

**City of Wyoming
Chisago County, Minnesota**

Basic Financial Statements

December 31, 2022



**City of Wyoming
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**City of Wyoming
Elected Officials and Administration
December 31, 2022**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Lisa Iverson	Mayor	December 31, 2024
Claire Luger	Council Member	December 31, 2022
Linda Nanko Yeager	Council Member	December 31, 2024
Dennis Schilling	Council Member	December 31, 2022
Brett Ohnstad	Council Member	December 31, 2024
<u>Administration</u>		
Robb Linwood	City Administrator	

Independent Auditor's Report

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

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 Wyoming, Minnesota, as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements 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 City of Wyoming, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 – Implementation of GASB 87

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Wyoming's 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.

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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'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, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with 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 Wyoming's basic financial statements. The accompanying supplementary information identified in the Table of Contents is 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023, on our consideration of the City of Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 City's internal control over financial reporting and compliance.



St. Cloud, Minnesota
May 10, 2023

City of Wyoming Management's Discussion and Analysis

As management of the City of Wyoming, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,335,078 (net position), of this amount, \$10,163,373 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,656,429 as a result of revenues in excess of expenses. \$63,986 was a result of an increase of net position within business-type activities, and \$1,592,443 from an increase of net position within governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,592,822, an increase of \$39,109 in comparison with the prior year. Approximately 37.8% of this total amount, \$3,629,645, is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$2,180,733 or 54.5% of 2022 General Fund expenditures and 51.9% of the 2023 General fund budget.
- The City's total long-term debt decreased \$1,561,579 during the current fiscal year. The key factor of this decrease was due to principal payments on the bonds.

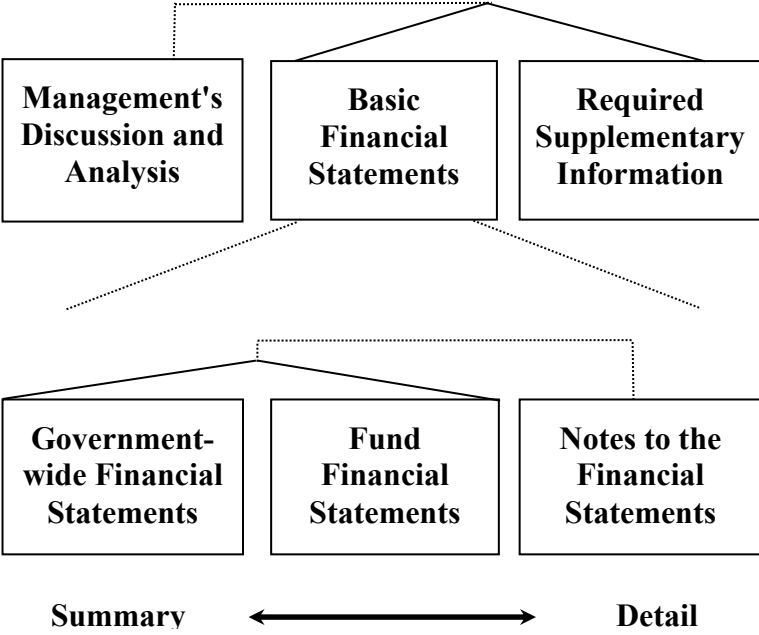
OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

**City of Wyoming
Management's Discussion and Analysis**

**Required Components of the
City's Annual Financial Report**



**City of Wyoming
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses, and Changes in Fund Net Position • Statements 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 come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows or resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	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's finances, in a manner similar to a private-sector business.

City of Wyoming Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements. (Continued) The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*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 of the City include general government, public safety, public works, culture and recreation, economic development, and interest on long-term debt. The business-type activities of the City include water, sewer, and surface water.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this *component unit* is not reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 20 of this report.

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, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances (deficits) provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Wyoming Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements. (Continued)

Governmental Funds. (Continued) The City maintains 21 individual governmental funds. The Debt Service fund consists of 5 sub-funds, the Capital Project funds consists of 8 sub-funds, and there are 7 Special Revenue funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Equipment Fund, Street Replacement Fund, Capital Revolving Fund and the Escrow Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements start on page 22 of this report.

Proprietary Funds. The City maintains three proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and surface water.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary funds financial statements start on page 30 of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements start on page 33 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required Supplementary Information can be found on page 70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,335,078 at the close of the most recent fiscal year.

