

**TOWN OF PINEDALE, WYOMING**

**FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

**TOWN OF PINEDALE, WYOMING  
FINANCIAL REPORT  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Town Council  
Town of Pinedale, Wyoming  
Pinedale, Wyoming

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying cash basis financial statement of the governmental activities, the business-type activities, each major fund and the remaining fund information of the Town of Pinedale, Wyoming (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town'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 cash basis financial position of the governmental activities, the business-type activities, each major fund, and remaining fund information of the Town of Pinedale as of June 30, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

#### *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 Town of Pinedale and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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 Town of Pinedale'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 Responsibility**

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 Town of Pinedale'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 Town of Pinedale'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.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pinedale's basic financial statements. Management elected not to prepare the management discussion and analysis portion of the financial statements.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23, be presented to supplement the basic financial statements. Such information, 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 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 Town of Pinedale's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not 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 and the schedule of expenditures of federal awards 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 September 5, 2023, on our consideration of the Town of Pinedale's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Pinedale's internal control over financial reporting and compliance.

**SUMMIT WEST CPA GROUP, P.C.**

Summit West CPA Group, P.C.  
Lander, Wyoming  
September 5, 2023

# **Government-Wide Financial Statements**

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**TOWN OF PINEDALE, WYOMING**  
**STATEMENT OF NET POSITION - CASH BASIS**  
**JUNE 30, 2023**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and investments	\$ 11,311,165	\$ 3,701,813	\$ 15,012,978
<b>Total Assets</b>	<b>\$ 11,311,165</b>	<b>\$ 3,701,813</b>	<b>\$ 15,012,978</b>
<b>NET POSITION</b>			
Restricted for			
Travel and tourism	\$ 639,524	\$ 0	\$ 639,524
Unrestricted	10,671,641	3,701,813	14,373,454
<b>Total Net Position</b>	<b>\$ 11,311,165</b>	<b>\$ 3,701,813</b>	<b>\$ 15,012,978</b>

**TOWN OF PINEDALE, WYOMING**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position	
	Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities
	<b>Cash Disbursements</b>			<b>Total</b>
<b>Governmental Activities</b>				
General government	\$ 2,401,988	\$ 0	\$ (2,401,988)	\$ (2,401,988)
Public safety	133,368	0	(133,368)	(133,368)
Public works	1,063,881	390,740	(673,141)	(673,141)
Parks and recreation	275,345	0	(275,345)	(275,345)
Community development	229,345	0	(229,345)	(229,345)
Airport	1,251,647	997,974	39,237	39,237
<b>Total Governmental Activities</b>	<b>5,355,574</b>	<b>1,388,714</b>	<b>(3,673,950)</b>	<b>(3,673,950)</b>
<b>Business-Type Activities</b>				
Water	623,833	0	0	227,222
Sewer	689,691	0	0	(117,388)
<b>Total Business-Type Activities</b>	<b>1,313,524</b>	<b>0</b>	<b>0</b>	<b>109,834</b>
<b>Total Primary Government</b>	<b>\$ 6,669,098</b>	<b>\$ 1,388,714</b>	<b>\$ (3,673,950)</b>	<b>\$ (3,564,116)</b>
<b>General receipts</b>				
Taxes			2,273,988	2,273,988
Intergovernmental			501,298	501,298
Interest receipts			169,258	227,253
Licenses and permits			68,432	68,432
Fines and forfeitures			6,913	6,913
Miscellaneous			8,404	10,694
Transfers			25,534	0
<b>Total general receipts</b>			<b>3,053,827</b>	<b>3,088,578</b>
<b>Change in net position</b>			<b>(620,123)</b>	<b>(475,538)</b>
<b>Net position - beginning</b>			<b>11,931,288</b>	<b>15,488,516</b>
<b>Net position - end of year</b>			<b>\$ 11,311,165</b>	<b>\$ 15,012,978</b>

See Notes to Financial Statements



# **Fund Financial Statements**

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**TOWN OF PINEDALE, WYOMING  
BALANCE SHEET  
GOVERNMENTAL FUNDS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Airport</u>	<u>Travel and Tourism Special Revenue (Nonmajor)</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,726,153	\$ 945,488	\$ 639,524	\$ 11,311,165
Total Assets	<u>9,726,153</u>	<u>945,488</u>	<u>639,524</u>	<u>11,311,165</u>
<b>FUND BALANCE</b>				
Restricted for				
Travel and tourism	\$ 0	\$ 0	\$ 639,524	\$ 639,524
Committed for				
Rainy day reserves	5,000,000	103,000	0	5,103,000
Depreciation reserves	600,000	0	0	600,000
Assigned for				
Special projects - Note 5	1,437,278	0	0	1,437,278
Unassigned	<u>2,688,875</u>	<u>842,488</u>	<u>0</u>	<u>3,531,363</u>
Total Fund Balance	<u>\$ 9,726,153</u>	<u>\$ 945,488</u>	<u>\$ 639,524</u>	<u>\$ 11,311,165</u>

