  - City Hall HVAC system upgrade
  - Raw water lines
  - Electric lines
  - Electric shop
  - Wastewater treatment facility
  - Mentock park restrooms
- Facilities and Other Improvements \$566,696
  - Law enforcement center parking lot
  - Pickle ball court
- Furniture and Fixtures \$188,389
  - City Hall workstations
  - East Sheridan Ave playground
- Infrastructure \$2,804,747
  - Water lines
  - Sewer lines
  - Electric lines
  - Curb, gutter, and sidewalks
- Machinery and Equipment \$1,014,352
  - Police vehicles
  - Sewer camera system and van
  - Dumpsters and rollout bins
  - Heavy equipment
  - Pickup trucks and mowers

### **Outstanding Debt and Long-Term Liabilities**

As of June 30<sup>th</sup>, the City of Cody's outstanding debt and long-term liabilities totaled \$14,539,750, an increase of \$4,504,563 over the prior fiscal year. The City's debt consisted of loans payable for the Wastewater Treatment Facility project and the City's long-term liabilities consisted of compensated absences payable, customer deposits, and net pension liability.

City of Cody -Long Term Liabilities						
As of June 30 each year						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Loans Payable	\$ -	\$ -	\$ 3,530,395	\$ 3,126,895	\$ 3,530,395	\$ 3,126,895
Compensated Absences Payable	602,088	443,692	231,594	184,075	833,682	627,767
Customer Deposit Liability	8,324	2,349	144,975	159,576	\$153,299	\$161,925
Net Pension Liability	8,291,388	4,612,467	1,733,120	1,506,133	\$10,024,508	\$6,118,600
Total Long Term Liabilities	\$ 8,901,800	\$ 5,058,508	\$ 5,640,084	\$ 4,976,679	\$ 14,541,884	\$ 10,035,187

City of Cody, Wyoming  
Management Discussion and Analysis  
June 30, 2023

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**Significant Variations and Currently Known Facts**

- New Storm Drainage Utility Fund - Legislative changes allowed the City of Cody to create a Storm Drainage utility fund which was implemented in Fiscal Year 2022-2023. This fund provides for the operation, maintenance, and improvements of public drainage facilities within the City through the assessment of user fees. With the formation of the associated utility enterprise fund, storm drainage user charges began to appear on residential and commercial utility accounts starting September 1, 2022. With the collection of these user charges in the Storm Drainage Enterprise Fund, the City now has a dedicated funding source for the long-term planning, maintenance, repair, and upgrade of the City's storm drainage infrastructure. One of the first tasks identified for long-term planning of this utility is the completion of a Storm Drainage Master Plan and Rate Setting Study. The City last completed this type of planning document for storm drainage infrastructure with the *Master Storm Drainage Plan* in February 2001. This project will complete a new Storm Drainage Master Plan, and will also complete a Rate Setting Study to identify funding needs and strategies for the Storm Drainage Utility.
- New Governmental Funds – The City of Cody established two new governmental funds in Fiscal Year 2022-2023:
  - Capital Projects Fund – this fund was established to account for financial resources used for the acquisition and construction of major capital facilities and equipment for use in General Fund activities. This fund was established with an initial cash transfer from the General Fund in the amount of \$4,337,109.
  - Technology Replacement Fund – this fund was established to accumulate reserves for the timely replacement of technology devices City-wide. This fund was established with initial cash transfers from the General Fund and Enterprise Funds for a total of \$434,700.
- GASB Statement No. 100, Accounting Changes and Error Corrections - The City of Cody implemented this Statement as of June 30, 2023 to report the transfer of capital assets from Governmental Funds to the new Storm Drainage Enterprise Fund. Storm drainage assets have historically been reported in the General Fixed Assets Account Group. These assets were transferred to the new Storm Drainage utility fund in the amount of \$3,718,993, net of depreciation and is reflected in the financial statements as an adjustment to beginning net position.
- Property Taxes - Park County, Wyoming experienced a significant increase in County-wide property values in 2023 and the City's property tax revenue increased by about 20%. While this generated additional much-needed revenue for the General Fund, the City understands the major impact this increase will have on households in our community. There is a concern that increased property taxes may reduce discretionary spending, affecting sales tax revenues as a result, however Fiscal Year 2022-2023 sales tax revenues are in line with expectations and historical trends.

City of Cody, Wyoming  
Management Discussion and Analysis  
June 30, 2023

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- American Rescue Plan Funding – The City of Cody received a total of \$1,699,699 in funding from the American Rescue Plan Act. The City Council identified several priorities for spending the funds under the revenue replacement provision. Expenses through June 30, 2023 totaled \$622,697 and the Fiscal Year 2023-2024 budget includes \$733,477 in additional expenses. The remaining funds are expected to be obligated by the December 31, 2024 deadline and fully expended by the December 31, 2026 deadline.
- Sales Tax Adjustment – The City of Cody was notified in October 2023 by the State of Wyoming that due to a successful taxpayer appeal, the City’s sales and use tax distribution in Fiscal Year 2022-2023 would be reduced by \$171,964. The appeal was for the period of February 1, 2017 through January 31, 2020. This appeal also affected the City’s specific purpose tax in the amount of \$147,478 which must be repaid to Park County.

**Requests for Information**

The City of Cody’s financial statements are designed to provide its users (citizens, taxpayers, customers, investors and creditors) with a general overview of Cody’s finances and to demonstrate Cody’s accountability. Questions concerning any of the information presented in this report or requests for additional information should be sent to: Attn: Finance Officer City of Cody PO Box 2200 Cody, WY 82414 [finance@codywy.gov](mailto:finance@codywy.gov)



City of Cody, Wyoming  
Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,468,355	\$ 1,599,836	\$ 3,068,191
Restricted Cash	8,324	144,975	153,299
Investments	17,845,969	21,087,620	38,933,589
Receivables, net of allowance			
Accounts receivable	392,062	2,592,209	2,984,271
Property tax receivable	940,500		940,500
Leases	169,292	-	169,292
Due from other governments	1,010,008	-	1,010,008
Other receivables	73,706	87,095	160,801
Inventory	86,881	907,169	994,050
Prepaid expenses	243,812	-	243,812
Capital assets:			
Land and construction in progress	2,948,449	7,338,442	10,286,891
Other capital assets, net of depreciation	24,124,971	40,503,384	64,628,355
Total Assets	<u>\$ 49,312,329</u>	<u>\$ 74,260,730</u>	<u>\$ 123,573,059</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	2,735,520	320,784	3,056,304
Total Assets and Deferred Outflows of Resources	<u>\$ 52,047,849</u>	<u>\$ 74,581,514</u>	<u>\$ 126,629,363</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 575,809	\$ 315,442	\$ 891,251
Related party payables	-	1,414,901	1,414,901
Accrued liabilities	277,147	101,108	378,255
Compensated Absenses	329,942	128,434	458,376
Customer deposits	8,324	144,975	153,299
Other payables	16,078	28,761	44,839
Due to other governments	1,077,703	-	1,077,703
Long-term liabilities:			
Compensated Absences	272,146	103,160	375,306
Capital Construction Loans	-	3,530,395	3,530,395
Net Pension Liability	8,291,388	1,733,120	10,024,508
Total Liabilities	<u>10,848,537</u>	<u>7,500,296</u>	<u>18,348,833</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to property taxes	940,500	-	940,500
Deferred inflows related to pensions	631,542	10,987	642,529
Deferred inflows related to leases	161,458	-	161,458
Total Deferred Inflows of Resources	<u>1,733,500</u>	<u>10,987</u>	<u>1,744,487</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 12,582,037</u>	<u>\$ 7,511,283</u>	<u>\$ 20,093,320</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 27,073,420	\$ 47,841,826	\$ 74,915,246
Restricted for:			
Capital projects	165,000	-	165,000
Debt service	-	110,411	110,411
Public Art	5,202	-	5,202
Public Safety	72,908	-	72,908
Unrestricted	12,149,282	19,117,994	31,267,276
Total Net Position	<u>\$ 39,465,812</u>	<u>\$ 67,070,231</u>	<u>\$ 106,536,043</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Statement of Activities  
For the fiscal year ended June 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services & Fines	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
General Government	\$ 1,169,245	\$ 267,457	\$ 42,904	\$ 488,258	\$ (370,626)	\$ -	\$ (370,626)
Police Department	4,480,563	52,969	\$ 53,343	\$ -	(4,374,251)	-	(4,374,251)
Parks Department	1,051,814	31,715	\$ 7,900	\$ 144,584	(867,615)	-	(867,615)
City Facilities	398,210	35,454	\$ -	\$ -	(362,756)	-	(362,756)
Community Development	556,653	453,222	\$ -	\$ -	(103,431)	-	(103,431)
Public Works	1,931,192	5,764	\$ 43,303	\$ 1,224,118	(658,007)	-	(658,007)
Recreation Center	2,650,127	1,308,315	\$ 393,331	\$ 419,437	(529,044)	-	(529,044)
Total Governmental Activities	12,237,804	2,154,896	540,781	2,276,397	(7,265,730)	-	(7,265,730)
Business-Type Activities:							
Solid Waste	\$ 2,216,244	\$ 2,435,143	\$ 2,500	\$ -	\$ -	\$ 221,399	\$ 221,399
Water	3,337,982	3,742,161	-	546,653	-	950,832	950,832
Wastewater	1,351,547	1,411,621	-	365,068	-	425,142	425,142
Electric	11,091,181	12,908,373	-	178,448	-	1,995,640	1,995,640
Storm Drainage	334,260	546,477	-	213,446	-	425,663	425,663
Total Business-Type Activities	18,331,214	21,043,775	2,500	1,303,615	-	4,018,676	4,018,676
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 30,569,018</b>	<b>\$ 23,198,671</b>	<b>\$ 543,281</b>	<b>\$ 3,580,012</b>	<b>\$ (7,265,730)</b>	<b>\$ 4,018,676</b>	<b>\$ (3,247,054)</b>
General Revenues:							
Taxes					\$ 1,571,981	\$ -	1,571,981
Intergovernmental					6,608,742	-	6,608,742
Investment Income					665,399	677,775	1,343,174
Gain(Loss) on Disposal of Assets					(11,066)	-	(11,066)
Miscellaneous					192,356	46,394	238,750
Transfers					1,249,116	(1,249,116)	-
Total General Revenues					10,276,528	(524,947)	9,751,581
Change in Net Position					3,010,798	3,493,737	6,504,535
Net Position - beginning					40,174,007	59,857,501	100,031,508
Adjustment to Beginning Net Position, GASB 100					(3,718,993)	3,718,993	-
Net Position - ending					\$ 39,465,812	\$ 67,070,231	\$ 106,536,043

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
 Balance Sheet  
 Governmental Funds  
 June 30, 2023

	<b>MAJOR FUNDS</b>						
	<b>General</b>	<b>Capital Projects Funds</b>			<b>Special Revenue Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
		<b>Capital Projects Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Specific Purpose Tax Fund</b>	<b>ARPA Fund</b>		
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 631,879	\$ 339,594	\$ 364,769	\$ 11,030	\$ 88,578	\$ 32,505	\$ 1,468,355
Investments	7,736,672	4,104,191	4,408,441	133,308	1,070,517	392,840	17,845,969
Restricted cash and cash equivalents	8,324	-	-	-	-	-	8,324
Accounts receivable, net of allowance:	392,062	-	-	-	-	-	392,062
Other receivables, net of allowance	31,951	16,952	18,208	551	4,422	1,622	73,706
Due from other governments	1,930,397	-	-	20,111	-	-	1,950,508
Inventory	86,881	-	-	-	-	-	86,881
Prepaid expenses	243,812	-	-	-	-	-	243,812
<b>Total Assets</b>	<b>11,061,978</b>	<b>4,460,737</b>	<b>4,791,418</b>	<b>165,000</b>	<b>1,163,517</b>	<b>426,967</b>	<b>22,069,617</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 358,012	\$ 15,409	\$ 129,891	\$ -	\$ 37,072	\$ 35,121	\$ 575,505
Other payables	16,078	-	-	-	-	-	16,078
Accrued other liabilities	277,147	-	-	-	-	-	277,147
Customer deposits	8,324	-	-	-	-	-	8,324
Due to other governments	700	-	-	-	1,077,003	-	1,077,703
<b>Total Liabilities</b>	<b>660,261</b>	<b>15,409</b>	<b>129,891</b>	<b>-</b>	<b>1,114,075</b>	<b>35,121</b>	<b>1,954,757</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Intergovernmental Revenue	\$ 112,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,208
Property Tax	940,500	-	-	-	-	-	940,500
<b>Total Deferred Inflows of Resources</b>	<b>1,052,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,052,708</b>
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>\$ 1,712,969</b>	<b>\$ 15,409</b>	<b>\$ 129,891</b>	<b>\$ -</b>	<b>\$ 1,114,075</b>	<b>\$ 35,121</b>	<b>\$ 3,007,465</b>
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Inventory/prepaid expenses	\$ 330,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,693
<b>Restricted for:</b>							
Police forfeitures	72,908	-	-	-	-	-	72,908
Convention Center	21,100	-	-	-	-	-	21,100
Public Improvements	-	-	-	165,000	-	-	165,000
PEG Grant	10,000	-	-	-	-	-	10,000
Public Art	-	-	-	-	-	5,202	5,202
<b>Committed:</b>							
Capital Assets	-	4,445,328	4,661,527	-	-	386,644	9,493,499
<b>Assigned:</b>							
Open space contributions	117,180	-	-	-	-	-	117,180
Unassigned	8,797,128	-	-	-	49,442	-	8,846,570
<b>Total Fund Balances</b>	<b>9,349,009</b>	<b>4,445,328</b>	<b>4,661,527</b>	<b>165,000</b>	<b>49,442</b>	<b>391,846</b>	<b>19,062,152</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b>\$ 11,061,978</b>	<b>\$ 4,460,737</b>	<b>\$ 4,791,418</b>	<b>\$ 165,000</b>	<b>\$ 1,163,517</b>	<b>\$ 426,967</b>	<b>\$ 22,069,617</b>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Balance Sheet  
Governmental Funds  
June 30, 2023