**City of Wyoming
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

By far, the largest portion of the City's net position (66.3%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Assets						
Current and other assets	\$ 14,060,142	\$ 13,508,401	\$ 551,741	\$ 5,450,394	\$ 4,997,536	\$ 452,858
Capital assets	22,768,327	23,017,875	(249,548)	17,092,344	17,672,988	(580,644)
Total assets	<u>36,828,469</u>	<u>36,526,276</u>	<u>302,193</u>	<u>22,542,738</u>	<u>22,670,524</u>	<u>(127,786)</u>
Deferred Outflows of Resources						
Deferred outflows of resources related to pensions	2,536,980	1,463,640	1,073,340	120,186	128,940	(8,754)
Liabilities						
Noncurrent liabilities outstanding	10,935,143	9,331,701	1,603,442	2,834,311	2,908,392	(74,081)
Other liabilities	3,146,700	2,951,393	195,307	489,592	472,432	17,160
Total liabilities	<u>14,081,843</u>	<u>12,283,094</u>	<u>1,798,749</u>	<u>3,323,903</u>	<u>3,380,824</u>	<u>(56,921)</u>
Deferred Inflows of Resources						
Deferred inflows of resources related to pensions	282,037	2,035,711	(1,753,674)	5,512	149,117	(143,605)
Deferred inflows of resources related to grants	-	261,985	(261,985)	-	-	-
Total deferred inflows of resources	<u>282,037</u>	<u>2,297,696</u>	<u>(2,015,659)</u>	<u>5,512</u>	<u>149,117</u>	<u>(143,605)</u>
Net Position						
Net investment in capital assets	15,010,633	13,982,910	1,027,723	14,401,599	14,697,935	(296,336)
Restricted for debt service						
Debt service	3,279,742	3,245,836	33,906	-	-	-
State aid streets	783,583	666,629	116,954	-	-	-
Park projects	179,087	229,295	(50,208)	-	-	-
Public safety expenses	18,030	17,402	628	-	-	-
Fire relief pension assets	376,718	420,956	(44,238)	-	-	-
Other purposes	122,313	95,632	26,681	-	-	-
Unrestricted	5,231,463	4,750,466	480,997	4,931,910	4,571,588	360,322
Total net position	<u>\$ 25,001,569</u>	<u>\$ 23,409,126</u>	<u>\$ 1,592,443</u>	<u>\$ 19,333,509</u>	<u>\$ 19,269,523</u>	<u>\$ 63,986</u>

**City of Wyoming
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position (\$4,759,473) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,163,373) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$1,592,443. Key elements of this increase are as follows:

Changes in Net Position

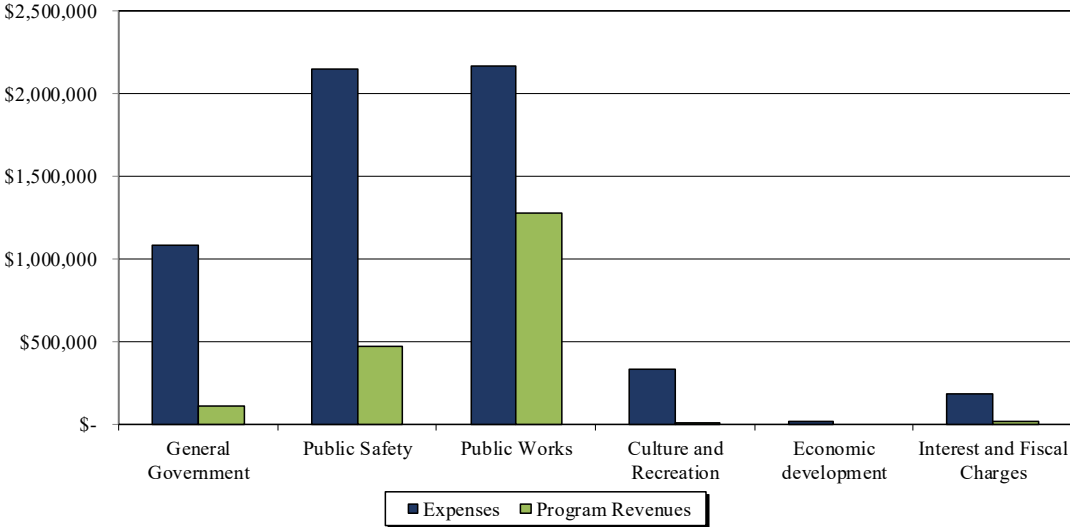
	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 364,015	\$ 2,090,484	\$ (1,726,469)	\$ 2,279,149	\$ 2,037,734	\$ 241,415
Operating grants and contributions	285,765	376,325	(90,560)	-	26,591	(26,591)
Capital grants and contributions	1,423,239	1,147,532	275,707	300,397	158,631	141,766
General revenues						
Taxes						
Property taxes	4,841,221	4,527,462	313,759	-	-	-
Franchise taxes	46,258	51,368	(5,110)	-	-	-
Tax increment	35,150	33,544	1,606	-	-	-
Intergovernmental	148,176	-	148,176	-	-	-
State aids	345,440	320,563	24,877	-	-	-
Interest and investment income	(191,277)	(12,824)	(178,453)	(104,564)	(9,090)	(95,474)
Other general revenue	204,534	-	204,534	-	-	-
Gain on sale of capital assets	28,950	34,065	(5,115)	805	-	805
Transfers	-	(250,000)	250,000	-	250,000	(250,000)
Total revenues	7,531,471	8,318,519	(1,037,048)	2,475,787	2,463,866	261,921
Expenses						
General government	1,079,633	2,197,844	(1,118,211)	-	-	-
Public safety	2,150,919	2,018,750	132,169	-	-	-
Public works	2,168,729	1,915,509	253,220	-	-	-
Culture and recreation	333,892	244,620	89,272	-	-	-
Economic development	18,501	23,230	(4,729)	-	-	-
Interest and fiscal charges	187,354	237,393	(50,039)	-	-	-
Water	-	-	-	783,361	702,259	81,102
Sewer	-	-	-	1,373,116	1,263,823	109,293
Surface water	-	-	-	255,324	127,136	128,188
Total expenses	5,939,028	6,637,346	(698,318)	2,411,801	2,093,218	318,583
Change in Net Position	1,592,443	1,681,173	(88,730)	63,986	370,648	(306,662)
Net Position, January 1	23,409,126	21,727,953	1,681,173	19,269,523	18,898,875	370,648
Net Position, December 31	\$ 25,001,569	\$ 23,409,126	\$ 1,592,443	\$ 19,333,509	\$ 19,269,523	\$ 63,986