See Notes to Financial Statements

TOWN OF PINEDALE, WYOMING  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Airport	Travel and Tourism Special Revenue (Nonmajor)	Total Governmental Funds
<b>RECEIPTS</b>				
Taxes	\$ 1,954,215	\$ 0	\$ 319,773	\$ 2,273,988
Licenses and permits	68,432	0	0	68,432
Intergovernmental and grants	892,038	997,974	0	1,890,012
Charges for services	261	292,649	0	292,910
Fines and forfeitures	5,758	0	0	5,758
Contribution	12,694	0	0	12,694
Investment earnings	154,210	15,048	0	169,258
<b>Total Receipts</b>	<b>\$ 3,087,608</b>	<b>\$ 1,305,671</b>	<b>\$ 319,773</b>	<b>\$ 4,713,052</b>
<b>DISBURSEMENTS</b>				
General government	2,401,988	0	0	2,401,988
Public safety	133,368	0	0	133,368
Public works	1,063,881	0	0	1,063,881
Parks and recreation	275,606	0	0	275,606
Community development	77,725	0	151,620	229,345
Airport	0	1,254,521	0	1,254,521
<b>Total Disbursements</b>	<b>3,952,568</b>	<b>1,254,521</b>	<b>151,620</b>	<b>5,358,709</b>
Excess of revenues over (under) disbursements	(864,960)	51,150	168,153	(645,657)
Excess (deficiency) of receipts over disbursements	(839,426)	51,150	168,153	(620,123)
<b>FUND BALANCES - JULY 1</b>	<b>10,565,579</b>	<b>894,338</b>	<b>471,371</b>	<b>11,931,288</b>
<b>FUND BALANCES - JUNE 30</b>	<b>9,726,153</b>	<b>945,488</b>	<b>639,524</b>	<b>11,311,165</b>

See Notes to Financial Statements

**TOWN OF PINEDALE, WYOMING  
STATEMENT OF NET POSITION  
BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND - CASH BASIS  
JUNE 30, 2023**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current assets</b>			
· Cash and short-term investments	\$ 2,709,171	\$ 992,642	\$ 3,701,813
Total Assets	<u>\$ 2,709,171</u>	<u>\$ 992,642</u>	<u>\$ 3,701,813</u>
<b>NET POSITION</b>			
Unrestricted	2,709,171	992,642	3,701,813
Total Net Position	<u>\$ 2,709,171</u>	<u>\$ 992,642</u>	<u>\$ 3,701,813</u>

**TOWN OF PINEDALE, WYOMING**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUND - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>RECEIPTS</b>			
Charges for goods and services	\$ 851,055	\$ 572,303	\$ 1,423,358
Investment receipts	41,797	16,198	57,995
Miscellaneous receipts	2,290	0	2,290
	<hr/>	<hr/>	<hr/>
Total Receipts	895,142	588,501	1,483,643
<b>DISBURSEMENTS</b>			
Salaries and benefits	327,685	255,981	583,666
Supplies, material, and other	126,537	106,540	233,077
Engineering and testing	119,645	53,399	173,044
Capital outlay	49,966	273,771	323,737
	<hr/>	<hr/>	<hr/>
Total Disbursements	623,833	689,691	1,313,524
<b>OTHER FINANCING SOURCES</b>			
Transfers out	11,307	14,227	25,534
	<hr/>	<hr/>	<hr/>
	11,307	14,227	25,534
Excess (deficiency) of receipts over disbursements	260,002	(115,417)	144,585
	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION - JULY 1</b>	2,449,169	1,108,059	3,557,228
	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION - JUNE 30</b>	<u>\$ 2,709,171</u>	<u>\$ 992,642</u>	<u>\$ 3,701,813</u>

# **Notes to Financial Statements**

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**TOWN OF PINEDALE, WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

The financial statements of the Town of Pinedale, Wyoming (the Town) have been prepared on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). This basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. The cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and constraints of the measurement and recognition criteria of the cash basis of accounting. Significant Town accounting policies are described below.

**A. REPORTING ENTITY**

The Town of Pinedale, Wyoming operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, recreation, public improvements, planning and zoning, and general administrative services.

The legislative branch of the Town government is composed of an elected Mayor and four elected Town Council members. The establishment and adoption of policy is the responsibility of the Mayor and Town Council members. The Mayor and Council members appoint the following officials: Clerk, Treasurer, Public Works Director, Town Attorney, and Municipal Court Judge.

The accompanying financial statements present the primary government. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, special revenue funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

**Government-Wide Financial Statements**

The government-wide financial statements: The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the reporting government as a whole within the limitations of the cash basis of accounting, and present both the Town's governmental and business-type activities on a consolidated basis by column.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program cash receipts* include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The Town's public safety, public works, parks and recreation, airport, community development, and general administrative services are classified as governmental activities. The Town's water and sewer services are classified as business-type activities. The governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange receipts. The business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

The Town's accounting system is organized on a fund basis, and each fund is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, net position or fund balance, receipts, and expenditures or expenses.