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

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<b>Balance sheet - total fund balances</b>	<b>\$ 19,062,152</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of: \$ 1,231,374	27,073,420
Certain long-term assets are not available to pay for current fund liabilities and therefore are deferred in the funds:	
Deferred revenue	<u>111,904</u>
	<u>111,904</u>
Certain long-term liabilities are not due and payable from current financial resources and therefore are not reported in the funds:	
Accrued compensated absences	<u>(602,088)</u>
	<u>(602,088)</u>
Leased assets in governmental activities are not financial resources and therefore not reported in the funds:	
Deferred Inflow of resources related to leases	(161,458)
Leases receivable	<u>169,292</u>
	<u>7,834</u>
Change in accounting principle related to net pension liability	(6,187,410)
Net Position of Governmental Activities:	<u><u>\$ 39,465,812</u></u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Statement of Revenues, Expenditures Changes in Fund Balances  
Governmental Funds  
for the fiscal year ended June 30, 2023

	<b>MAJOR FUNDS</b>						<b>Total Governmental Funds</b>
	<b>General</b>	<b>Capital Projects Funds</b>			<b>Special Revenue Fund</b>	<b>Non-Major Governmental Funds</b>	
		<b>Capital Projects Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Specific Purpose Tax Fund</b>	<b>ARPA Fund</b>		
<b>REVENUES</b>							
Taxes	\$ 1,571,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,571,258
Intergovernmental	6,608,002	-	-	740	-	-	6,608,742
Charges for Services & Fines	2,103,841	-	-	-	-	-	2,103,841
Grants & Contributions	523,141	-	-	315,424	488,258	17,640	1,344,463
Interest Income	265,672	154,800	172,760	2,108	49,442	15,656	660,438
Miscellaneous	192,356	-	-	-	-	-	192,356
<b>Total Revenues</b>	<b>11,264,270</b>	<b>154,800</b>	<b>172,760</b>	<b>318,272</b>	<b>537,700</b>	<b>33,296</b>	<b>12,481,098</b>
<b>EXPENDITURES</b>							
General Government	\$ 833,613	\$ -	\$ -	\$ -	\$ 3,634	\$ 46,371	\$ 883,618
Police Department	3,966,709	-	-	-	-	24,738	3,991,447
Parks Department	810,987	-	-	-	59,939	1,261	872,187
City Facilities	322,078	-	-	-	-	-	322,078
Community Development	490,104	-	-	-	-	1,104	491,208
Public Works	1,253,090	-	-	-	-	2,497	1,255,587
Recreation Center	2,236,523	-	-	-	74,575	5,000	2,316,098
Capital Outlay	21,785	46,581	425,447	419,536	350,110	13,160	1,276,619
<b>Total Expenditures</b>	<b>9,934,889</b>	<b>46,581</b>	<b>425,447</b>	<b>419,536</b>	<b>488,258</b>	<b>94,131</b>	<b>11,408,842</b>
<b>Excess(deficiency) of revenues over expenditures</b>	<b>1,329,381</b>	<b>108,219</b>	<b>(252,687)</b>	<b>(101,264)</b>	<b>49,442</b>	<b>(60,835)</b>	<b>1,072,256</b>
<b>OTHER FINANCING SOURCES(USES)</b>							
Transfers In(Out)	\$ (4,816,786)	\$ 4,337,109	\$ 1,427,824	\$ -	\$ -	\$ 449,700	\$ 1,397,847
Outside Agency Funding	(117,592)	-	-	-	-	-	(117,592)
Sale of Governmental Assets	-	-	-	-	-	-	-
<b>Total Other Financing Sources(Uses)</b>	<b>(4,934,378)</b>	<b>4,337,109</b>	<b>1,427,824</b>	<b>-</b>	<b>-</b>	<b>449,700</b>	<b>1,280,255</b>
<b>Net Change in Fund Balance</b>	<b>(3,604,997)</b>	<b>4,445,328</b>	<b>1,175,137</b>	<b>(101,264)</b>	<b>49,442</b>	<b>388,865</b>	<b>2,352,511</b>
<b>FUND BALANCES - BEGINNING</b>	<b>12,954,006</b>	<b>-</b>	<b>3,486,390</b>	<b>266,264</b>	<b>-</b>	<b>2,981</b>	<b>16,709,641</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 9,349,009</b>	<b>\$ 4,445,328</b>	<b>\$ 4,661,527</b>	<b>\$ 165,000</b>	<b>\$ 49,442</b>	<b>\$ 391,846</b>	<b>\$ 19,062,152</b>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Statement of Revenues, Expenditures Changes in Fund Balances  
Governmental Funds  
for the fiscal year ended June 30, 2023

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

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 2,352,511</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays and issue costs as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,127,888
Capital asset disposal	(11,066)
Depreciation expense	(1,231,681)
	(114,859)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Contributed assets	1,472,715
Deferred revenue	52,989
	1,525,704
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:	
Pension expense	(619,958)
Accrued compensated absences	(136,350)
	(756,308)
Leased assets in governmental activities are not financial resources and therefore not reported in the funds:	
Lease receivable	169,292
Lease net position - beginning balance	(4,084)
Deferred Inflow of resources related to leases	(161,458)
	3,750
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 3,010,798</b>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Statement of Net Position  
Proprietary Funds  
June 30, 2023

	Business-Type Activities - Enterprise Funds					Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	Storm Drainage Fund	
<b>ASSETS:</b>						
Current Assets:						
Cash and cash equivalents	\$ 212,849	\$ 443,536	\$ 349,701	\$ 567,767	\$ 25,983	\$ 1,599,836
Investments	2,559,130	5,395,881	4,226,163	8,592,425	314,021	21,087,620
Restricted cash and cash equivalents	-	3,000	-	141,975	-	144,975
Accounts receivable, net of allowance	305,740	486,905	179,550	1,546,189	73,825	2,592,209
Other receivables	10,569	22,286	17,455	35,489	1,296	87,095
Due from other governments	-	-	-	-	-	-
Inventory	-	122,057	-	785,112	-	907,169
<b>Total Current Assets</b>	<b>3,088,288</b>	<b>6,473,665</b>	<b>4,772,869</b>	<b>11,668,957</b>	<b>415,125</b>	<b>26,418,904</b>
Non-current Assets:						
Capital Assets:						
Land and other non-depreciable assets	232,916	153,377	6,573,022	379,127	-	7,338,442
Other capital assets, net of depreciation	2,073,280	12,631,844	12,019,603	9,970,216	3,808,441	40,503,384
<b>Total Non-current Assets</b>	<b>2,306,196</b>	<b>12,785,221</b>	<b>18,592,625</b>	<b>10,349,343</b>	<b>3,808,441</b>	<b>47,841,826</b>
<b>Total Assets</b>	<b>\$ 5,394,484</b>	<b>\$ 19,258,886</b>	<b>\$ 23,365,494</b>	<b>\$ 22,018,300</b>	<b>\$ 4,223,566</b>	<b>\$ 74,260,730</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred Outflows Related to Pensions	\$ 96,585	\$ 67,861	\$ 27,286	\$ 121,837	\$ 7,215	\$ 320,784
<b>Total Deferred Outflows of Resources</b>	<b>96,585</b>	<b>67,861</b>	<b>27,286</b>	<b>121,837</b>	<b>7,215</b>	<b>320,784</b>
<b>LIABILITIES:</b>						
Current Liabilities:						
Accounts payable	\$ 94,158	\$ 219,314	\$ 41,353	\$ 1,336,132	\$ 39,386	\$ 1,730,343
Other payables	-	-	-	28,761	-	28,761
Accrued expenses	23,810	13,287	33,907	28,209	1,895	101,108
Customer deposits	-	3,000	-	141,975	-	144,975
Loans payable	-	-	72,753	-	-	72,753
Accrued compensated absences	35,133	36,602	9,181	46,086	1,432	128,434
<b>Total Current Liabilities</b>	<b>153,101</b>	<b>272,203</b>	<b>157,194</b>	<b>1,581,163</b>	<b>42,713</b>	<b>2,206,374</b>
Non-current Liabilities:						
Net Pension Liability	521,826	366,636	147,420	658,258	38,980	1,733,120
Compensated Absences	33,115	42,708	-	27,337	-	103,160
Loans payable	-	-	3,457,642	-	-	3,457,642
<b>Total Non-current Liabilities</b>	<b>554,941</b>	<b>409,344</b>	<b>3,605,062</b>	<b>685,595</b>	<b>38,980</b>	<b>5,293,922</b>
<b>Total Liabilities</b>	<b>708,042</b>	<b>681,547</b>	<b>3,762,256</b>	<b>2,266,758</b>	<b>81,693</b>	<b>7,500,296</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred Inflows Related to Pensions	\$ 3,308	\$ 2,324	\$ 935	\$ 4,173	\$ 247	\$ 10,987
<b>Total Deferred Inflows of Resources</b>	<b>3,308</b>	<b>2,324</b>	<b>935</b>	<b>4,173</b>	<b>247</b>	<b>10,987</b>
<b>NET POSITION</b>						
Net investment in capital assets	2,306,196	12,785,221	18,592,625	10,349,343	3,808,441	47,841,826
Restricted for debt service	-	-	110,411	-	-	110,411
Unrestricted	2,473,523	5,857,655	926,553	9,519,863	340,400	19,117,994
<b>Total Net Position</b>	<b>\$ 4,779,719</b>	<b>\$ 18,642,876</b>	<b>\$ 19,629,589</b>	<b>\$ 19,869,206</b>	<b>\$ 4,148,841</b>	<b>\$ 67,070,231</b>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
for the fiscal year ended June 30, 2023

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total Proprietary Funds</b>
	<b>Solid Waste Fund</b>	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Electric Fund</b>	<b>Storm Drainage Fund</b>	
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 2,398,337	\$ 3,742,161	\$ 1,411,621	\$ 12,908,373	\$ 546,477	\$ 21,006,969
Recycling Revenue	36,806	-	-	-	-	36,806
Miscellaneous	4,891	4,793	702	36,016	-	46,402
Total Operating Revenues	<u>2,440,034</u>	<u>3,746,954</u>	<u>1,412,323</u>	<u>12,944,389</u>	<u>546,477</u>	<u>21,090,177</u>
<b>OPERATING EXPENDITURES</b>						
Personnel	\$ 1,035,460	\$ 756,798	\$ 384,170	\$ 1,197,276	\$ 83,959	\$ 3,457,663
Purchases from Suppliers	1,001,335	458,940	436,919	777,585	126,304	2,801,083
Wholesale Utility Purchases	-	1,619,832	-	8,663,691	-	10,283,523
Depreciation Expense	179,449	502,412	496,511	452,629	123,997	1,754,998
Total Operating Expenses	<u>2,216,244</u>	<u>3,337,982</u>	<u>1,317,600</u>	<u>11,091,181</u>	<u>334,260</u>	<u>18,297,267</u>
<b>Operating Income(Loss)</b>	223,790	408,972	94,723	1,853,208	212,217	2,792,910
<b>NON-OPERATING REVNEUES(EXPENSES)</b>						
Investment Income	\$ 87,973	\$ 191,037	\$ 127,401	\$ 267,179	\$ 4,185	\$ 677,775
Gain(Loss) on disposal of assets	-	-	-	-	-	-
Interest Expense	-	-	(33,947)	-	-	(33,947)
Total Non-Operating Revenues(Expenses)	<u>87,973</u>	<u>191,037</u>	<u>93,454</u>	<u>267,179</u>	<u>4,185</u>	<u>643,828</u>
Net Income(Loss) before contributions & transfers	311,763	600,009	188,177	2,120,387	216,402	3,436,738
Capital contributions	97,327	546,653	416,472	178,448	213,446	1,452,346
Operating contributions	2,500	-	-	-	-	2,500
Transfers in(out)	(339,202)	(89,376)	(88,430)	(880,839)	-	(1,397,847)
<b>Changes in Net Position</b>	<u>72,388</u>	<u>1,057,286</u>	<u>516,219</u>	<u>1,417,996</u>	<u>429,848</u>	<u>3,493,737</u>
<b>TOTAL NET POSITION - BEGINNING</b>	<u>4,707,331</u>	<u>17,585,590</u>	<u>19,113,370</u>	<u>18,451,210</u>	<u>-</u>	<u>59,857,501</u>
<i>Adjustment to Beginning Net Position, GASB 100</i>	-	-	-	-	3,718,993	3,718,993
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 4,779,719</u>	<u>\$ 18,642,876</u>	<u>\$ 19,629,589</u>	<u>\$ 19,869,206</u>	<u>\$ 4,148,841</u>	<u>\$ 67,070,231</u>