City of Wyoming Management's Discussion and Analysis

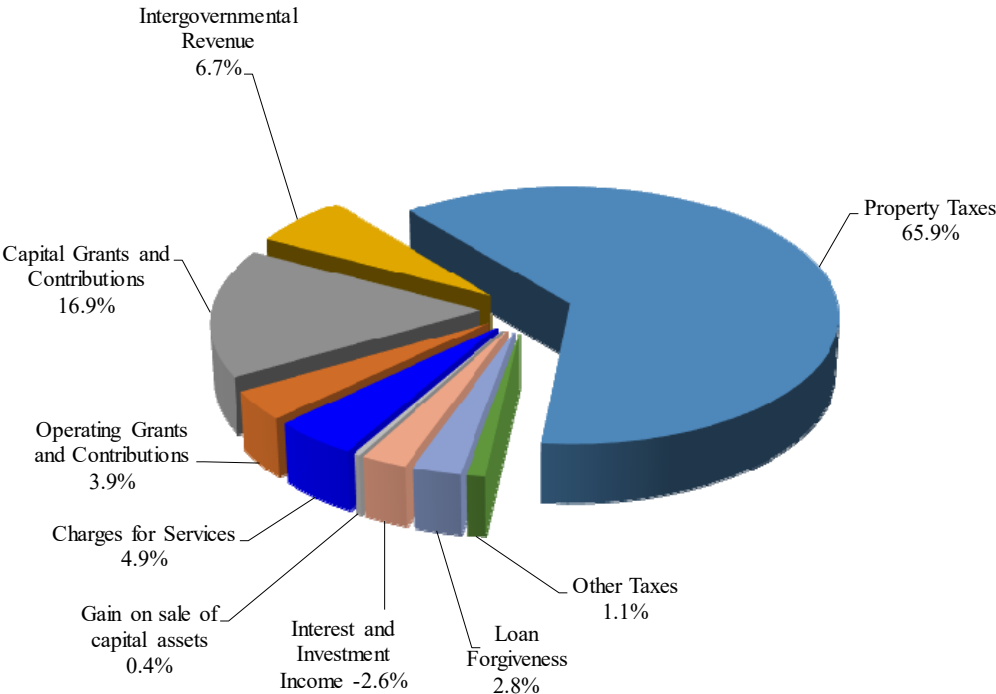
GOVERNMENTAL ACTIVITIES (CONTINUED)

The following graph depicts various governmental activities and shows the program revenues and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