The Town reports the following major governmental fund:

- **General Fund** – The General Fund is the Town's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.
- **Airport Fund** – The Town has chosen to classify the airport as a separate fund due to the activity and size of the Town's airport operations as well as the funds received, and being spent on the construction on the airport improvement project.

The Town reports the following major proprietary funds:

- **Water and Sewer Funds** – The water and sanitation funds are enterprise funds that account for the water and sanitation services provided to residential and commercial users in the Town of Pinedale. These funds operate on a self-supporting basis as required by State Statute.

Additionally, the Town reports the following fund types:

- **Proprietary Fund** – The Town's proprietary funds are noted above. A Proprietary Fund accounts for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- **Special Revenue Fund** – Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. The travel and tourism fund falls into this category.

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**D. BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Town's financial statements are prepared on the cash basis. This method recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. In addition, capital assets, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for the enterprise fund would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

**E. CASH AND CASH EQUIVALENTS**

The Town considers cash and cash equivalents to consist of all cash, either on hand or in banks, including time deposits, and any highly liquid debt instruments. This definition of cash and cash equivalents is used in the statement of cash flows for proprietary fund types if full accrual financials were presented.

The Town is authorized and limited to invest in those types of securities as allowed by Wyoming State Law (W.S. 9-4-831). There is no limitation on the asset mix as long as investments meet the guidelines imposed by law.

Investments for the Town, are reported at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application.

**F. INVESTMENTS**

The Town follows GASB Codification Section Number 72, *fair value measurement and application*. That section requires most investments to be reported at their fair value. Unrealized gains and losses on investments are not included in the statement of revenues, expenditures and changes in fund balances for governmental fund types, or in the statement of revenues, expenses and changes in fund Net Position for proprietary fund types given the financials are presented on the cash basis.

**G. RESTRICTED ASSETS**

The amounts reported as restricted assets as of June 30, 2023 are comprised of amounts held by the Town from lodging tax that is restricted for travel and tourism expenditures, which totaled \$639,524 for the year ended June 30, 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

H. COMPENSATED ABSENCES

An employee is eligible to earn paid vacation on a graduated scale based on length of employment as follows:

VACATION EARNING SCHEDULE

For employees hired before April 15, 2014

YEARS OF ELIGIBLE SERVICE	VACATION DAYS MONTHLY
3 months to 3 years	1 vacation day per month (8 hrs./month)
4-5 years	1¼ vacation days per month (10 hrs./month)
6-10 years	1½ vacation days per month (12 hrs./month)
11 and subsequent years	2 vacation days per month (16 hrs./month)

VACATION EARNING SCHEDULE

For employees hired after April 15, 2014

YEARS OF ELIGIBLE SERVICE	VACATION DAYS MONTHLY
Date of Hire-5 years	1 vacation day per month (8 hrs./month)
6-10 years	1¼ vacation days per month (10 hrs./month)
11-15 years	1½ vacation days per month (12 hrs./month)
16 and subsequent years	2 vacation days per month (16 hrs./month)

Employees may accrue up to 384 hours of vacation, or 48 days before their accrual is capped. A maximum of 384 hours may be payable upon termination. There is accrued vacation and compensation pay of approximately \$63,493 at June 30, 2023 not reported as a liability in the financial statements due to the fact they are prepared on the cash basis of accounting.

Employees also earn sick leave. Unused sick leave can be accumulated up to a maximum of 48 days. Unused sick leave benefits will not be paid upon termination.

I. ESTIMATES

The preparation of financial statements in conformity with a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and related disclosures. Actual results could differ from those estimates.

J. FUND BALANCE

The Town uses the fund balance definitions in GASB Codification Section 1800 for financial reporting for all governmental fund types. The definitions provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance** – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- **Committed fund balance** – amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the Town's highest level of decision-making authority. (In the case of the Town of Pinedale, commitments are evidenced by adoption of an ordinance by the Town Council.)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. FUND BALANCE (cont.)

- **Assigned fund balance** – amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates authority.
- **Unassigned fund balance** – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Town utilizes restricted fund balances first, followed by committed resources, and then assigned resources.

The Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

It is the Town's policy that the general fund is responsible for any deficit fund balances that are created through the normal course of business or satisfying various regulatory requirements that the Town is required to comply with.

The Town Council has not elected to adopt a minimum fund balance policy as of June 30, 2023.

K. NET POSITION

In the proprietary fund financial statements, Net Position consists of restricted and unrestricted amounts. The Town records restrictions to indicate that a portion of the net position is segregated for a specific future use and does not represent current available expendable financial sources. Following is a list of all restrictions used by the Town and a description of each:

- **Travel and tourism** - The Pinedale Travel and Tourism Commission (PTTC) promotes travel and tourism in Pinedale, Wyoming. PTTC invests revenue from a lodging tax (4%) approved by Pinedale voters.
- **Unrestricted** - Water and Sewer Fund unrestricted Net Position is restricted by state law for (1) the general operation of the water and sewer fund, and (2) the retirement of any bonds issued to fund the construction of water and sewer plants. Only after all bonds have been retired can water and sewer fund Net Position be transferred to the general fund.