City of Cody, Wyoming  
Statement of Cash Flows  
Proprietary Funds  
for the fiscal year ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	Storm Drainage Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,437,892	\$ 3,715,877	\$ 1,678,558	\$ 12,876,486	\$ 471,356	\$ 21,180,169
Payments to suppliers	(1,120,039)	(2,163,023)	(497,994)	(8,935,609)	(86,917)	(12,803,582)
Payments to employees	(1,033,608)	(752,028)	(381,277)	(1,185,356)	(48,620)	(3,400,889)
Other receipts(payments)	4,891	4,793	702	36,016	-	46,402
Net Cash Provided by(used in) Operating Activities	<u>289,136</u>	<u>805,619</u>	<u>799,989</u>	<u>2,791,537</u>	<u>335,819</u>	<u>5,022,100</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Operating grants and contributions	2,500	-	-	-	-	\$ 2,500
Miscellaneous income(expense)	(1)	(2,323)	7,343	1	-	5,020
Operating transfers in(out)	(339,202)	(89,376)	(88,430)	(880,839)	-	(1,397,847)
Net Cash Provided by(used in) Noncapital Financing Activities	<u>(336,703)</u>	<u>(91,699)</u>	<u>(81,087)</u>	<u>(880,838)</u>	<u>-</u>	<u>(1,390,327)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	(159,764)	(113,886)	(317,072)	(213,821)	-	\$ (804,543)
Purchase of Investments	-	-	-	-	-	-
Contributed capital revenues	-	-	-	-	-	-
Other Capital Financing Activities	-	-	-	-	-	-
Proceeds from loans and grants	-	-	47,742	-	-	47,742
Principal paid on capital debt	-	-	(72,753)	-	-	(72,753)
Interest paid on capital debt	-	-	(33,947)	-	-	(33,947)
Net Cash Used in Capital and Related Financing Activities	<u>(159,764)</u>	<u>(113,886)</u>	<u>(376,030)</u>	<u>(213,821)</u>	<u>-</u>	<u>(863,501)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends	87,973	191,037	127,401	267,179	4,185	\$ 677,775
Net Cash Provided by(Used in) Investing Activities	<u>87,973</u>	<u>191,037</u>	<u>127,401</u>	<u>267,179</u>	<u>4,185</u>	<u>677,775</u>
<b>Net Increase(Decrease) in Cash and Cash Equivalents</b>	(119,358)	791,071	470,273	1,964,057	340,004	3,446,047
Balances - beginning of year	<u>2,891,337</u>	<u>5,051,346</u>	<u>4,105,591</u>	<u>7,338,110</u>	<u>-</u>	<u>19,386,384</u>
Balances - end of year	<u>\$ 2,771,979</u>	<u>\$ 5,842,417</u>	<u>\$ 4,575,864</u>	<u>\$ 9,302,167</u>	<u>\$ 340,004</u>	<u>\$ 22,832,431</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Statement of Cash Flows  
Proprietary Funds  
for the fiscal year ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	Storm Drainage Fund	
<b>Reconciliation of Operating Income(Loss) to Net Cash Provided by Operating Activities</b>						
Operating income(loss)	\$ 223,790	\$ 408,972	\$ 94,723	\$ 1,853,208	\$ 212,217	\$ 2,792,910
Adjustments reconcile operating income to net cash provided(used) by operating activities:						
Depreciation	179,449	502,412	496,511	452,629	123,997	1,754,998
Change in assets and liabilities:						
Receivables	2,749	(26,284)	266,937	(15,738)	(75,121)	152,543
Inventory	-	(26,601)	-	(81,500)	-	(108,101)
Accounts payable	(118,704)	(57,650)	(61,075)	586,317	39,387	388,275
Retainage Payable	-	-	-	-	-	-
Sales tax payable	-	-	-	850	-	850
Customer deposit liability	-	-	-	(16,149)	-	(16,149)
Accrued expenses	3,937	(677)	1,603	4,141	1,895	10,899
Pension Expense	(16,228)	(2,821)	(428)	(8,675)	32,012	3,860
Accrued compensated absences	14,143	8,268	1,718	16,454	1,432	42,015
Net Cash Provided by(Used in) Operating Activities	<u>\$ 289,136</u>	<u>\$ 805,619</u>	<u>\$ 799,989</u>	<u>\$ 2,791,537</u>	<u>\$ 335,819</u>	<u>\$ 5,022,100</u>
<b>Non-Cash Activities:</b>						
Gain(Loss) on sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital assets	<u>\$ 97,327</u>	<u>\$ 546,653</u>	<u>\$ 416,472</u>	<u>\$ 178,448</u>	<u>\$ 213,446</u>	<u>\$ 1,238,900</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. FINANCIAL REPORTING ENTITY
- B. BASIS OF PRESENTATION
- C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING
- D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION
- E. USE OF ESTIMATES
- F. RECENTLY IMPLEMENTED ACCOUNTING STANDARDS
- G. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES
- H. REVENUES, EXPENDITURES, AND EXPENSES

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

- A. DEFICIT FUND BALANCES OR NET POSITION
- B. BUDGET REQUIREMENTS
- C. DEPOSITS AND INVESTMENTS REQUIREMENTS
- D. ACCOUNTS PAYABLE AND ACCRUED EXPENSES
- E. DEBT RESTRICTIONS AND COVENANTS

**NOTE 3. DETAIL NOTES - TRANSACTION CLASSIFICATION**

- A. DEPOSITS AND INVESTMENTS
- B. RECEIVABLES
- C. RESTRICTED ASSETS
- D. DUE FROM OTHER GOVERNMENTS
- E. INTERFUND BALANCES AND ACTIVITIES
- F. LONG-TERM DEBT
- G. CAPITAL ASSETS
- H. FUND BALANCES AND NET POSITION

**NOTE 4. OTHER NOTES**

- A. EMPLOYEE PENSION PLANS
- B. RISK MANAGEMENT
- C. COMPENDATED ABSENCES
- D. CONTINGENCIES
- E. LEASES
- F. RELATED PARTY TRANSACTIONS
- G. SEGMENT INFORMATION FOR ENTERPRISE FUNDS
- H. COMMITMENTS
- I. SUBSEQUENT EVENTS/OTHER

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent sections of this Note.

**1.A. FINANCIAL REPORTING ENTITY**

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61. The reporting entity is comprised of the primary government only. The primary government of the City of Cody consists of all funds and departments that are not legally separate from the City.

The City of Cody (City) is a municipal corporation located in Park County, Wyoming. The elected Mayor and six-member City Council represent the governing body responsible for the activities related to City government within the jurisdiction of the City. The government receives funding from local, state and federal government sources and must comply with the accompanying requirements of these funding sources.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. The City of Cody has no component units presented in the financial statements.

Related Organizations

Based on the foregoing criteria, the following related organizations are not included in the financial reporting entity:

Wyoming Municipal Power Agency - provides electrical generation and distribution services to its eight-member communities.

Shoshone Municipal Pipeline - operates a pipeline and water treatment facility to sell water to the six communities participating in the joint powers venture.

Yellowstone Regional Airport Joint Powers Board – created in 1980 to construct, maintain, equip, operate and conduct an airport and incidental facilities.

Northwest Improvement Projects Joint Powers Board – this board is currently inactive. The City of Cody and the City of Powell are members of the Joint Powers Board.

The Lodging Tax Joint Powers Board – determines the disposition of lodging tax receipts to three communities in Park County, Wyoming.

The City appoints one or two representatives to serve on each of these joint powers boards. However, in each case there are at least 5 other board members selected by other entities. Each board hires its own management, sets its own rates and is responsible for its own expenses. The City is not liable for losses of any of the boards and does not provide a significant amount of funding for any of the boards.

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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## **1.B. BASIS OF PRESENTATION**

### Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the City as a whole. They include all financial activities of the reporting entity except for fiduciary activities. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include (1) fees, fines and service charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity.

### Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Separate financial statements are presented for the three major fund categories: governmental, proprietary, and fiduciary. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. The General Fund is always reported as a major fund. Other funds are considered major if they meet the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund is at least 10% of the corresponding total for all funds of that category or type, AND
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund that are at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. A fund not meeting the criteria of (a) and (b), however management has elected to report the fund as a major fund due to its significance to users of the financial statements.
- d. GASB Statement No. 34 permits governments to report as a major fund any other governmental or enterprise fund that the government's officials believe is important to financial statement users.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as non-major funds. The funds of the financial reporting entity are described below:

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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## GOVERNMENTAL FUNDS

### General Fund

The General Fund is the primary operating fund of the City. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. This fund is always a major fund.

### Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes. The reporting entity includes the following special revenue fund:

*Cody Public Art Fund* – this fund was established to account for donations received for use in purchasing and leasing artworks for display in public areas. This fund is reported as a non-major fund.

*American Rescue Plan (ARPA) Fund* – this fund was established to account for revenues and associated expenses related to the American Rescue Plan Act of 2021 (ARPA). This fund is reported as a major fund.

### Capital Projects Funds

Capital Projects funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital projects funds, of which all are non-major funds:

*Vehicle Replacement Fund* - accounts for transfers from other funds within the primary government which is for the purchase vehicles and equipment. Transfers are based upon each department's vehicles and assigned replacement schedules to allocate appropriate funds to cover future replacements. Although projects such as construction are not being performed, the City considers this a capital project fund.

*Specific Purpose Tax Fund* – accounts for proceeds received from the additional on-cent specific purpose sales tax voted in by Park County residents in 2016. Expenditures from this fund are restricted to the specific projects identified on the ballot. This fund is reported as a major fund.

*Capital Projects Fund* – this fund was established to account for financial resources used for the acquisition and construction of major capital facilities and equipment for use in General Fund activities. This is a new major fund (see Note 1.F. Recently Implemented Accounting Standards).

*Technology Replacement Fund* – this fund was established to accumulate reserves for the timely replacement of technology devices City-wide. This is a new non-major fund (see Note 1.F. Recently Implemented Accounting Standards).

### Proprietary Funds

Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for business-like activities for services provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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reporting entity. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Non-operating revenues of the proprietary funds include such items as investment earnings and subsidies. The reporting entity includes the following proprietary funds, each of which are major funds:

*Solid Waste Fund* - accounts for the activities of the department responsible for maintaining a dependable system for collecting and disposing of solid waste and recyclable materials in the City.

*Water Fund* - accounts for activities of the department responsible for providing a safe, potable water supply and an irrigation water supply to the community.

*Wastewater Fund* - accounts for the activities of the department responsible for maintaining a dependable system for collecting and treating the City's wastewater.

*Electric Fund* - accounts for activities of the department responsible for providing a dependable electric supply to the community.

*Storm Drainage Fund* - accounts for the operation, maintenance, and improvements of public drainage facilities. This is a new major fund (see Note 1.F. Recently Implemented Accounting Standards).

### **1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe **how** transactions are recorded within the financial statements. Basis of accounting refers to **when** transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

##### *Government-wide, Proprietary, and Fiduciary Fund Financial Statements*

In the government-wide Statement of Net Position and the Statement of Activities, and the proprietary and fiduciary fund statements the "economic resources" measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

##### Governmental Fund Financial Statements

In the governmental fund financial statements, a "current financial resources" measurement focus is applied. Under this focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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### Basis of Accounting

#### *Government-wide, Proprietary and Fiduciary Fund Financial Statements*

In the government-wide Statement of Net Position and Statement of Activities, and the proprietary fund financial statements the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets are used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

#### *Governmental Fund Financial Statements*

In the governmental fund financial statements, the modified accrual basis of accounting is applied. Under the modified accrual basis of accounting revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City has defined "available" as collected within 60 days after year end. Sales and use taxes, franchise taxes, lodging taxes, court fines and interest are considered susceptible to accrual. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and capital leases are reported as other financial sources.