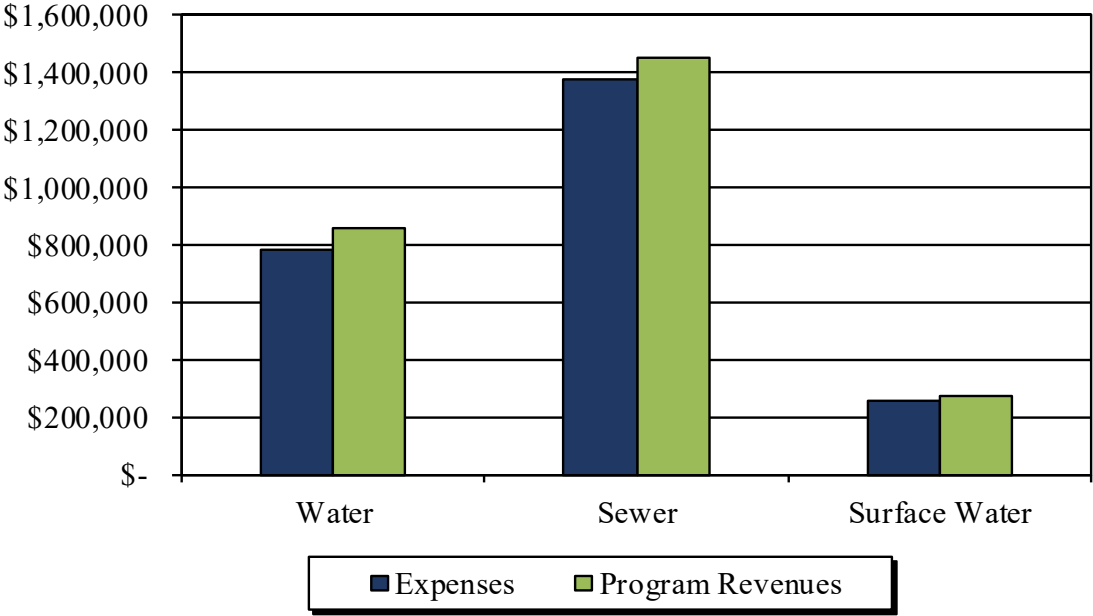


**City of Wyoming
Management's Discussion and Analysis**

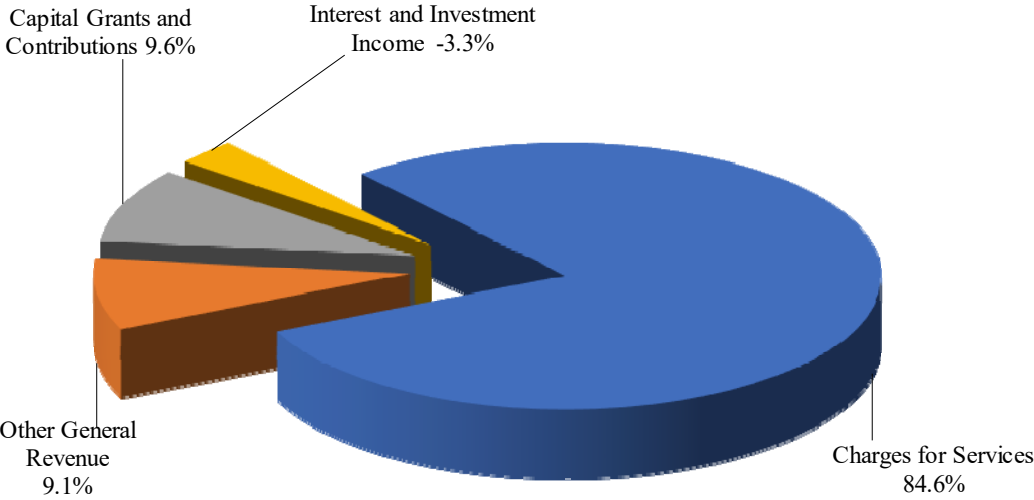
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$63,986. Key elements of this decrease are as follows:

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



City of Wyoming Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental Funds. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,592,822, a decrease of \$39,109 in comparison with the prior year. Approximately 20.6% of this total amount, \$1,979,293, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable (\$255,808), 2) restricted (\$3,373,837), 3) committed (\$219,558), or 4) assigned (\$3,764,326) for specific purposes.

The General Fund had a total fund balance of \$2,436,541 at the current year end. The fund balance of the City's General Fund decreased \$274,216 during the current fiscal year. See the below "General Fund Budgetary Highlights" for more detail information.

The Debt Service Fund had a fund balance of \$2,069,384, all of which is restricted for the payment of future debt service. The fund balance increased \$65,688 during the current fiscal year due to early collection of special assessments in prior years for current debt reduction.

The Capital Equipment Fund had a fund balance of \$205,300. This is an increase of \$132,479 from the previous year.

The Street Replacement Fund had a fund balance of \$1,372,181. The fund balance increased \$79,356 during the current fiscal year. The fund had expenditures in excess of revenues and transfers out allowing for a positive ending fund balance.

The Capital Revolving Fund had a fund balance of \$2,174,934, all of which is assigned for future capital improvements. The fund balance decreased \$59,443 during the current fiscal year.

General Fund Budgetary Highlights

Actual revenues were \$191,659 over budget and expenditures were \$22,939 under budget; along with transfers and other financing sources, the result was a decrease in fund balance of \$274,216.

Revenue highlights include:

- Intergovernmental funds were over budget by \$154,945 due to the city receiving APRA funds.
- Licenses and permits were over budget by \$50,779 due to building permit income.
- Investment income was under budget by \$45,275 due to decreases in market value.

Expenditure highlights include:

- Public Safety was over budget by \$19,669.
- Public Works was under budget by \$45,819.

**City of Wyoming
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$39,860,671 (net of accumulated depreciation).

Major public project capital asset events during the current fiscal year were as follows:

- Purchase of three squad cars.
- Purchase of asphalt trailer and John Deere 4X4 for public works.
- Multiple large projects started or continued during 2022 including:
 - Swenson Park Improvements
 - 2021 Street Project
 - East Viking Blvd
 - Public Safety Building

Additional information on the City's capital assets can be found in Note 4 starting on page 46 of this report.

**Capital Assets
(Net of Depreciation)**

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Land	\$ 869,787	\$ 869,787	\$ -	\$ 6,284	\$ 6,284	\$ -
Construction in progress	2,386,257	1,704,160	682,097	1,472,370	1,458,191	14,179
Buildings and improvements	182,444	195,653	(13,209)	187,427	202,779	(15,352)
Machinery and equipment	2,061,603	2,168,603	(107,000)	39,317	48,628	(9,311)
Infrastructure	17,268,236	18,079,672	(811,436)	15,386,946	15,957,106	(570,160)
Total	<u>\$ 22,768,327</u>	<u>\$ 23,017,875</u>	<u>\$ (249,548)</u>	<u>\$ 17,092,344</u>	<u>\$ 17,672,988</u>	<u>\$ (580,644)</u>