L. New and Upcoming Accounting Pronouncements

The following are Statements of the Governmental Accounting Standards Board (GASB) that the Town is aware of and has implemented during the year.

- GASB Statement No. 96, *Subscription based information technology arrangements*, effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96, *Subscription based information technology arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

L. New and Upcoming Accounting Pronouncements (cont.)

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

The Town is evaluating the impact that the above GASB statement will have on its financial reporting.

The following are Statements of the Governmental Accounting Standards Board (GASB) that are applicable to the Town at June 30, 2022, and have been implemented by the Town:

- GASB Statement No. 87, *Leases*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Statement No. 87 is effective for the Town in the fiscal years beginning after June 15, 2021.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**L. New and Upcoming Accounting Pronouncements (cont.)**

On June 13, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, Accounting Changes and Error Corrections. Statement 100 amends Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, to address diversity in applying existing standards in practice.

The new standard defines four categories of accounting changes and error corrections and related accounting and financial reporting requirements:

- Changes in accounting principle must be reported retroactively by restating prior periods.
- Changes in accounting estimate must be reported prospectively by recognizing the change in the current period.
- Changes to and within the financial reporting entity must be reported by adjusting beginning balances of the current period.
- Error corrections result from mathematical mistakes, misuse of information, or misapplication of accounting principle and should be reported retroactively by restating prior periods.

The statement also addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information. For example, Statement 100 requires that governments disclose the effects of each accounting change and error correction on beginning balances in tabular format.

Note that this statement does away with the term “prior period adjustment.” Transactions previously reported as prior period adjustments are now incorporated into one of the four categories noted above.

Statement 100 is effective in FY24. Earlier application is encouraged

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, Conduit Debt Obligations (Statement 91). The statement introduces a single method for state or local government issuers to report conduit debt obligations, eliminating the option for issuers to report conduit debt obligations as their own liabilities. The change is expected to improve financial reporting by ending significant diversity in reporting practices.

Statement 91 defines conduit debt obligations and establishes related standards for recognition, measurement, and disclosures for issuers. The requirements included in the statement apply to the financial statements of all state and local governments.

Governments may issue conduit debt obligations to provide financing to governmental or nongovernmental third-party obligors.

For accounting and financial reporting purposes, Statement 91 defines a conduit debt obligation as a debt instrument issued in the name of a state or local government (the issuer) for the benefit of a third party that is primarily liable for repayment of the debt instrument (third-party obligor).

Statement 91 also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In these arrangements, capital assets are constructed or acquired with proceeds from the conduit debt obligation, and payments from third-party obligors are intended to cover and coincide with the debt-service payments.

Issuers shouldn't report these arrangements as leases, recognize a liability for the related conduit debt obligations, or recognize a receivable for the payments related to these arrangements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**L. New and Upcoming Accounting Pronouncements (cont.)**

Statement 91 is effective for reporting periods beginning after December 15, 2020, and early application is encouraged

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences (GASBS 101 or Statement). The Statement updates the accounting and financial reporting requirements for compensated absences and associated salary-related payments to better align the recognition and measurement guidance under a unified model which results in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Because this model can be applied to any type of compensated absences, the model will eliminate comparability issues between governments that may offer different types of leave.

The requirements of GASBS 101 are effective for fiscal years beginning after Dec. 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

The Town prepares its annual budget at the departmental level for each of its governmental and proprietary funds.

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

Legal spending control for Town of Pinedale, Wyoming monies is at the activity level within each department and individual fund. The Town of Pinedale, Wyoming Council may amend the budget after it is approved using the same procedures necessary to approve the original budget at the department level. Management monitors expenditures at budgetary line item levels within each fund to enhance the accounting control system and may amend the budget at this level as long as the activity level budget is maintained.

**NOTE 3 - CASH AND INVESTMENTS**

Cash in treasury represents deposits included in the Town's combined cash fund. Each fund's share of the deposits is accounted for separately in the financial statements. Negative cash in treasury figures represents borrowings from the pool. In all such cases, cash flows sufficient to reimburse the pool for the temporary borrowing are anticipated. Earnings from the cash in treasury are allocated to the various funds based on each fund's ownership percentage.

Statutes authorize the Town to invest in various instruments of the federal government and its agencies, savings certificates of saving and loan associations, bank certificates of deposit and investment pools that purchase allowable investments. The Town has elected to invest cash in excess of immediate needs in the Wyoming State Treasurer Asset Reserve (WYO-STAR) and Wyoming Government Investment Fund (WGIF). The Town has also invested funds to maximize revenue through a wealth management account that consists of cash, certificates of deposit, and treasuries.

**TOWN OF PINEDALE, WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 - CASH AND INVESTMENTS (cont.)**

Deposits and investments at June 30, 2023 consist of the following in the financial statements as summarized below:

**Deposits**

Net allocated cash in banks	\$ (147,296)
Cash in wealth management	528,895
Certificates of deposit	10,185,644
Wealth Management - certificates of deposit	2,011,085

**Investments**

Wealth Management - Treasuries	2,432,128
Wyoming Government Investment Fund (WGIF)	103
Wyoming State Treasurer Asset Reserve (WYO-Star)	2,419

**Total Cash and Investments** \$ 15,012,978

Custodial Credit Risk of Bank Deposits

**Bank Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. At year-end, the carrying amount of the Town’s bank deposits and certificates of deposit (including WGIF, WYO-STAR, and insured CD’s and treasuries in the Town’s in wealth management account) was \$15,012,978 and the bank balance was \$15,531,359.