### **1.D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND EQUITY**

#### Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts. Investments in open-ended mutual fund money market accounts are also considered cash equivalents and are reported at the funds current share price.

#### Investments

Investments consist of U.S. government securities and bonds, sweep account into money market mutual funds, and certificates of deposit. These investments are purchased with the intention of holding to maturity and are therefore reported at cost.

#### Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in accordance with GASB 33. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level.

Proprietary-type funds and business-type activities material receivables consist of all revenues earned at year -end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables.



City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Prepaid Items

Payments made to vendors for service that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as non-spendable as this amount is not available for general appropriation.

Inventories

The City records consumable materials and supplies as an asset when purchased and expended as consumed. Such inventory is valued at average cost.

Capital Assets and Depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund type operations and whether they are reported in the government-wide or fund financial statements.

*Government-Wide Statements*

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold varies by asset classification and category. The range of asset capitalization threshold by asset classification is noted below:

Classification	Threshold
Land	\$50,000
Intangibles	\$50,000
Buildings	\$50,000
Other Improvements	\$50,000
Machinery & Equipment	\$ 5,000 - \$25,000
Furniture & Fixtures	\$10,000
Infrastructure	\$50,000

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2006, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or significantly extend the assets' useful lives are not capitalized. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds. In the government funds financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net position. Depreciation is calculated over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

Asset Type	Useful Life
Buildings	30 – 50 Years
Other Improvements	10 Years
Intangibles	1-5 Years
Machinery & Equipment	5 – 10 Years
Furniture & Fixtures	5 Years
Infrastructure	5 – 50 Years

#### Restricted Assets

Restricted assets include cash and investments of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to customer utility deposits.

#### Long-Term Debt

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities incurred. The long-term debt consists primarily of accrued compensated absences, liability for claims, notes payable, and revenue bonds payable. This long-term debt is reported net of unamortized premiums, discounts, and amounts deferred from refundings, if applicable. Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

As of June 30<sup>th</sup>, the City of Cody is not obligated in any manner for special assessment debt.

#### Compensated Absences

Vacation time off with pay is available to regular full time and regular part time employees. The amount of paid vacation time employees receives each year increases with the length of their employment and accumulates based on the following schedule. Vacation time off is paid at the employee's base rate of pay at the time of vacation.

Years of Service	Part Time Vacation Accrual	Full Time Vacation Accrual
1 – 4	40 hours	80 hours
5 – 9	60 hours	120 hours
10 – 14	80 hours	160 hours
15 – 19	100 hours	200 hours
20+	120 hours	240 hours

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Employee sick leave accrues at 8 hours per month for full-time employees and 4 hours per month for part time employees. Total accrued sick leave is capped at 720 hours and employees with balances in excess of 720 as of the adoption date are allowed to keep all of the hours accrued until such time that the employees use the hours below 720. Sick leave is paid at the employee's base rate of pay at the time the leave is taken. Eligible employees may be able to convert a portion of their accrued sick leave towards the employee's 457 Deferred Compensation account or Health Savings account or a combination of both based on a longevity percentage table upon an eligible separation of employment based on the following schedule:

<b>Years of Service</b>	<b>% of Current Pay</b>	<b>Years of Service</b>	<b>% of Current Pay</b>
Less than 7	0%	14	40%
7	5%	15	45%
8	10%	16	50%
9	15%	17	55%
10	20%	18	60%
11	25%	19	65%
12	30%	20+	70%
13	35%		

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

#### Deferred Outflows/Inflows of Resources

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

*Unavailable Revenues* – Certain long-term assets are not available to pay for current liabilities and are therefore deferred on the governmental funds Balance Sheet. Property taxes are reported on the government-wide Statement of Net Position and are recorded as receivables when levied or assessed; however, they are reported as deferred revenue until the “available” criterion has been met. Other unavailable deferred revenue on the government-wide Statement of Net Position includes prepaid lease revenue.

*Pension Plan Items* – in the government-wide and proprietary funds statements of net position, a deferred outflow or inflow of resources is reported for the unrecognized items not yet charged to pension expense related to the net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS) plans and additions to/deductions from WRS's fiduciary net position have been determined

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on the same basis as they are reported by WRS. At June 30, 2023, the City of Cody reported on the government-wide Statement of Net Position a deferred outflow in the amount of \$3,056,304 and a deferred inflow of \$642,529 for its proportionate share of the Wyoming Retirement System's net pension liability. See Notes 4.A. for additional information regarding the pension liability.

#### Equity Classifications

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

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net position is classified in the following categories:

- a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets.
- b. Restricted net position – Consists of amounts restricted by creditors, grantors, contributors or laws or regulations of other governments.
- c. Unrestricted net position – Consists of the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

##### *Governmental Fund Financial Statements:*

In the fund financial statements, governmental fund balance is presented in five possible categories:

- a. Nonspendable – resources which cannot be spent because they are either (a) not in spendable form or; (b) legally or contractually required to be maintained intact.
- b. Restricted – resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed – resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The commitment or use of Committed Resources is accomplished through an Ordinance or Resolution of the City Council, usually during the annual budget process or subsequent budget amendment.
- d. Assigned – resources neither restricted nor committed for which a government has as stated intended use as established by the governing body. The assignment or use of Assigned Resources is accomplished by Council action.
- e. Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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**Application of Net Position:**

It is the City of Cody's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Application of Fund Balance:**

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

**1.E. USE OF ESTIMATES**

The preparation of 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.

**1.F. RECENTLY IMPLEMENTED ACCOUNTING STANDARDS**

**GASB Statement No. 96, Subscription-Based Technology Arrangements.** Effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). It defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and corresponding subscription liability, provides the capitalization criteria for outlays, and requires note disclosures. GASB Statement No. 96 has no material impact on the City's financial statements.

**GASB Statement No. 100, Accounting Changes and Error Corrections.** Effective for fiscal years beginning after June 15, 2023. This Statement establishes accounting and financial reporting requirements for accounting changes and the correction of an error in previously issued financial statement. Accounting changes are changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity.

The City of Cody moved the storm drainage operations from the General Fund, establishing a new Enterprise Fund. This represents a change in the reporting entity, affecting the beginning fund balance of the governmental funds, the beginning net position of the enterprise funds, and the net position for both the governmental and business-type activities appearing in the government-wide statements.

	June 30, 2022 as previously reported	Change within the accounting entity	June 30, 2022 as restated
Beginning Net Position - Government-wide Statements			
Governmental Funds	\$40,174,007	(\$3,718,993)	\$36,455,014
Business-Type Funds	<u>59,857,501</u>	<u>3,718,993</u>	<u>63,576,494</u>
Net Position – Ending	\$100,031,508	\$ -	\$100,031,508

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**1.G. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide financial statement, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

*Government-Wide Financial Statements:*

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.
- b. Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds are not eliminated in the statement of activities.
- c. Primary government and component unit activity and balances – resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions.

*Fund Financial Statements:*

Interfund activity, if any, within and among the governmental, proprietary fund and fiduciary categories is reported as follows in the fund financial statements:

- a. Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. Interfund services – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. Interfund reimbursements – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- d. Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

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## **1.H. REVENUES, EXPEDITURES, AND EXPENSES**

### Sales Tax

The City presently levies a four-cent sales tax on taxable sales within the City which includes the four-cent State tax. The sales tax generated from the four-cent tax is collected by the State and remitted to the City the month following receipt by the State. The sales tax recorded is allocated to General Fund operations. The one-cent specific purpose sales tax is collected by the State and remitted to Park County monthly.

Park County disburses the tax to the other three municipalities in the county based on each entity's percentage of approved tax-funded projects. Sales tax resulting from sales occurring prior to year-end and received by the City after year end have been accrued and are included under the caption, *Due from other governments* since they represent taxes on sales occurring during the reporting period.

### Property Tax

Property taxes are considered "measurable" when levied and recorded as receivables when levied or assessed however they are reported as deferred revenue until the "available" criterion has been met. The City of Cody has recorded a receivable and a deferred inflow of resources for levied property taxes.

The Park County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed after the end of each month. The property tax calendar is as follows:

August 10	Taxes are levied and become an enforceable lien on the properties
September 1	First of two equal installment payments is due
November 10	First installment is delinquent
March 1	Second installment is due
May 10	Second installment is delinquent

### Grants

The City participates in various grant activities depending on the applicable projects and/or grants available. Expenditures from certain grants are subject to audit by the grantor, and the City is contingently liable to refund amounts received in excess of allowable expenditures.

### Expenditures & Expenses

In the government-wide statement of activities expenses including depreciation of capital assets are reported by function or activity. In the governmental fund financial statements expenditures are reported by class (further reported by function) as current, capital outlay and debt service. In proprietary fund financial statements, expenses are reported by object or activity.

## **NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations.

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**2.A. DEFICIT FUND BALANCES OR NET POSITION**

Wyoming Statutes prohibit the creation of a deficit fund balance in any individual fund of the City. For the year ended, the City had not incurred a fund balance deficit in any individual fund.

**2.B. BUDGET REQUIREMENTS**

The City of Cody's budget is prepared on a fiscal year basis beginning each July 1st and running through the following June 30th. The budget must present a complete financial plan for the City, setting forth all estimated revenues, expenditures, and other financing sources for the ensuing fiscal year, together with the corresponding figures for the previous fiscal year. In estimating the anticipated revenues, consideration must be given to any unexpected surpluses and the historical percentage of tax collections. Further, the budget must show a balanced relationship between the total proposed expenditures and the total anticipated revenues with the inclusion of beginning funds.

All incorporated first-class cities and towns must comply with the provisions of the Uniform Municipal Fiscal Procedures Act (W.S. 16-4-101 through W.S. 16-4-124) in preparing its budget. This act requires:

- All departments must submit their budget requests to the budget officer by May 1st of each year. The budget officer must prepare a tentative budget for each fund and file it with the governing body no later than May 15th of each year.
- The budget must contain actual revenues and expenditures for the last completed fiscal year, estimated total revenues and expenditures for the current fiscal year, and estimated available revenues and expenditures for the ensuing budget year, and the year-to-year change in estimated revenues.
- Each budget must contain the estimates developed by the budget officer together with specific work programs and other supportive data requested by the governing body, and must be accompanied by a budget message which outlines the proposed financial policies for the budget year and explains any changes from the previous year.
- The proposed budget for the city or town must be reviewed and considered by the governing body in a regular or special meeting called for this purpose. After holding a public hearing, the governing body must adopt the budget (W.S. 16-4-109).
- A summary of the budget the governing body proposes to adopt must be entered into the minutes. The summary of the proposed budget must be published at least one (1) week before the date of the public hearing in a newspaper having general circulation in that locality, or if there is none, by posting the notice in three (3) conspicuous places within the municipality. Copies of publications of hearings shall be furnished to the director of the state department of audit.
- No later than the day after the public hearing, the governing body must make the necessary appropriations and adopt the budget which, will be in effect for the next fiscal year barring further amendment.



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- A copy of the adopted budget, certified by the budget officer, must be furnished to the County Commissioners on or before July 31st (W.S. 39-2-401) for the necessary property tax levies (W.S. 16-4-111).

**2.C. DEPOSITS AND INVESTMENTS REQUIREMENTS (POLICIES)**

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Wyoming or political subdivision debt obligations or surety bonds. Investments of a City are limited by State law to the following:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Wyoming is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper and repurchase agreements involving securities which are authorized investments under State Statutes.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a, b, c and d.

**2.D. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Related Party Payables

The City of Cody had \$1,414,901 payable to the following related parties at June 30th: \$146,881 in the Water Fund payable to Shoshone Municipal Pipeline and \$1,268,020 payable to Wyoming Municipal Power Agency. Further disclosure of related party transaction is reported in Note 4E.

Accrued Expenses

The City of Cody reported \$378,255 in accrued expenses as of June 30th. Accrued expenses consist of wages earned by employees through June 30th which had not yet been paid and related payroll liabilities such as FICA. Due to the dates and report filing of certain payroll related expenses for items such as worker's compensation and retirement these items are also included in the accrual. These items were not paid prior to June 30th for their respective liability.

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## 2.E. DEBT RESTRICTIONS AND COVENANTS

### General Long-Term Debt

As required by State Statutes, the City may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue without first obtaining voter approval. For the year ended June 30th the City incurred no such debt or obligations.