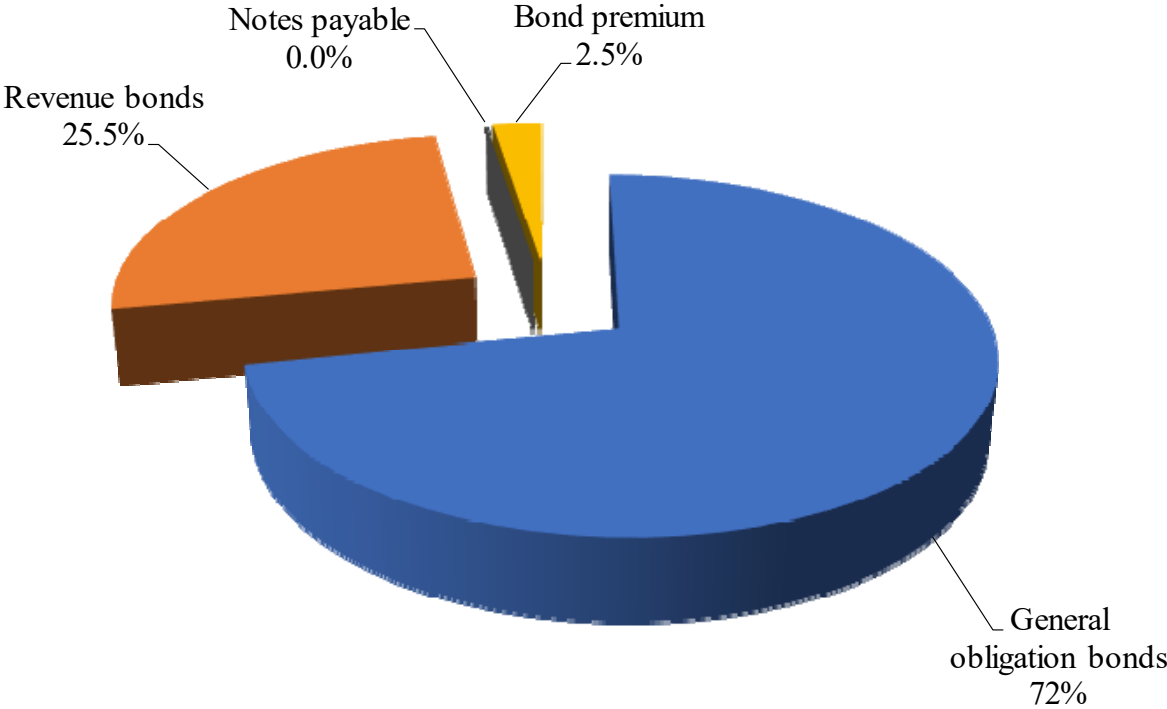
**City of Wyoming
Management's Discussion and Analysis**

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt outstanding of \$10,190,000. \$7,530,000 is governmental-related debt, and \$2,660,000 is enterprise fund-related debt. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

Outstanding Debt

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
General Obligation Improvement Bonds	\$ 7,530,000	\$ 8,570,000	\$ (1,040,000)	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	2,660,000	2,935,000	(275,000)
Notes payable	-	204,534	(204,534)	-	-	-
Bond premium	227,694	260,431	(32,737)	30,745	40,053	(9,308)
Total	<u>\$ 7,757,694</u>	<u>\$ 9,034,965</u>	<u>\$ (1,277,271)</u>	<u>\$ 2,690,745</u>	<u>\$ 2,975,053</u>	<u>\$ (284,308)</u>



The City's total debt decreased \$1,561,579 during the current fiscal year due to the annually scheduled debt payments.

**City of Wyoming
Management's Discussion and Analysis**

LONG-TERM DEBT (CONTINUED)

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3% of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$26,772,261. The City is under the statutory debt limit as of December 31, 2022.

Additional information on the City's long-term debt can be found in Note 6 starting on page 49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City's Tax Levy will increase 6.94% to \$5,133,772 in 2023.
- With an increase in the City's Tax Capacity, the City's 2023 Tax Rate is expected to decrease 5.77% to 39.19%.
- The City will receive \$255,771 in Local Government Aid in 2023 which is a decrease from 2022.
- A Water/Sewer Rate Study was conducted in 2018 and new rates were proposed for the following five years.
- The City began replacing water meters in 2019 and will finish this project in 2023.

All of these factors were considered in the preparation of the City's budget for the 2023 year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, 26885 Forest Blvd., Wyoming, MN 55092.