The Town’s certificates of deposit have interest rates ranging from .325% to 5.25% that begin maturing July 2023 through July 2025. The certificates of deposit are not rated.

As of June 30, 2023, deposits of the Town had an amount that were not by federal depository insurance and collateral held by the Town’s financial institution under a joint custody receipt in the Town’s name. The Town also utilizes an insured money market sweep account in efforts to maximize interest earnings on the Town’s liquid assets.

Custodial Credit Risk of Investments

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

The Wyoming State Treasurer Asset Reserve (WYO-STAR) and Wyoming Government Investment Fund (WGIF) operate in accordance with applicable laws and regulations. The WYO-STAR and WGIF investment portfolios administer the short-term cash deposits made by local entities. The investments are administered to provide liquid cash reserves, replacing the majority portion of the cash portfolio and the rest in an extended cash portfolio. Specified State of Wyoming elected officials are responsible for the regulatory oversight of WYO-STAR. WGIF is sponsored by the Wyoming Association of Municipalities and the Wyoming School Board Association and is governed by a board elected by the depositors.

Deposits and investments at June 30, 2023 consist of the following in the financial statements as summarized below:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 Month</b>	<b>Maturity in Months 6-12</b>	<b>Maturity in Months 12-24</b>	<b>Rates</b>	<b>Rating</b>
WGIF	\$ 103	\$ 99	\$ 0	\$ 0	.25% - .60%	None
WYO-Star	2,419	2,419	0	0	0	None
Wealth Management	2,432,128	253,964	1,465,742	712,422	.125% - 2.875%	none
<b>Total Investments</b>	<u><u>\$ 2,434,650</u></u>	<u><u>\$ 256,482</u></u>	<u><u>\$ 1,465,742</u></u>	<u><u>\$ 712,422</u></u>		

**NOTE 3 - CASH AND INVESTMENTS (cont.)**

Fair Value of Investments

The Town has elected to invest money with a state financial institution, WYO-Star, which provides investments in accordance with state statute as well as the Town's Policy. These investments include certificates of deposit, U.S. Treasury notes, and U.S. government agency bonds as well as through a wealth management account through their local financial institution.

The Town defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with the Government Accounting Standards Board.

Statement (GASB) No. 72, *Fair Value Measurement and Application*. This statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 - Fair Value Measurements

The fair value of government and municipal obligations, corporate obligations, and equities are based on quoted values of the shares held by the Town at year-end. One-hundred percent of the investments held by the pools, on behalf of the Town, fall into this category.

Level 2 - Fair Value Measurements

These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. None of the investments held by the pools, on behalf of the Town, fall into this category.

Level 3 - Fair Value Measurements

These are largely unobservable inputs for the asset or liability; they should be used only when relevant Level 1 and Level 2 inputs are unavailable. None of the investments held by the pools, on behalf of the Town, fall into this category.

**NOTE 4 - RETIREMENT COMMITMENTS**

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

Substantially all Town "temporary" employees are eligible to participate in the System. Participants who retire at age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and are allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained the age of 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The System also provides death and disability benefits. Benefits are established by State Statutes. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

The System also provides disability retirement to any employee who becomes permanently incapacitated, mentally or physically, and who cannot continue in the performance of his duties. Benefits are established by State Statutes.

*Contributions* - The Plan statutorily requires 18.62% of the participant's salary to be contributed to the Plan. Contributions consist of 9.25% of the participant's salary as employee contributions and 9.37% as employer contributions. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.



**TOWN OF PINEDALE, WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 - RETIREMENT COMMITMENTS (cont.)**

The Town's contributions to the Wyoming Retirement System for the year ended June 30, 2023 were \$163,080.

Governmental accounting standards require the System to report its net pension liability, the total pension liability less the amount of the System's fiduciary net position. The total pension liability is based on actuarial valuations required to be performed at least every two years. As of December 31, 2022, the System's fiscal year-end, the System has reported a net pension liability of \$2,732,814. The Town's proportionate share of the net pension liability, which is based upon actual historical Town contributions to the System, is approximately \$1,274,216. This amount, which has been presented for informational purposes, is not a current liability and is expected to decrease over time with normal contribution rates.

**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

**Grants**

The Town received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Town at June 30, 2023.

**Litigation**

The Town is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of Town personnel, the settlement of such contingencies would not affect the financial position of the Town at June 30, 2023. Should any claims prove to be a detriment to the Town, they will be recorded as expenditure in the period in which a liability is realized.

**Construction Commitments**

The Town had the following active construction projects as of June 30, 2023.