## NOTE 3. DETAIL NOTES ON TRANSACTION CLASSIFICATION

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

### 3.A. DEPOSITS AND INVESTMENTS

The City's investment policy is adopted pursuant to the requirements of W.S. 9-4-831(h). It is the policy of the City of Cody to invest public funds in a manner which will provide a reasonable rate of investment return while assuring the maximum holding of principal, meeting the daily cash flow demand of the City of Cody, and conforming to all federal, state, and local laws and regulations governing the investment of public funds. This policy applies to the investment of all public funds maintained by the City of Cody and except for cash held for certain restricted purposes the City of Cody consolidates cash balances from all funds to maximize investment earnings. Investment income is allocated to the various funds based on their respective participation and in accordance with Generally Accepted Accounting Principles.

#### Deposits with Financial Institutions

The City of Cody maintains funds on deposit at a local bank branch in non-interest bearing checking accounts. At June 30th, the carrying amount of the City's cash and cash equivalents was \$3,221,490. The deposits with financial institutions as of the same date totaled \$3,175,563. The difference between the carrying amount and the bank balance are the result of transactions in transit and petty cash on hand. The deposits were collateralized as follows:

Balance at June 30th	Pledged Collateral	FDIC Insurance	Total Bank Collateral	Bank Collateral Over(under) Requirements
\$3,014,865	\$27,353,283	\$250,000	\$27,603,283	\$24,588,418
160,698	-	250,000	250,000	89,302

#### Investments

The City maintains investments in direct obligations and repurchase agreements of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, certificates of deposits. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations.

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A significant portion (\$34,794,786) of the City's investments is held in a pooled investment account with Wyoming CLASS and a cash sweep with Wells Fargo. Due to the liquid nature of these investments, they are reported in the financial statements at original cost.

- Wyoming CLASS - This pooled investment account provides Wyoming political subdivision with a method of pooling liquid assets collectively Wyoming CLASS is rated 'AAAm' by S&P Global Rating Services. Interest is accrued monthly and reinvested in the pool.
- Wells Fargo Cash Sweep – On each business day, available deposit account balances are automatically swept into the investment account overnight and are automatically redeemed the following day. The cash sweep is rated 'AAAm' by S&P Global Ratings Service. Interest is accrued daily and transfers to the City's deposit account monthly.

It is the City's policy to hold investments to maturity, therefore other individual investments in U.S. Government obligations are recorded at original cost. As of June 30th, the City of Cody held the following investments:

Type	Original Cost	Par Value	Market Value at June 30th
Direct U.S. Government Obligations	\$4,138,804	\$4,138,804	\$3,959,736
Cash Sweep	31,437,391	31,437,391	31,437,391
Pooled Investments	<u>3,357,395</u>	<u>3,357,395</u>	<u>3,357,395</u>
<b>Total</b>	<b>\$38,933,590</b>	<b>\$38,933,590</b>	<b>\$38,754,521</b>

#### Investment and Deposit Risk

*Custodial credit risk* is the risk that, in the event of bank failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Bank Deposits** – The City of Cody maintained a minimum of 100% pledging of its deposits in financial institutions. FDIC covered \$250,000 of the bank balance while the remaining balance was secured by the pledging of additional collateral. At June 30th, the collateral on the City of Cody's deposits exceeded the amount on deposit by \$24,588,418.

**Third Party Payment Processors** – the City of Cody utilizes third party payment processors for the collection of electronic payments from customers via credit card or automatic bank account debits. These transactions are processed through a financial institution and covered under the FDIC insurance. Funds are transferred to the City's bank accounts weekly and pending transfers do not exceed \$250,000. As of June 30th, the collateral on the City of Cody's third-party payment processor's balance exceeded the amount on deposit by \$89,302.

**Pooled Investments** - the collateral includes securities issued by GNMA, FNMA, FHLMC or notes fully guaranteed as to principal and interest by the Small Business Administration,

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and government securities including obligations of the U.S. Treasury and U.S. government agencies.

Cash Sweep - U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations.

*Interest rate risk* is the risk that is associated with declines or rises in interest rates which cause an investment in a fixed-income holding to increase or decrease in value. The City's policy provides that to the extent practicable, investments are matched with anticipated cash flows and are diversified to minimize the risk of loss resulting from an over-concentration of assets in a specific maturity period or single issuer. The City's investments are laddered with varying maturities based on cash flow needs. The majority of the City's investments will mature within 5 years.

<b>Maturity</b>	<b>% of Total</b>	<b>Market Value</b>
Daily Liquidity	81.12%	\$34,794,786
Less than 1 year	10.19%	593,138
1 – 3 years	7.42%	2,873,722
4+ years	<u>1.27%</u>	<u>492,875</u>
<b>Grand Total</b>	<b>100%</b>	<b>\$38,754,521</b>

*Concentration of credit risk* is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City of Cody invests in U.S. backed securities and bonds issued by different government agencies. The City's investments are diversified as follows:

<b>Issuer</b>	<b>% of Total</b>	<b>Market Value</b>
Cash Sweep	81.12%	\$31,437,391
Federal Farm Credit Bank	3.46%	1,339,344
Federal Home Loan Bank	3.66%	1,416,509
Federal Home Loan Mortgage Corp	0.85%	330,667
Freddie Mac	2.24%	869,411
Money Market	0.01%	3,804
Pooled Investments	8.66%	3,357,395
<b>Grand Total</b>	<b>100%</b>	<b>\$38,754,521</b>

*Call risk* is the risk that is specific to bond issues and refers to the possibility that an instrument will be called prior to maturity and usually goes hand in hand with reinvestment risk. The City of Cody's investments are split as follows:

<b>Type</b>	<b>% of Total</b>	<b>Market Value</b>
Non-Callable	90%	\$34,794,786
Callable	10%	3,959,735
<b>Grand Total</b>	<b>100%</b>	<b>\$38,754,521</b>

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*Reinvestment risk* is the risk that in a declining- interest rate environment, investments offered do not provide the same level of income. Falling interest rates lead to a decline in cash flow from an investment when its principal is reinvested at lower rates.

*Market risk* is the risk that the value of a holding will increase or decline as a result of changes in market conditions. The City of Cody has a “buy and hold” policy meaning that bonds are held until maturity.

*Credit risk* is the risk that an insurer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations. Obligations of the U.S. Government are backed by the full faith and credit of the U.S. Government. The City’s investments in U.S. Government issued securities were rated ‘AAA’ and ‘Aaa-mf’ by Moody’s and ‘AA+’ and AAAM by Standard and Poor’s.

#### Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs to measure the fair value of the asset. The fair value hierarchy is made up of three levels:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. Examples include US Government and agency securities, foreign government debt, listed equities, and money market securities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Examples include corporate bonds, mortgage-backed securities, bank loans, loan commitments, less liquid listed equities, municipal bonds and certain OTC derivatives.

Level 3 – unobservable inputs for the asset or liability. Examples include distressed debt, private equity, exotic or non-standard derivatives.

Fair value measurements are categorized in their entirety based on the lowest level input that is significant to the entire measurement.

<b>Investments at Fair Value as of June 30th</b>				
<b>Issuer</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
US Government Obligations	\$3,959,735	\$ -	\$ -	\$3,959,735
Cash Sweep	31,437,391	-	-	31,437,391
Wyoming Class Investment Pool	<u>3,357,395</u>	-	-	<u>3,357,395</u>
<b>Grand Total</b>	<b>\$38,754,521</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$38,754,521</b>

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### 3.B. RECEIVABLES

A significant portion of the charges for services receivables are due from residents of Cody, Wyoming for utility services. Other receivables in the governmental funds consist of billings through the City's accounts receivable system for items such as building permits, miscellaneous items, licenses, etc. Proprietary funds accounts receivable consists of usage and tap fees billed to customers (solid waste, water, wastewater, and electric). They are as follows:

	Governmental	Enterprise Funds	Total
Accounts Receivable – billed	\$381,570	\$1,275,694	\$1,657,264
Accounts Receivable – unbilled	3,492	1,460,640	1,464,132
Court Fine Receivable	129,736	-	129,736
Allowance for Uncollectible Accounts	<u>(122,736)</u>	<u>(144,125)</u>	<u>(266,861)</u>
<b>Accounts Receivable, net of allowance for uncollectible accounts</b>	<b>\$392,062</b>	<b>\$2,592,209</b>	<b>\$2,984,271</b>

As required by GASB #33, there is a court fine receivable recorded on the books in the amount of \$129,736 with an uncollectible allowance recorded of \$95,055. Many of the outstanding fines fall into the category of over 120 days past due, however, they are typically years past due and not considered collectible. Many of these accounts have been sent to collections.

### 3.C. RESTRICTED ASSETS

The restricted assets as of June 30<sup>th</sup> totaled \$153,299 and are comprised of customer deposits, (see Note 3.F.) and were as follows:

Type of Restricted Assets	Governmental Funds	Enterprise Funds	Total
Customer Deposits	\$8,324	\$144,975	\$153,299

### 3.D. DUE FROM OTHER GOVERNMENTS

Due from other governments consists of those revenues due from outside governmental agencies such as the county, state and federal government. The following is a schedule of those receivables and related deferred revenues:

	Governmental		Business-Type	
	<u>Receivable</u>	<u>Deferred</u>	<u>Receivable</u>	
Cigarette Tax	\$ 9,805	\$ -	\$ -	-
Property Tax	13,085	-	-	-
Gas Tax	50,194	-	-	-
Special Fuels Tax	16,757	-	-	-
Lottery Proceeds	8,294	-	-	-
Motor Vehicle Fees	21,451	-	-	-
Sales Tax	721,373	-	-	-
Severance Tax	59,942	59,942	-	-
Use Tax	61,958	-	-	-
Lodging Tax	14,041	-	-	-
Grants	33,108	-	-	-
<b>Total</b>	<b>\$1,010,008</b>	<b>\$ 59,924</b>	<b>\$ -</b>	<b>-</b>

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### 3.E. INTERFUND BALANCES AND ACTIVITIES

The City of Cody utilizes inter-fund transfers for both operating and capital purposes such as allocations to the Vehicle Replacement Fund and franchise transfers from the Proprietary Funds to the General Fund. Inter-fund transfers for the year ended June 30<sup>th</sup> were as follows:

	Governmental Funds		Business-Type Funds		Total
	Transfers In	Transfers Out	Transfers In	Transfers Out	
General Fund	\$ 721,672	\$ (5,538,458)	\$ -	\$ -	\$ (4,816,786)
Capital Projects Fund	4,337,109	-	-	-	4,337,109
Technology Replacement Fund	434,700	-	-	-	434,700
Vehicle Replacement Fund	1,427,824	-	-	-	1,427,824
Cody Public Art Fund	15,000	-	-	-	15,000
Solid Waste Fund	-	-	-	(339,202)	(339,202)
Water Fund	-	-	-	(89,376)	(89,376)
Wastewater Fund	-	-	-	(88,430)	(88,430)
Electric Fund	-	-	-	(880,839)	(880,839)
<b>Total</b>	<b>\$ 6,936,305</b>	<b>\$ (5,538,458)</b>	<b>\$ -</b>	<b>\$ (1,397,847)</b>	<b>\$ -</b>

The amounts shown in this chart differs from the transfers shown on the Statement of Activities due to the following capital contributions recorded as other financing sources due to the purchase of capital assets by Governmental Funds for the Business-Type Funds in the amount of \$148,731. This amount differs from the capital contributions total shown on the Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds capital contributions (\$1,452,346) due to contributed capital received from outside agencies.

### 3.F. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental funds (Government Activities Long-Term Debt) and the amounts to be repaid from proprietary funds (Business-Type Activities Debt). As of June 30th, the City's long-term debt consisted of the following:

*Accrued Compensated Absences:* Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave, sick leave and compensatory time.

*Customer Deposit Liability:* Utility customers without acceptable credit history are required to pay a meter deposit to obtain utility services. Utility deposits are refundable after 18 consecutive months of on-time payment history. Other customer deposits include encroachment deposits, landscaping deposits and bid bonds. Other deposits are refundable upon completion of the requirements of each type of deposit, typically within 12 months.

*Net Pension Liability:* Under GASB 68/71 the City of Cody is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of collective net pension liability under cost-sharing employer plans.

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*Loans Payable:* The City of Cody issued debt in the Wastewater Fund in the amount of \$3,530,395 for both phases of the wastewater treatment facility upgrade and expansion project. The loan for Phase 2 of the will not become due until after substantial completion of the project has been completed.

The City has assigned and pledged to the Wyoming State Loan and Investment Board all revenues generated from the Wastewater user fees and Wastewater enterprise fund unrestricted reserves as reimbursement for the annual loan payments which the City will make to the Clean Water State Revolving Fund (CWSRF) necessary to meet the amortized annual payment of principal and interest. The City of Cody charges a wastewater plant fee based on water tap size which is assessed monthly to all users of the City's sewer system.