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BASIC FINANCIAL STATEMENTS

**City of Wyoming
Statement of Net Position
December 31, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments (including cash equivalents)	\$ 11,296,884	\$ 4,756,020	\$ 16,052,904
Receivables			
Accounts receivable	62,636	575,606	638,242
Interest receivable	20,367	-	20,367
Due from other governments	182,658	14,704	197,362
Taxes receivable			
Unremitted	24,529	-	24,529
Delinquent	38,721	-	38,721
Special assessments receivable			
Unremitted	2,061	1,233	3,294
Delinquent	189,853	6,743	196,596
Deferred	1,704,864	81,749	1,786,613
Prepaid items	54,974	14,339	69,313
Capital assets not being depreciated			
Land	869,787	6,284	876,071
Construction in progress	2,386,257	1,472,370	3,858,627
Capital assets (net of accumulated depreciation)			
Buildings and improvements	182,444	187,427	369,871
Machinery and equipment	2,061,603	39,317	2,100,920
Infrastructure	17,268,236	15,386,946	32,655,182
Net pension asset - fire relief	482,595	-	482,595
Total assets	<u>36,828,469</u>	<u>22,542,738</u>	<u>59,371,207</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to fire relief pensions	92,714	-	92,714
Deferred outflows of resources related to city pensions	2,444,266	120,186	2,564,452
Total deferred outflow of resources	<u>2,536,980</u>	<u>120,186</u>	<u>2,657,166</u>
Total assets and deferred outflows of resources	<u>\$ 39,365,449</u>	<u>\$ 22,662,924</u>	<u>\$ 62,028,373</u>
Liabilities			
Accounts payable	\$ 415,870	\$ 64,252	\$ 480,122
Contracts payable	25,380	52,912	78,292
Deposits payable	572,015	-	572,015
Due to other governments	7,974	23,137	31,111
Salaries and benefits payable	114,253	19,651	133,904
Interest payable	87,433	30,570	118,003
Unearned revenue	733,295	-	733,295
Bond principal payable			
Payable within one year	1,055,000	280,000	1,335,000
Payable after one year	6,702,694	2,410,745	9,113,439
Compensated absences payable			
Payable within one year	135,480	19,070	154,550
Payable after one year	316,121	44,495	360,616
Net pension liability	3,916,328	379,071	4,295,399
Total liabilities	<u>14,081,843</u>	<u>3,323,903</u>	<u>17,405,746</u>
Deferred Inflows of Resources			
Deferred inflows related to fire relief pensions	198,591	-	198,591
Deferred inflows related to city pensions	83,446	5,512	88,958
Total deferred inflows of resources	<u>282,037</u>	<u>5,512</u>	<u>287,549</u>
Net Position			
Net investment in capital assets	15,010,633	14,401,599	29,412,232
Restricted			
Debt service	3,279,742	-	3,279,742
State aid streets	783,583	-	783,583
Park projects	179,087	-	179,087
Public safety expenses	18,030	-	18,030
Fire relief pension assets	376,718	-	376,718
Other purposes	122,313	-	122,313
Unrestricted	5,231,463	4,931,910	10,163,373
Total net position	<u>25,001,569</u>	<u>19,333,509</u>	<u>44,335,078</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 39,365,449</u>	<u>\$ 22,662,924</u>	<u>\$ 62,028,373</u>

See notes to financial statements.

City of Wyoming
Statement of Activities
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental activities							
General government	\$ 692,285	\$ 79,878	\$ 32,029	\$ -	\$ (580,378)	\$ -	\$ (580,378)
Public safety	2,538,267	276,617	195,445	-	(2,066,205)	-	(2,066,205)
Public works	2,168,729	-	34,841	1,423,239	(710,649)	-	(710,649)
Culture and recreation	333,892	7,520	2,825	-	(323,547)	-	(323,547)
Economic development	18,501	-	-	-	(18,501)	-	(18,501)
Interest on long-term debt	187,354	-	20,625	-	(166,729)	-	(166,729)
Total governmental activities	<u>5,939,028</u>	<u>364,015</u>	<u>285,765</u>	<u>1,423,239</u>	<u>(3,866,009)</u>	<u>-</u>	<u>(3,866,009)</u>
Business-type activities							
Water	783,361	705,599	-	153,887	-	76,125	76,125
Sewer	1,373,116	1,305,164	-	146,510	-	78,558	78,558
Surface water	255,324	268,386	-	-	-	13,062	13,062
Total business-type activities	<u>2,411,801</u>	<u>2,279,149</u>	<u>-</u>	<u>300,397</u>	<u>-</u>	<u>167,745</u>	<u>167,745</u>
Total governmental and business-type activities	<u>\$ 8,350,829</u>	<u>\$ 2,643,164</u>	<u>\$ 285,765</u>	<u>\$ 1,723,636</u>	<u>(3,866,009)</u>	<u>167,745</u>	<u>(3,698,264)</u>
General revenues							
Property taxes levied for general purposes					3,505,161	-	3,505,161
Property taxes levied for capital improvements					400,000	-	400,000
Property taxes levied for debt service					936,060	-	936,060
Franchise taxes					46,258	-	46,258
Tax increments					35,150	-	35,150
Intergovernmental					148,176	-	148,176
State aids					345,440	-	345,440
Loan forgiveness					204,534	-	204,534
Unrestricted investment earnings					(191,277)	(104,564)	(295,841)
Gain on sale of capital assets					28,950	805	29,755
Total general revenues					<u>5,458,452</u>	<u>(103,759)</u>	<u>5,354,693</u>
Change in net position					1,592,443	63,986	1,656,429
Net position - beginning					<u>23,409,126</u>	<u>19,269,523</u>	<u>42,678,649</u>
Net position - ending					<u>\$ 25,001,569</u>	<u>\$ 19,333,509</u>	<u>\$ 44,335,078</u>

See notes to basic financial statements.