Project	Total Contract Amount	Paid as of June 30, 2023	Remaining Commitment
South Tyler Pathway Engineering Phase 1	\$ 112,035	\$ 111,435	\$ 601
South Tyler Pathway Engineering Phase 2	10,000	9,585	415
US 191/Pine Street Pedestrian Safety Project	205,000	17,259	187,741
Town of Pinedale Transportation Master Plan	262,388	218,252	44,135
Waste Water Master Plan	256,360	226,556	29,804
Airport Master Plan	386,273	149,891	236,382
Expand East GA Apron (4 Change Orders)	2,499,391	2,449,403	49,988
Expand East GA Apron Engineering CA	431,242	371,557	59,686
Expand East GA Apron Fuel Farm (3 Change Orders)	329,445	323,059	6,386
Rehabilitate Runway 11-29 Construction	309,964	297,226	12,738
Rehabilitate Runway 11-29 (2 Change Order)	2,316,510	2,236,059	80,451
Acquire SRE (Loader) Engineering	32,125	1,493	30,633
Acquire SRE (Loader) Vendor	383,804	0	383,804
PNA 20,000 Jet-A Tank Installation Project	38,858	0	38,858
PNA 20,000 Jet-A Tank Installation Project	397,717	0	397,717
MOU Sublette County	394,561	0	394,561
MOU Sublette County	377,724	361,998	15,726
Total	<u>\$ 8,743,396</u>	<u>\$ 6,773,772</u>	<u>\$ 1,969,624</u>

**TOWN OF PINEDALE, WYOMING**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 - COMMITMENTS AND CONTINGENCIES (cont.)**

Management has elected to recognize the remaining commitment as assigned fund balance. This results in a negative unassigned amount on the governmental fund balance sheet but management felt it was the most conservative presentation. Many of the projects above are funded with grants and the town is in a position where they are waiting for reimbursement for the granting agencies but under the cash basis of accounting a receivable is not recognized for the pending reimbursements as of June 30, 2023.

**Insurance Coverage**

The Town purchases commercial insurance to help insure against risks of loss. Coverage carried includes property, general liability, automobile liability, inland marine, crime, umbrella and professional liability.

For the year ended June 30, 2023, the Town spent a total of approximately \$102,966 for insurance premiums.

**NOTE 6 - RELATED ORGANIZATIONS**

In May 2006, the Town entered into a Joint Powers Agreement with Sublette County School District No. 1 and Sublette County, Wyoming for the purpose of financing and operating a recreational facility to be constructed in the Town known as the Pinedale Aquatic Center for the use and benefit of all citizens residing within Sublette County. This Joint Powers Board is comprised of five members with the School District appointing three members and the Town and County appointing one member each. The School District is the owner of the facility and fiscal management shall be performed by the business manager of the School District. It is contemplated that no funds or contributions will be required by Sublette County or the Town.

The financial transactions of the Board are not included in these financial statements. However, additional financial information of the Board may be obtained by contacting Mary Lankford, Sublette County Clerk, at P.O. Box 250, 21 South Tyler, Pinedale, Wyoming 82941.

**NOTE 7 - NOTES PAYABLE**

Loan CWSRF #173 in the amount of \$75,200 was drawn over the last several years as the project was being completed. The project was placed in service in the 2021 fiscal year and is being amortized over 30 years with an annual interest rate of 2.5% requiring annual payments of \$3,806 annually. The town received \$28,627 in loan forgiveness as a part of the CWSRF program in prior years. A portion of this loan was federally funded as shown on the Schedule of Expenditures of Federal Awards.

Loan CWSRF #220 in the amount of \$169,702 was drawn over the last several years as the project was being completed. The project was placed in service in the 2021 fiscal year and is being amortized over a 30 year period at an annual interest rate of 2.5% requiring annual payments of \$8,616 annually. Approximately 25% of the loan draws, \$64,917 was forgiven upon completion of the project in prior years. A portion of this loan was federally funded as shown on the Schedule of Expenditures of Federal Awards.

The schedule below shows the payments of principle and interest the Town is subject to pay over the life of the two loans.

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 6,477	\$ 5,946	\$ 12,423
2025	6,637	5,786	12,423
2026	6,801	5,623	12,423
2027	6,968	5,455	12,423
2028	7,140	5,283	12,423
Thereafter	204,557	62,953	267,510
<b>Total</b>	<b>\$ 238,581</b>	<b>\$ 91,046</b>	<b>\$ 329,627</b>

**NOTE 8 - SUBSEQUENT EVENTS**

Subsequent events were considered for disclosure through September 5, 2023, the date of this report.