The annual requirements to retire the debt outstanding as of June 30<sup>th</sup> are as follows:

Fiscal Year	Loan Phase 1		Loan Phase 2		Total
	Principal	Interest	Principal	Interest	
2024	\$76,774	\$33,637	\$ -	\$ -	\$110,411
2025	78,667	31,744	108,380	-	218,791
2026	80,606	29,804	108,380	-	218,790
2027	82,594	27,817	108,380	-	218,791
2028-2032	444,544	107,515	541,900	-	1,093,959
2033-2037	502,121	49,938	541,900	-	1,093,959
2038-2042	97,489	2,438	758,660	-	858,587
<b>Total</b>	<b>\$1,362,795</b>	<b>\$282,890</b>	<b>\$2,167,600</b>	<b>\$ -</b>	<b>\$3,813,288</b>

CHANGES IN LONG TERM DEBT					
	Balance at July 1st	Additions	Deductions	Balance at June 30th	Amounts Due within a Year
<b>Governmental Activities:</b>					
Accrued Compensated Absences	\$465,738	\$136,350	\$ -	\$602,088	\$329,942
Customer Deposits	5,500	2,824	-	8,324	8,324
Net Pension Liability	5,395,630	2,895,758	-	8,291,388	-
<b>Total Governmental Activities</b>	<b>5,866,868</b>	<b>3,034,932</b>	<b>-</b>	<b>8,901,800</b>	<b>338,266</b>
<b>Business-Type Activities:</b>					
Accrued Compensated Absences	189,577	42,015	-	231,592	128,434
Customer Deposits	161,124	-	16,149	144,975	144,975
Loans Payable (CWSRF)	3,555,413	-	25,018	3,530,395	3,530,395
Net Pension Liability	975,994	757,126	-	1,733,120	-
<b>Total Business-Type Activities</b>	<b>4,882,108</b>	<b>799,141</b>	<b>41,167</b>	<b>5,640,082</b>	<b>3,803,804</b>
<b>Total Long-Term Debt</b>	<b>\$10,748,976</b>	<b>\$3,834,073</b>	<b>\$41,167</b>	<b>\$14,541,882</b>	<b>\$4,142,070</b>



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### 3.G. FUND BALANCES AND NET POSITION

#### Components of Fund Balances

As of June 30th, fund balances components consisted of the following:

Fund	Non-Spendable	Restricted	Committed	Assigned
General Fund	\$330,693	\$104,008	\$ -	\$117,180
Capital Projects Fund	-	-	4,445,328	-
Technology Replacement Fund	-	-	386,644	-
Vehicle Replacement Fund	-	-	4,661,527	-
Cody Public Art Fund	-	5,202	-	-
Specific Purpose Tax Fund	-	165,000	-	-
<b>Total</b>	<b>\$330,693</b>	<b>\$274,210</b>	<b>\$ 9,493,499</b>	<b>\$117,180</b>

#### Net Asset Restrictions

In the governmental activities at the government-wide level there is a restriction in the amount of \$274,210 due to certain assets being restricted to a specific use:

Fund	Net Asset Restrictions
Police Forfeitures	\$72,908
Convention Center	21,100
PEG Grant	10,000
Public Art	5,202
Public Improvements	165,000
<b>Total</b>	<b>\$274,210</b>

### 3.H. CAPITAL ASSETS

At fund level, the purchase by the governmental fund is recorded as capital outlay expenditure and is a capital contribution in the proprietary fund. However, for the government-wide financial statements this activity is treated as a transfer between funds and activity is eliminated. Capital asset activity for the fiscal year ended June 30th was as follows:

GOVERNMENTAL CAPITAL ASSETS					
	Balance at			Balance at	
	July 1, 2022	Adjustments	Additions	Disposals	June 30, 2023
Land	\$ 2,418,607	\$ -	\$ -	\$ -	\$ 2,418,607
Construction in Progress	634,553	-	78,956	(236,148)	477,361
Buildings	14,078,495	-	-	-	14,078,495
Intangibles	52,481	-	-	-	52,481
Improvements	5,965,966	(114,927)	833,422	-	6,684,461
Furniture & Fixtures	943,179	-	188,390	-	1,131,569
Machinery & Equipment	6,880,413	(302,549)	343,432	(124,937)	6,796,359
Infrastructure	19,867,585	(4,836,740)	1,393,854	-	16,424,699
Total Assets	50,841,278	(5,254,215)	2,838,054	(361,085)	48,064,033
Accumulated Depreciation	(21,414,112)	1,535,223	(1,224,292)	112,568	(20,990,613)
Net Capital Assets	\$ 29,427,166	\$ (3,718,993)	\$ 1,613,763	\$ (248,517)	\$ 27,073,420

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PROPRIETARY CAPITAL ASSETS					
	Balance at July 1, 2022	Adjustments	Additions	Disposals	Balance at June 30, 2023
Land	\$ 614,332	\$ -	\$ -	\$ -	\$ 614,332
Intangibles	12,855	-	-	-	12,855
Construction in Progress	6,772,981	-	280,941	(342,667)	6,711,255
Buildings	1,623,979	-	-	-	1,623,979
Improvements	23,166	114,927	-	-	138,093
Machinery & Equipment	5,648,775	302,549	670,919	(65,340)	6,556,903
Infrastructure	57,347,782	4,836,740	1,695,311	-	63,879,832
Total Assets	72,043,869	5,254,215	2,647,171	(408,007)	79,537,249
Accumulated Depreciation	(28,411,871)	(1,535,223)	(1,754,998)	6,670	(31,695,422)
Net Capital Assets	\$ 43,631,998	\$ 3,718,993	\$ 892,173	\$ (401,337)	\$ 47,841,826

#### NOTE 4. OTHER NOTES

##### 4.A. EMPLOYEE PENSION PLANS

The City and all full-time and regular part-time employees participate in the Wyoming Retirement System (WRS), a cost-sharing multi-employer public employee retirement system. WRS pays employees a defined benefit depending upon years of service and earnings using an accrued benefit cost method.

Wyoming Retirement System has two tiers of benefits for City employees:

Tier 1: For employees who have made a contribution to the Plan for service prior to September 1, 2012, benefits are calculated using a multiplier of 2.125 percent for the first 15 years of service and 2.25 percent for years of service above 15 and the employee's three-year highest average salary. Employees under this tier are eligible for full retirement at age 60 or the Rule of 85 (age plus years of service in WRS equals 85 or more).

Tier 2: For employees who made their first contribution to the Plan for service on or after September 1, 2012 or if an employee terminated employment before being vested, or took a refund and then were reemployed on or after September 1, 2012, benefits are calculated using a multiplier of 2 percent for all years of service and the employee's five-year highest average salary. Employees under this tier are eligible for full retirement benefits at age 65 or the Rule of 85.

City employees are eligible for a reduced benefit when: Under Tier 1 the employee reaches age 50 and are vested; Under Tier 2 the employee reaches age 55 and are vested or Under either Tier if the employee completes 25 years of service at any age. Law enforcement employees are eligible for full retirement after reaching age 60 and are vested or at any age with 20 years of service. Early retirement benefits are available with a reduced benefit after reaching age 50 and are vested. All eligible City employees are covered under one of the following two plans:

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Public Employee Pension Plan

Beginning July 2021, public employees participate at a contribution rate of 18.62% of which the City paid 13.19% and the employees paid 5.43% of the total contribution amount. Prior to July 2021 the contribution rate was 18.12%, of which the City paid 12.94% and the employees paid 5.18%.

Fiscal Year Ending	Employee Contribution	Employer Contribution	Total Contribution
June 30, 2023	\$264,718	\$643,025	\$907,743
June 30, 2022	244,035	592,785	836,820
June 30, 2021	238,565	595,482	834,047
June 30, 2020	221,384	569,842	791,226
June 30, 2019	205,180	548,180	753,360

Law Enforcement Pension Plan

Beginning September 2020, law enforcement employees participate at a contribution rate of 17.20% of which the City paid 11.69% and employees paid 5.51% of the total contribution amount. As of June 30th, the City did not have an outstanding balance payable for legally required contributions to the Wyoming Retirement System.

Fiscal Year Ending	Employee Contribution	Employer Contribution	Total Contribution
June 30, 2023	\$99,564	\$211,235	\$310,799
June 30, 2022	83,352	176,839	260,191
June 30, 2021	85,754	181,935	267,689
June 30, 2020	78,133	165,761	243,894
June 30, 2019	74,073	157,153	231,226

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

The WRS has public employee and law enforcement employee plan net position of \$9,212,807,823 and a total pension liability of \$12,286,276,721 creating a net pension liability of \$3,073,468,898. The City of Cody's prorated share of the net pension liability is \$10,024,508, as reported on the Statement of Net Position. The City's net pension liability is based on the ratio of actual contributions paid to WRS by the City to the total paid by all participants of the plan. The City's prorated share of the net pension liability is based on the ratio of actual contributions paid to WRS by the City to the total paid by all participants of the plan. At the measurement date of the unfunded pension liability, December 31, 2022, the City's liability as well as their proportion and increase from its proportion measured at December 31, 2022 were as follows for each plan in which the City participates:

	Pension Liability at June 30, 2023	Proportion at December 31, 2022	Increase (Decrease) from December 31, 2021
Public Employee Pension Plan	\$6,805,227	0.24901900%	0.00344990%
Law Enforcement Pension Plan	3,219,281	0.94502790%	0.02164580%
<b>Total</b>	<b>\$10,024,508</b>		

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The City reported \$3,056,304 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year end June 30th. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

Fiscal Year Ending June 30th	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	(\$304,584)	(\$64,033)
2024	707,961	148,836
2025	600,987	126,345
2026	2,051,940	431,380
<b>Total</b>	<b>\$3,056,304</b>	<b>\$642,528</b>

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

	Deferred Outflow		Deferred Inflow	
	Public Employees	Law Enforcement	Public Employees	Law Enforcement
Net difference between projected & actual earnings	\$585,796	\$225,940	\$ -	\$ -
Difference between actual and expected experience	34,127	76,014	43,139	101,521
Assumption changes	182,636	1,333,231	-	497,868
Amortizing deferred outflows & deferred inflows	-	-	-	-
Contributions subsequent to measurement date	457,025	161,535	-	-
<b>Total</b>	<b>\$1,259,584</b>	<b>\$1,796,720</b>	<b>\$43,139</b>	<b>\$599,389</b>

### Asset Allocation

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 are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each major asset class is included in the pension plans target asset allocation for the fiscal year 2022. These best estimates are summarized in the following table:

Asset Allocation			
Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed Income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable Alternatives	16.00%	5.14%	6.02%
Private Markets	10.50%	6.05%	7.67%
Total	100.00%	5.86%	7.23%

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Actuarial Assumptions

The following actuarial assumptions applied to all periods included in the measurement:

**Public Employee Pension Plan**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	5 year smoothed market
Inflation	2.25%
Salary increases	2.5% to 6.5%, including inflation
Payroll growth rate	2.50%
Cost of Living Increase	0.00%
Investment rate of return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation pursuant to an experience study of the period 2016 - 2020.
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%

**Law Enforcement Pension Plan**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	5 year smoothed market
Inflation	2.25%
Salary increases	5.25% to 9.25% including inflation
Payroll growth rate	2.50%
Cost of Living Increase	0.00%
Investment rate of return	6.80 %
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation pursuant to an experience study of the period 2016 - 2020.
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 Active 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%

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Discount Rate

The current discount rate used to measure the total pension liability was 6.80% for the public employee plan and 5.17% for the law enforcement plan. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

The following table presents the City's proportionate share of the net pension liability calculated using the current discount rate for each plan as well as the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Primary Government Pension Plans	1% Decrease	Current Rate	1% Increase
Public Employee Plan	\$10,048,877	\$6,805,227	\$4,117,121
Law Enforcement Plan	4,845,202	3,219,281	1,912,379
<b>Total</b>	<b>\$14,894,079</b>	<b>\$10,024,508</b>	<b>\$6,029,500</b>

Wyoming Retirement System Reports

Financial reporting information pertaining to the City's participation in the Wyoming Retirement System (WRS) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71. The WRS was established through State Statutes W.S. 9-3-401 through W.S. 9-3-432. The WRS issues a publicly available Comprehensive Annual Financial Report that includes its financial statements and required supplementary information. Contact the Wyoming Retirement System for additional information or a summary plan description detailing the provisions of the plan, including benefits, actuarial assumptions, discount rates, investments held, expected rates of return, discount rate sensitivity and cost of living adjustments at 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002, or by calling 307-777-7691. The information is also available on their website at [www.retirement.state.wy.us](http://www.retirement.state.wy.us)

**4.B. RISK MANAGEMENT**

Liability

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these various risks of loss through participation in the Wyoming Local Government Liability Pool (LGLP). The City pays an annual actuarially determined assessment to LGLP for liability coverage. The coverage provides \$250,000 per claimant, but not more than \$500,000 per occurrence for all claimants. The deductible per occurrence is \$5,000. The contribution to the plan in the current year was \$43,498. Should claims exceed LGLP deposits, each participant is liable and will be assessed for its proportionate share whether or not it continues to participate in the plan, should LGLP terminate, the City would receive its proportionate share of excess funds remaining in the LGLP account. The City has incurred no losses of significance in excess of coverage provided by LGLP in the last three years.