City of Wyoming
Balance Sheet - Governmental Funds
December 31, 2022

	General Fund	Debt Service	Capital Projects	
		Debt Service	Capital Equipment (401)	Street Replacement (408)
Assets				
Cash and investments	\$ 3,136,175	\$ 2,269,434	\$ 372,603	\$ 1,509,684
Accounts receivable	1,240	-	-	-
Interest receivable	20,367	-	-	-
Due from other funds	606	-	-	-
Due from other governments	158	-	-	182,500
Taxes receivable				
Current	24,529	-	-	-
Delinquent	38,721	-	-	-
Special assessment receivable				
Current	-	1,389	-	672
Delinquent	-	188,673	-	1,180
Deferred	450	907,679	-	796,735
Advance to other funds	200,834	-	-	-
Prepaid items	54,974	-	-	-
Total assets	\$ 3,478,054	\$ 3,367,175	\$ 372,603	\$ 2,490,771
Liabilities				
Accounts payable	\$ 147,412	\$ -	\$ 120,125	\$ 112,794
Contracts payable	-	-	-	25,380
Deposits payable	-	-	-	-
Due to other funds	-	606	-	-
Due to other governments	7,382	-	-	-
Salaries and benefits payable	114,253	-	-	-
Unearned revenue	733,295	-	-	-
Advance from other funds	-	200,834	47,178	-
Total liabilities	1,002,342	201,440	167,303	138,174
Deferred Inflows of Resources				
Unavailable revenue - property taxes	38,721	-	-	-
Unavailable revenue - special assessments	450	1,096,351	-	797,916
Advanced appropriations - State Shared Tax	-	-	-	182,500
Total deferred inflows of resources	39,171	1,096,351	-	980,416
Fund Balances				
Nonspendable	255,808	-	-	-
Restricted	-	2,270,824	-	-
Committed	-	-	-	-
Assigned	-	-	205,300	1,372,181
Unassigned	2,180,733	(201,440)	-	-
Total fund balances	2,436,541	2,069,384	205,300	1,372,181
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,478,054	\$ 3,367,175	\$ 372,603	\$ 2,490,771

Capital Projects			
Capital Revolving (409)	Escrow Fund (800, 801)	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,127,756	\$ 543,812	\$ 1,337,420	\$ 11,296,884
-	61,396	-	62,636
-	-	-	20,367
-	-	-	606
-	-	-	182,658
-	-	-	24,529
-	-	-	38,721
-	-	-	2,061
-	-	-	189,853
-	-	-	1,704,864
47,178	-	-	248,012
-	-	-	54,974
<u>\$ 2,174,934</u>	<u>\$ 605,208</u>	<u>\$ 1,337,420</u>	<u>\$ 13,826,165</u>
\$ -	\$ 33,193	\$ 2,346	\$ 415,870
-	-	-	25,380
-	572,015	-	572,015
-	-	-	606
-	-	592	7,974
-	-	-	114,253
-	-	-	733,295
-	-	-	248,012
-	<u>605,208</u>	<u>2,938</u>	<u>2,117,405</u>
-	-	-	38,721
-	-	-	1,894,717
-	-	-	182,500
-	-	-	<u>2,115,938</u>
-	-	-	255,808
-	-	1,103,013	3,373,837
-	-	219,558	219,558
2,174,934	-	11,911	3,764,326
-	-	-	1,979,293
<u>2,174,934</u>	<u>-</u>	<u>1,334,482</u>	<u>9,592,822</u>
<u>\$ 2,174,934</u>	<u>\$ 605,208</u>	<u>\$ 1,337,420</u>	<u>\$ 13,826,165</u>

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City of Wyoming
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
December 31, 2022

Total fund balances - governmental funds \$ 9,592,822

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Capital assets	37,849,934
Less accumulated depreciation	(15,081,607)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bond principal payable	(7,530,000)
Unamortized bond premium	(227,694)
Compensated absences payable	(451,601)
Net pension liability - city pension	(3,916,328)

Deferred outflows of resources and deferred Inflows of resources are created as a result of various differencers related to pensions that are not recognized in the governmental funds.

Deferred inflows related to city pensions	(83,446)
Deferred outflows of resources related to city pensions	2,444,266
Deferred inflows related to fire relief pensions	(198,591)
Deferred outflows of resources related to fire relief pensions	92,714

Fire relief association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.

482,595

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property taxes	38,721
Special assessments	189,853

Revenues in the Statement of Activities that do not provide current financial resources are not reported as reported as revenues in the funds.

Deferred special assessments	1,704,864
State shared taxes	182,500

Governmental funds do not report a liability for accrued interest until due and payable.

(87,433)