## **Supplementary Information**

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**TOWN OF PINEDALE, WYOMING  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,698,000	\$ 2,201,768	\$ 1,954,215	\$ (247,553)
Licenses and permits	60,750	68,431	68,432	1
Intergovernmental	754,700	2,105,652	892,038	(1,213,614)
Charges for services	58,100	190,071	261	(189,810)
Fines and forfeitures	5,150	5,758	5,758	0
Contributions	1,500	2,150	12,694	10,544
Miscellaneous	4,611	19,423	0	(19,423)
Investment earnings	35,000	154,210	154,210	0
<b>Total Revenues</b>	<b>2,617,811</b>	<b>4,747,463</b>	<b>3,087,608</b>	<b>(1,659,855)</b>
<b>EXPENDITURES</b>				
General government	3,009,087	2,867,445	2,401,988	465,457
Public safety	134,654	133,368	133,368	0
Public works	1,285,505	864,152	1,063,881	(199,729)
Parks and recreation	309,898	275,606	275,606	0
Community development	95,725	95,725	77,725	18,000
Airport	0	1,263,579	0	1,263,579
<b>Total Expenditures</b>	<b>4,834,869</b>	<b>5,499,875</b>	<b>3,952,568</b>	<b>1,547,307</b>
Excess of revenues over (under) expenditures	(2,217,058)	(752,412)	(864,960)	(112,548)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers (out)	0	0	25,534	(25,534)
Excess of revenues and other sources over (under) expenditures and other uses	(2,217,058)	(752,412)	(839,426)	
<b>FUND BALANCE - JULY 1</b>	<b>10,565,579</b>	<b>10,565,579</b>	<b>10,565,579</b>	
<b>FUND BALANCE - JUNE 30</b>	<b>\$ 8,348,521</b>	<b>\$ 9,813,167</b>	<b>\$ 9,726,153</b>	

# **Compliance Section**

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**TOWN OF PINEDALE, WYOMING  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Passthrough Number</u>	<u>Federal Expenditures</u>
<b>United States Environmental Protection Agency</b>			
Passed through Wyoming Water Development Commission Capitalization Grants for Drinking Water State Revolving Funds - <b>Loan</b>	66.468		<u>\$ 238,581</u>
<b>Federal Aviation Administration</b>			
Passed through the Wyoming Department of Transportation Runway Rehab Construction	20.106	3-56-00021-026-221	425,214
Airport Master Plan	20.106	3-56-00021-029-022	137,602
Expand E GA Apron	20.106	3-56-00021-025-021	170,302
Total Federal Aviation Administration			<u>733,118</u>
<b>United States Department of Transportation</b>			
Passed through the Wyoming Department of Transportation Highway Planning and Construction	20.206	WY 2063	<u>78,581</u>
<b>Total Federal Assistance</b>			<u><u>\$ 1,050,280</u></u>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Pinedale, Wyoming and is presented on the modified cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Town of Pinedale has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

The loan balance shown above is the current outstanding loan balance. See Note 7 - Notes Payable for more information on the note terms.

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SARAH L. SWEENEY, CPA  
LORIELLE MORTON, CPA  
TIMOTHY R. FIXTER, CPA, CFE



ERIC ANDREWS, CPA  
BRYAN BROWN, CPA

RICHARD F. FAGNANT, CPA  
OF COUNSEL

**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**

Honorable Mayor and Members of the Town Council  
Town of Pinedale  
Pinedale, 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 the Town of Pinedale, Wyoming, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Pinedale's basic financial statements and have issued our report thereon dated September 5, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Pinedale'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Town of Pinedale's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Pinedale'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003 that we consider to be significant deficiencies.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Pinedale'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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001.





## **Town of Pinedale's Response to Findings**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

**SUMMIT WEST CPA GROUP, P.C.**

Summit West CPA Group, P.C.  
Lander, Wyoming  
September 5, 2023

MICHAEL B. LEWIS, CPA  
SARAH L. SWEENEY, CPA  
LORIELLE MORTON, CPA  
TIMOTHY R. FIXTER, CPA, CFE



ERIC ANDREWS, CPA  
BRYAN BROWN, CPA

RICHARD E. FAGNANT, CPA  
OF COUNSEL

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

Honorable Mayor and Members of the Town Council  
Town of Pinedale  
Pinedale, Wyoming

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

***Opinion on Each Major Federal Program***

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

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Pinedale and to meet our other ethical responsibilities, in accordance with relevant requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Pinedale compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Pinedale's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Pinedale's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Pinedale's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Pinedale's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control over Compliance**

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

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

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

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

**SUMMIT WEST CPA GROUP, P.C.**

Summit West CPA Group, P.C.  
Lander, Wyoming  
September 5, 2023

**TOWN OF PINEDALE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
 Material weakness identified?  Yes  No  
 Significant deficiency identified not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:  
 Material weakness identified?  Yes  No  
 Significant deficiency identified not considered to be material weakness?  Yes  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance.  Yes  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Grant
<i>Cluster programs are noted with the * above</i>	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**TOWN OF PINEDALE  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2023**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**FINDING 2023-001 – Collateralized Deposits**

**Condition**

Internal controls are an overall process that should be designed to safeguard assets and help prevent loss from system error, dishonesty, or error in computation or processing as well as performed timely so that decision makers have the most up to date information available. The Town's collateral held by the financial institution on their behalf to cover deposits in excess of Federal Deposit Insurance Corporation was not adequate for all cash balances held at year end..

**Criteria**

In accordance with state statute all public funds need to be insured or collateralized.