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#### Health Insurance

The City also participates in the Wyoming Association of Municipalities Joint Powers Insurance Coverage (WAM-JPIC) as a means to acquiring health and life insurance at competitive rates. The package is acquired by pooling resources with other governmental entities. The City pays 100% of the cost for single coverage and 85% of the cost for dependent coverage with employees paying the other 15%. In addition, the City contributes 50% of the employees' annual deductible into a health savings account (H.S.A.) for each covered employee. Employees with family coverage receive \$1,400 per year and employees with other than family coverage receive \$700 per year. The total cost for health insurance and H.S.A contribution for the City in the current fiscal year was \$1,876,480.

#### Property Insurance

Buildings and equipment are adequately insured under commercial insurance policies. The City has incurred no losses of significance in excess of coverage provided by the commercial carriers in the last three years. Total costs for property insurance for the City in the current fiscal year were \$73,028.

#### Cyber Insurance

The City maintains cyber insurance to protect against internet-based risks and risks related to information technology infrastructure and activities. The City has incurred no losses. Total costs for cyber insurance for the City in the current fiscal year were \$21,696.

### **4.C. COMPENSATED ABSENCES**

Accumulated vacation, sick leave and compensatory pay of the City's employees vest every other week and is recorded as a liability in the respective City funds. The General Fund's accrued vacation pay and sick leave is reported as a liability on the government-wide financial statements. Liabilities of the proprietary funds are reported within those funds at the fund level and government-wide level of financial statements. See Note 3.F. for further disclosure of the liabilities.

### **4.D. CONTINGENCIES**

*Grant Program Involvement* – in the normal course of operations the City participated in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

*Litigation* – the City is a party to various legal proceedings which normally occur in the course of government operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State Statute relating to judgments, the City feels that any settlement or insurance would not have a material adverse effect on the financial condition of the City.

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#### 4.E. LEASES

The City has two leases meeting the requirements of GASB 87. The leases are deemed operating type leases and represent space rent for telecommunications towers. The City's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

AT & T Communications Tower: On 01/01/2022, City of Cody, WY entered into a 60-month lease as Lessor for the use of AT&T Communications Tower. An initial lease receivable was recorded in the amount of \$138,332. As of 06/30/2023, the value of the lease receivable is \$100,210. The lessee is required to make monthly fixed payments of \$2,333.33. The lease has an interest rate of 2.5%. The value of the deferred inflow of resources as of 06/30/2023 was \$96,833, and City of Cody recognized lease revenue of \$27,666 during the fiscal year. The lease contains an annual step payment increase of 2.5%. The lessee has 3 extension option(s), each for 60 months.

Union Wireless Communications Tower: On 07/01/2021, City of Cody, WY entered into a 50-month lease as Lessor for the use of Union Wireless Communications Tower. An initial lease receivable was recorded in the amount of \$123,750. As of 06/30/2023, the value of the lease receivable is \$69,082. The lessee is required to make monthly fixed payments of \$2,434.48. The lease has an interest rate of 2.5%. The value of the deferred inflow of resources as of 06/30/2023 was \$64,626, and City of Cody recognized lease revenue of \$29,562 during the fiscal year. The lease contains an annual step payment increase of 3.0%. The lessee has 2 extension option(s), each for 120 months.

	Lease Receivable		Revenue			Lease Receivable	
	07/01/2022		Revenue	Interest	Total Receipts	06/30/2023	
AT&T Tower	\$ 125,706	\$	25,496	\$ 2,854	\$ 28,350	\$	100,210
Union Wireless Tower	97,065		27,983	2,107	30,090		69,082
Total	\$ 222,771	\$	53,478	\$ 4,961	\$ 58,440	\$	169,292

	Deferred Inflow		Deferred Inflow	
	07/01/2022	Lease Revenue	06/30/2023	
AT&T Tower	\$ 124,499	\$ 27,666	\$	96,833
Union Wireless Tower	94,188	29,562		64,626
Total	\$ 218,687	\$ 57,228	\$	161,458

#### 4.F. RELATED PARTY TRANSACTIONS

##### Jointly Governed Organizations

The City paid the following jointly governed organizations for the following during the fiscal year ended June 30th:

Organization	Purpose	Amount Paid	Amount Owed as of June 30th
Shoshone Municipal Pipeline	Wholesale water	\$1,472,950	\$146,881
Wyoming Municipal Power Agency	Wholesale electricity	7,395,671	1,268,020



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#### 4.G. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four business-type activities which provide solid waste, water, wastewater and electric services. Only the Water Fund and the Electric Fund are required to have segment information presented, however Management has chosen to show limited segment information on each Proprietary Fund in this Note. Each fund is a major fund therefore the full segment information can be easily seen in the proprietary funds financial statements. Segment information for the year ended June 30th as follows:

4.F. SEGMENT INFORMATION FOR ENTERPRISE FUNDS						
	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Electric Fund</u>	<u>Storm Drainage Fund</u>	<u>Combined Total</u>
Total Assets	\$5,394,484	\$19,258,886	\$23,365,494	\$22,018,300	\$4,223,566	\$74,260,730
Current Assets	3,088,288	6,473,665	4,772,869	11,668,957	415,125	26,418,904
Capital Assets	2,306,196	12,785,221	18,592,625	10,349,343	3,808,441	47,841,826
Current Liabilities	153,101	272,203	157,194	1,581,163	42,713	2,206,374
Net Position Capital Assets	2,306,196	12,785,221	18,592,625	10,349,343	3,808,441	47,841,826
Net Position Unrestricted	2,473,523	5,857,655	926,553	9,519,863	340,400	19,117,994
Operating Revenues	2,440,034	3,746,954	1,412,323	12,944,389	546,477	21,090,177
Operating Expense	2,216,244	3,337,982	1,317,600	11,091,181	334,260	18,297,267
Operating Income (Loss)	223,790	408,972	94,723	1,853,208	212,217	2,792,910
Investment Income	87,973	191,037	127,401	267,179	4,185	677,775
Transfers In(Out)	(339,202)	(89,376)	(88,430)	(880,839)	-	(1,397,847)
Change in Net Position	72,388	1,057,286	516,219	1,417,996	429,848	3,493,737
Net Position Beginning	4,707,331	17,585,590	19,113,370	18,451,210	3,718,993	63,576,494
Net Position Ending	4,779,719	18,642,876	19,629,589	19,869,206	4,148,841	67,070,231
Net Cash Flow Operations	289,136	805,619	799,989	2,791,537	335,819	5,022,100
Net Cash Flow Non-Capital	(336,703)	(91,699)	(81,087)	(880,838)	-	(1,390,327)
Net Cash Flow Capital	(159,764)	(113,886)	(376,030)	(213,821)	-	(863,501)
Net Cash Flow Investing	87,973	191,037	127,401	267,179	4,185	677,775
Beginning Cash	2,891,337	5,051,346	4,105,591	7,338,110	-	19,386,384
Ending Cash	\$2,771,979	\$5,842,417	\$4,575,864	\$9,302,167	\$340,004	\$22,832,431

#### 4.H. COMMITMENTS

At June 30th, the following construction commitments were outstanding of which some are being performed by City of Cody employees/departments:

Project	Actual as of June 30 <sup>th</sup>	Anticipated Remaining Cost
29 <sup>th</sup> Street Pathway	\$9,220	\$41,780
Mentock Park Restrooms	15,409	201,691
Chip Sealing	396,480	106,126
Demaris Street Overlay	20,916	24,634
Wastewater Treatment Facility	6,198,606	139,850
Mobile Data Terminals	20,752	181,078
City Hall HVAC System	14,583	235,417
Raw Water Extensions	140,522	275,050
Electric Shop	35,986	8,439,014
Canyon Meadows Electric Lines	336,141	26,141
<b>TOTAL</b>	<b>\$7,188,615</b>	<b>\$9,670,781</b>

City of Cody, Wyoming  
Notes to Basic Financial Statements  
June 30, 2023

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#### **4.I. SUBSEQUENT EVENTS/OTHER**

- The City of Cody received notice from the State of Wyoming Department of Revenue that the State Board of Equalization found in favor of a taxpayer appeal. The amount of the refund owed back to the State from the City of Cody's sales tax proceeds from the period of 2017 through 2020 is \$171,964. This amount will be withheld in monthly installments from the City's sales tax distributions in Fiscal Year 2023-2024.
- The City of Cody received notice from the Park County, Wyoming that the State Board of Equalization found in favor of a taxpayer appeal. The amount of the refund owed back to the County from the City of Cody's specific purpose tax proceeds from the period of 2017 through 2020 is \$147,478. This amount will be reimbursed to Park County over a three-month period during Fiscal Year 2023-2024.
- Accepted the bid from Casper Tin Shop for the HVAC system replacement at City Hall/Nichol Mall in the amount of \$127,585.00.
- Awarded Bid 2023-03 to Fremont Chevy GMC for one 2024 GMC 2500HD 4X4 in the amount of \$45,307.00.
- Awarded Bid 2023-04 to Fremont Chevy GMC for one 2024 GMC 2500HD 4X4 in the amount of \$45,065.00.
- Awarded Bid 2023-05 to Denny Menholt Chevrolet GMC for one 2024 Chevrolet 2500HD 4X4 crew cab in the amount of \$48,703.00.
- Awarded Bid 2023-06 to Honnen Equipment Company in the amount of \$287,625.43, less a trade in amount of \$57,000.00, leaving a net of \$230,625.43 for a new Front End Wheeled Loader.
- Awarded Bid 2023-07 to Floyd's Truck Center for one (1) Jet side dump trailer in the amount of \$72,846.00.
- Authorize the Mayor to enter into and sign an agreement between the City of Cody and Motorola Solutions, Inc for mobile data terminals contingent upon review by the City Attorney, in the amount of \$64,691.00.
- Awarded Bid 2023-08 to Fremont Motor Cody for one 2023 Ford Explorer 4WD in the amount of \$41,089.16.
- Approved Task Order #2 with Stantec Consulting Services Inc. for Survey and Preliminary Design Services for the Big Horn Avenue and Freedom Street Pedestrian Crossing Project in the amount of \$74,991.

**REQUIRED SUPPLEMENTAL INFORMATION**

City of Cody, Wyoming  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund - Modified Accrual Basis  
for the fiscal year ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 1,372,600	\$ 1,372,600	\$ 1,570,409	\$ 197,809
Intergovernmental	6,493,449	6,493,449	6,532,171	38,722
Charges for Services & Fines	1,837,035	1,837,035	2,140,438	303,403
Grants & Contributions	479,059	479,305	523,151	43,846
Interest Income	15,000	194,016	238,226	44,210
Miscellaneous	125,400	125,400	192,356	66,956
Total Revenues	<u>10,322,543</u>	<u>10,501,805</u>	<u>11,196,751</u>	<u>694,946</u>
<b>EXPENDITURES</b>				
General Government	908,691	963,685	955,569	8,116
Police Department	4,201,897	4,283,340	3,964,558	318,782
Parks Department	1,085,805	1,118,045	808,666	309,379
City Facilities	349,507	361,507	321,989	39,518
Community Development	570,305	570,305	488,672	81,633
Public Works	1,460,465	1,551,437	1,309,482	241,955
Recreation Center	2,374,164	2,373,482	2,222,666	150,816
Total Expenditures	<u>10,950,834</u>	<u>11,221,801</u>	<u>10,071,602</u>	<u>1,150,199</u>
<b>INTERFUND TRANSFERS</b>				
Transfers In/Out	(4,816,622)	(4,816,622)	(4,816,786)	164
Net Transfers	<u>(4,816,622)</u>	<u>(4,816,622)</u>	<u>(4,816,786)</u>	<u>164</u>
Net change in fund balance	(5,444,913)	(5,536,618)	(3,691,637)	1,844,981
<b>FUND BALANCE - BEGINNING</b>	12,954,006	12,954,006	12,954,006	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 7,509,093</u>	<u>\$ 7,417,388</u>	<u>\$ 9,262,369</u>	<u>\$ 1,844,981</u>
<b>Adjustments to Generally Accepted Accounting Principles Basis:</b>				
Changes in due from other governments			\$ 77,403	
Changes in court receivables and related accounts			-	
Changes in other receivables			25,291	
Changes in allowances			9,784	
Changes in inventory			43,983	
Changes in accrued liabilities			(52,180)	
Changes in deferred revenue			(17,641)	
Net change in fund balances - GAAP basis			<u>86,640</u>	
<b>Ending Fund Balance - GAAP Basis</b>			<u>\$ 9,349,009</u>	

## Notes:

- (1) The City of Cody operates capital projects funds which accounts for transfers from other governmental and business-type funds within the primary government. This fund is to be used for capital construction and acquisitions. See Note 3.G. in the Notes to the Basic Financial Statements for additional details.
- (3) The budget for the General Fund is prepared using the modified accrual basis of accounting.