**Cause**

The Town received some larger payments near year end which increased the cash balances as well as the fact that they were holding over \$500,000 in cash within a wealth management account. The bank indicated that all wealth management money market accounts are collateralized bank-wide. However, Town deposited approximately \$400,000 on the last day of the year which put the town over the collateralization amount held by the Bank on behalf of the Town.

**Effect**

The Town had deposits in excess of collateralization held by the financial institution on the Town's behalf.

**Recommendation**

The Town should work with the financial institution to get adequate collateral to account for large fluctuations in deposits that come in during periods of construction which are often funded through large grant reimbursements.

**Response and Views of Responsible Officials**

See corrective action plan.

**FINDING 2023-002 – Voided Check Handling**

**Condition**

Internal controls are an overall process that should be designed to safeguard assets and help prevent loss from system error, dishonesty, or error in computation or processing as well as performed timely so that decision makers have the most up to date information available.

**Criteria**

As of June 30, 2023, the town had several voided checks decreasing the cash balance on the Town's bank reconciliation by over \$130,000. Once a check is voided it can no longer be cashed and should not have been shown as a reconciling item.

**Cause**

The Town has done some moving of duties within the finance and accounting area and this is merely a training issue and easy to remedy.

**Effect**

An entry was posted as part of the audit engagement to correct the balance.

**Recommendation**

This is a quick correction that can be handled internally and addressed through additional training. Bank reconciliations should be reviewed by an individual who does not perform the reconciliation as part of the Town's internal control.

**Response and Views of Responsible Officials**

See corrective action plan.

**TOWN OF PINEDALE  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2023**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**FINDING 2023-003 – Payroll**

**Condition**

Internal controls are an overall process that should be designed to safeguard assets and help prevent loss from system error, dishonesty, or error in computation or processing as well as performed timely so that decision makers have the most up to date information available. This includes documentation and review throughout the payroll process.

**Criteria**

We noted several items during the testing of payroll:

- Several employee files did not have updated pay rates for employees.
- We noted one employee had been set up in the system incorrectly which prompted an overpayment of approximately \$3,000 dollars during the individuals employment with the Town. **This appears to have been a software issue resulting from an update that was run by the Town's software provider.**
- A supervisor signed off on an individuals time card showing the approval of 143 hours of work that pay period but the dates on the time card were before the start date of the employee. The employee was paid for 122 hours.

**Cause**

The Town has done some moving of duties within the finance and accounting area and this is merely a cause of training.

**Effect**

No effect as it relates to the audit as there were no entries caused by the issues noted above.

**Recommendation**

Payroll

**Response and Views of Responsible Officials**

See corrective action plan.

**TOWN OF PINEDALE  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2023**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2023  
(Unaudited) (cont.)**

**CORRECTIVE ACTION – FINDING 2023-001– Collateralized Deposits**

**Anticipated Date of Completion:** June 1, 2023

**Name of Contact Person:** Amy Sturman, Town Clerk

**Corrective Action Plan:** The Town regularly checks collateralization to ensure compliance with the state statute and ensure the safety of the public's money. Deposits will be made in a more timely manner and earlier each day to ensure the bank has time to purchase additional collateral if needed. Additionally, because Bank of Jackson Hole is unable to provide a report specific to the Town and its new Money Market account, and instead issues a blanket statement, those funds will be transferred to a different financial institution that will provide proper documentation.

**CORRECTIVE ACTION – FINDING 2023-002– Voided Check Handling**

**Anticipated Date of Completion:** June 1, 2023

**Name of Contact Person:** Amy Sturman, Town Clerk

**Corrective Action Plan:** The Town staff did defer these entries until the audit was complete to avoid confusion during the audit. The voided checks will be cleared during the audit entries. In the future, we will clear voided checks within 90 days of the void occurring which will allow for necessary investigation and dual control entries.

**CORRECTIVE ACTION – FINDING 2023-00– Payroll**

**Anticipated Date of Completion:** June 1, 2023

**Name of Contact Person:** Amy Sturman, Town Clerk

**Corrective Action Plan:**

Item 1) Up to date pay rates: Town staff constantly monitors and updates the folders. Typically we do an annual review just before the audit. This year's audit schedule and physical move of our offices lead to a delay. It will not happen again. Files will be updated before and after each payroll, as they have been for years.

Item 2) Overpayment of employee: Town staff has spent approximately 10 hours correcting issues within the set-up of our payroll software that did cause the pay error and could have caused future errors. We believe it is corrected, but will spend extra hours checking all payroll transmittals each month to be sure. While training and retraining is always beneficial, this would have been very hard to spot. We now understand the root cause and will take all necessary steps to prevent further incidents.

Item 3) After investigation it has been determined that a simple communication error occurred. Administrative staff believed the employee was scheduled to start June 1, and set the start date as such in the software. However, the employee was able to start earlier and did. The entry and approval by the supervisor were correct. However, the software only "collected and processed" the entries from the start date forward. The employee did not notice her time was short. We have subsequently paid her for the missing hours.

In the future, summer hires will be set up in the software with an earlier start date than that which is expected. Additionally, better communication between departments will take place. A plan for communication and time entry of summer hires has been discussed already.



**TOWN OF PINEDALE  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2022**

**None**