City of Cody, Wyoming  
 Budgetary Comparison Schedule - Modified Accrual Basis  
 Major Governmental Fund  
 for the fiscal year ended June 30, 2023

	<b>CAPITAL PROJECTS FUND</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive(Negative)</u>
<b>REVENUES</b>				
Investment Income	\$ -	\$ 107,745	\$ 154,800	\$ 47,055
Total Revenues	<u>-</u>	<u>107,745</u>	<u>154,800</u>	<u>47,055</u>
<b>EXPENDITURES</b>				
Operating Expenses	-	-	-	-
Capital Outlay	<u>1,139,707</u>	<u>1,139,707</u>	<u>46,581</u>	<u>1,093,126</u>
Total Expenditures	<u>1,139,707</u>	<u>1,139,707</u>	<u>46,581</u>	<u>1,093,126</u>
<b>INTERFUND TRANSFERS</b>				
Transfers In	4,337,109	4,337,109	4,337,109	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Transfers	<u>4,337,109</u>	<u>4,337,109</u>	<u>4,337,109</u>	<u>-</u>
Net change in fund balance	3,197,402	3,305,147	4,445,328	1,140,181
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 3,197,402</u>	<u>\$ 3,305,147</u>	<u>\$ 4,445,328</u>	<u>\$ 1,140,181</u>

See independent auditor's report as it relates to required supplementary information.

City of Cody, Wyoming  
 Budgetary Comparison Schedule - Modified Accrual Basis  
 Major Governmental Fund  
 for the fiscal year ended June 30, 2023

	<b>VEHICLE REPLACEMENT FUND</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive(Negative)</u>
<b>REVENUES</b>				
Investment Income	\$ 11,000	\$ 140,080	\$ 172,760	\$ 32,680
Total Revenues	<u>11,000</u>	<u>140,080</u>	<u>172,760</u>	<u>32,680</u>
<b>EXPENDITURES</b>				
Operating Expenses	-	-	-	-
Capital Outlay	<u>1,073,934</u>	<u>1,727,800</u>	<u>425,447</u>	<u>1,302,353</u>
Total Expenditures	<u>1,073,934</u>	<u>1,727,800</u>	<u>425,447</u>	<u>1,302,353</u>
<b>INTERFUND TRANSFERS</b>				
Transfers In	1,427,824	1,427,824	1,427,824	-
Transfers Out	-	-	-	-
Net Transfers	<u>1,427,824</u>	<u>1,427,824</u>	<u>1,427,824</u>	<u>-</u>
Net change in fund balance	364,890	(159,896)	1,175,137	1,335,033
<b>FUND BALANCE - BEGINNING</b>	<u>3,486,390</u>	<u>3,486,390</u>	<u>3,486,390</u>	<u>1,335,033</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 3,851,280</u>	<u>\$ 3,326,494</u>	<u>\$ 4,661,527</u>	<u>\$ 1,335,033</u>

See independent auditor's report as it relates to required supplementary information.

City of Cody, Wyoming  
 Budgetary Comparison Schedule - Modified Accrual Basis  
 Major Governmental Fund  
 for the fiscal year ended June 30, 2023

	<b>SPECIFIC PURPOSE TAX FUND</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 740	\$ 740
Capital Grants	80,000	346,517	315,423	(31,094)
Investment Income	-	696	2,109	1,413
Total Revenues	<u>80,000</u>	<u>347,213</u>	<u>318,272</u>	<u>(28,941)</u>
<b>EXPENDITURES</b>				
Operating Expenses	-	-	-	-
Capital Outlay	457,730	549,873	419,536	130,337
Total Expenditures	<u>457,730</u>	<u>549,873</u>	<u>419,536</u>	<u>130,337</u>
Net change in fund balance	(377,730)	(202,660)	(101,264)	101,396
<b>FUND BALANCE - BEGINNING</b>	<u>266,264</u>	<u>266,264</u>	<u>266,264</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (111,466)</u>	<u>\$ 63,604</u>	<u>\$ 165,000</u>	<u>\$ 101,396</u>

See independent auditor's report as it relates to required supplementary information.

City of Cody, Wyoming  
 Budgetary Comparison Schedule - Modified Accrual Basis  
 Major Governmental Fund  
 for the fiscal year ended June 30, 2023

	<b>ARPA FUND</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive(Negative)</u>
<b>REVENUES</b>				
Grants & Contributions	\$ -	\$ -	\$ 488,258	\$ 488,258
Investment Income	-	37,323	49,440	12,117
Total Revenues	<u>-</u>	<u>37,323</u>	<u>537,698</u>	<u>500,375</u>
<b>EXPENDITURES</b>				
General Government	3,200	3,200	3,633	(433)
Parks Department	61,084	61,084	59,938	1,146
City Facilities	-	-	-	-
Recreation	122,167	122,167	74,575	47,592
Capital Outlay	<u>962,830</u>	<u>885,617</u>	<u>350,110</u>	<u>535,507</u>
Total Expenditures	<u>1,149,281</u>	<u>1,072,068</u>	<u>488,256</u>	<u>583,812</u>
Net change in fund balance	(1,149,281)	(1,034,745)	49,442	1,084,187
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (1,149,281)</u>	<u>\$ (1,034,745)</u>	<u>\$ 49,442</u>	<u>\$ 1,084,187</u>

See independent auditor's report as it relates to required supplementary information.



**OTHER SUPPLEMENTAL INFORMATION**

City of Cody, Wyoming  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

	<u>Capital Projects</u>	<u>Special Revenue</u>	
	<u>Technology Replacement</u>	<u>Cody Public Art Fund</u>	<u>Total Non-Major</u>
	<u>Fund</u>		<u>Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 62,397	\$ 3,984	\$ 66,381
Investments	337,418	21,546	358,964
Accounts Receivable	1,525	97	1,622
	<u>401,340</u>	<u>25,627</u>	<u>426,967</u>
<b>Total Assets</b>			
<b>LIABILITIES</b>			
Accounts Payable	14,696	20,425	35,121
	<u>14,696</u>	<u>20,425</u>	<u>35,121</u>
<b>Total Liabilities</b>			
<b>FUND EQUITY</b>			
Fund Balance:			
Nonspendable:	-	-	-
Restricted:			
Public Art	-	5,202	5,202
Committed:	-	-	-
Capital Assets	386,644		386,644
Assigned:	-	-	-
Unassigned	-	-	-
	<u>386,644</u>	<u>5,202</u>	<u>391,846</u>
<b>Total Fund Equity</b>			
<b>Total Liabilities and Fund Equity</b>	<u>\$ 401,340</u>	<u>\$ 25,627</u>	<u>\$ 426,967</u>

See independent auditor's report as it relates to required supplementary information.

City of Cody, Wyoming  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
for the fiscal year ending June 30, 2023

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Technology Replacement Fund</u>	<u>Cody Public Art Fund</u>	
<b>REVENUES</b>			
Contributions	\$ -	\$ 17,640	\$ 17,640
Investment Income	14,927	729	15,656
Total Revenues	<u>14,927</u>	<u>18,369</u>	<u>33,296</u>
<b>EXPENDITURES</b>			
General Government	15,223	31,148	46,371
Police Department	24,738	-	24,738
Parks Department	1,261	-	1,261
City Facilities	-	-	-
Community Development	1,104	-	1,104
Public Works	2,497	-	2,497
Recreation Center	5,000	-	5,000
Capital Outlay	13,160	-	13,160
Total Expenditures	<u>62,983</u>	<u>31,148</u>	<u>94,131</u>
Revenues Over(Under) Expenditures	(48,056)	(12,779)	(60,835)
Other Financing Sources(Uses)			
Transfers In	<u>434,700</u>	<u>15,000</u>	<u>449,700</u>
Revenues and Other Financing Sources Over(Under) Expenditures and Other Uses	386,644	2,221	388,865
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>2,981</u>	<u>2,981</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 386,644</u>	<u>\$ 5,202</u>	<u>\$ 391,846</u>

See independent auditor's report as it relates to required supplementary information.

City of Cody, Wyoming  
Schedule of Pensions  
for the Fiscal Year Ended June 30, 2023

Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 fiscal years\* (unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Public Employee Pension Plan</b>									
City's proportion of the net pension liability (Asset)	0.2490190%	0.2455691%	0.2528765%	0.2507178%	0.2481617%	0.2371331%	0.2390953%	0.2378250%	0.2320843%
City's proportionate share of the net pension liability	\$ 6,805,227	\$ 3,744,245	\$ 5,495,916	\$ 5,891,683	\$ 7,557,246	\$ 5,405,071	\$ 5,780,129	\$ 5,539,771	\$ 4,095,574
City's covered-employee payroll	\$ 4,875,097	\$ 4,494,196	\$ 4,601,873	\$ 4,491,988	\$ 4,420,111	\$ 4,212,379	\$ 4,262,843	\$ 4,169,999	\$ 3,967,278
City's proportionate share of the net pension liability (asset) as a percentage of covered employees	139.59%	83.31%	119.43%	131.16%	170.97%	128.31%	135.59%	133.56%	103.23%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<b>Law Enforcement Pension Plan</b>									
City's proportion of the net pension liability (Asset)	0.9450279%	0.9238821%	0.9140696%	0.8463188%	0.0849051%	0.8264306%	0.7681368%	0.8147468%	0.8126946%
City's proportionate share of the net pension liability	\$ 3,219,281	\$ 2,627,378	\$ 622,684	\$ 729,516	\$ 2,055,317	\$ 711,097	\$ 579,881	\$ 612,037	\$ 239,450
City's covered-employee payroll	\$ 1,806,970	\$ 1,512,738	\$ 1,556,330	\$ 1,418,031	\$ 1,344,341	\$ 1,268,960	\$ 1,188,916	\$ 1,225,377	\$ 1,201,088
City's proportionate share of the net pension liability (asset) as a percentage of covered employees	178.16%	173.68%	40.01%	51.45%	152.89%	56.04%	48.77%	49.95%	19.94%
Plan fiduciary net position as a percentage of the total pension liability	70.30%	75.62%	91.82%	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%

Schedule of Pension Contributions - Last 10 fiscal years\* (unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Public Employee Pension Plan</b>									
Contractually required contributions	\$ 907,743	\$ 836,820	\$ 834,047	\$ 791,488	\$ 753,360	\$ 707,840	\$ 710,756	\$ 689,754	\$ 615,196
Contributions in relation to the contractually required contributions	\$ 907,743	\$ 836,820	\$ 834,047	\$ 791,488	\$ 753,360	\$ 707,840	\$ 710,756	\$ 689,754	\$ 615,196
Contribuiton deficiency(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 4,875,097	\$ 4,494,196	\$ 4,601,873	\$ 4,491,988	\$ 4,420,111	\$ 4,258,964	\$ 4,276,510	\$ 4,150,144	\$ 3,876,471
Contributions as a percentage of covered employee payroll	18.62%	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<b>Law Enforcement Pension Plan</b>									
Contractually required contributions	\$ 310,799	\$ 260,191	\$ 267,689	\$ 243,901	\$ 231,227	\$ 225,664	\$ 206,736	\$ 220,283	\$ 216,359
Contributions in relation to the contractually required contributions	\$ 310,799	\$ 260,191	\$ 267,689	\$ 243,901	\$ 231,227	\$ 225,664	\$ 206,736	\$ 220,283	\$ 216,359
Contribuiton deficiency(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 1,806,970	\$ 1,512,738	\$ 1,556,330	\$ 1,418,031	\$ 1,344,341	\$ 1,312,002	\$ 1,201,953	\$ 1,280,715	\$ 1,257,901
Contributions as a percentage of covered employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

\* Information for years prior to 2014 is not available

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

See independent auditor's report as it relates to required supplementary information.

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cody, Wyoming, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Cody's basic financial statements, and have issued our report thereon dated November 3, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Cody'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 City of Cody's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Cody's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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

Seckman & Thomas, Certified Public Accounts, P.C

November 3, 2023