Total net position - governmental activities

\$ 25,001,569

City of Wyoming
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2022

	General Fund	Debt Service	Capital Projects	
		Debt Service	Capital Equipment (401)	Street Replacement (408)
Revenues				
Property taxes	\$ 3,447,010	\$ 936,060	\$ 200,000	\$ 200,000
Tax increments	-	35,150	-	-
Miscellaneous taxes	88,377	-	-	-
Special assessments	-	247,498	-	75,630
Licenses and permits	274,779	-	-	-
Intergovernmental	320,745	20,625	302,393	259,328
Charges for services	56,930	-	-	-
Fines and forfeitures	12,776	-	-	-
Miscellaneous				
Investment income	(20,275)	(30,573)	(3,625)	(32,289)
Contributions and donations	1,000	-	-	-
Other	31,029	-	34,841	108,315
Total revenues	<u>4,212,371</u>	<u>1,208,760</u>	<u>533,609</u>	<u>610,984</u>
Expenditures				
Current				
General government	616,411	-	-	-
Public safety	2,268,918	-	-	-
Public works	859,224	-	-	-
Culture and recreation	236,186	-	29,272	-
Economic development	-	9,397	-	-
Debt service				
Principal	-	1,040,000	-	-
Interest and other charges	-	237,633	-	-
Capital outlay				
Public safety	17,034	-	554,194	-
Public works	-	-	335,101	387,670
Culture and recreation	-	-	-	-
Total expenditures	<u>3,997,773</u>	<u>1,287,030</u>	<u>918,567</u>	<u>387,670</u>
Excess of revenues over (under) expenditures	214,598	(78,270)	(384,958)	223,314
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	10,552	-	18,071	-
Transfers in	-	143,958	499,366	-
Transfers out	(499,366)	-	-	(143,958)
Total other financing sources (uses)	<u>(488,814)</u>	<u>143,958</u>	<u>517,437</u>	<u>(143,958)</u>
Net change in fund balances	(274,216)	65,688	132,479	79,356
Fund Balances				
Beginning of year	<u>2,710,757</u>	<u>2,003,696</u>	<u>72,821</u>	<u>1,292,825</u>
End of year	<u>\$ 2,436,541</u>	<u>\$ 2,069,384</u>	<u>\$ 205,300</u>	<u>\$ 1,372,181</u>

Capital Projects			
Capital Revolving (409)	Escrow Fund (800, 801)	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,000	\$ 4,793,070
-	-	-	35,150
-	-	-	88,377
-	-	-	323,128
-	-	-	274,779
-	-	162,951	1,066,042
-	-	18,737	75,667
-	-	-	12,776
(59,443)	-	(45,072)	(191,277)
-	-	3,618	4,618
-	-	29,299	203,484
<u>(59,443)</u>	<u>-</u>	<u>179,533</u>	<u>6,685,814</u>
-	-	-	616,411
-	-	14,010	2,282,928
-	-	-	859,224
-	-	-	265,458
-	-	9,104	18,501
-	-	-	1,040,000
-	-	-	237,633
-	-	-	571,228
-	-	-	722,771
-	-	67,684	67,684
-	-	90,798	6,681,838
(59,443)	-	88,735	3,976
-	-	6,510	35,133
-	-	-	643,324
-	-	-	(643,324)
-	-	6,510	35,133
(59,443)	-	95,245	39,109
<u>2,234,377</u>	<u>-</u>	<u>1,239,237</u>	<u>9,553,713</u>
<u>\$ 2,174,934</u>	<u>\$ -</u>	<u>\$ 1,334,482</u>	<u>\$ 9,592,822</u>

City of Wyoming
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to
the Statement of Activities - Governmental Funds
Year Ended December 31, 2022

Net change in fund balances - total governmental funds: \$ 39,109

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlay	955,618
Depreciation expense	(1,198,983)
Disposal of capital assets	(6,183)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.

58,520

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

(126,000)

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on net position in the Statement of Activities.

1,040,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. However, interest expense is recognized as the interest accrues, on the Statement of Activities regardless of when it is due.

17,542

Proceeds from long-term debt are recognized as an other financing source in the governmental funds but as a decrease in net position in the Statement of Activities. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the Statement of Activities.

Amortization of bond premium	32,737
Forgiveness of loan	204,534

Certain revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred special assessments	200,568
State shared taxes	182,500

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.

Delinquent special assessments	186,449
Delinquent property taxes	6,032

Change in net position of governmental activities

\$ 1,592,443

City of Wyoming
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and</u>		Final Budget -
	Final	Actual	Over (Under)
Revenues			
Property taxes	\$ 3,454,664	\$ 3,447,010	\$ (7,654)
Miscellaneous taxes	82,748	88,377	5,629
Licenses and permits	224,000	274,779	50,779
Intergovernmental	165,800	320,745	154,945
Charges for services	53,500	56,930	3,430
Fines and forfeitures	15,000	12,776	(2,224)
Miscellaneous			
Investment income	25,000	(20,275)	(45,275)
Contributions and donations	-	1,000	1,000
Other	-	31,029	31,029
Total revenues	<u>4,020,712</u>	<u>4,212,371</u>	<u>191,659</u>
Expenditures			
Current			
General government	621,090	616,411	(4,679)
Public safety	2,249,249	2,268,918	19,669
Public works	905,043	859,224	(45,819)
Culture and recreation	232,230	236,186	3,956
Capital outlay			
Public safety	13,100	17,034	3,934
Total expenditures	<u>4,020,712</u>	<u>3,997,773</u>	<u>(22,939)</u>
Excess of revenues over (under) expenditures	-	214,598	214,598
Other financing sources (uses)			
Proceeds from sale of capital asset	-	10,552	10,552
Transfers out	-	(499,366)	(499,366)
Total other financing sources (uses)	<u>-</u>	<u>(488,814)</u>	<u>(488,814)</u>
Net change in fund balance	<u>\$ -</u>	<u>(274,216)</u>	<u>\$ (274,216)</u>
Fund Balance			
Beginning of year		<u>2,710,757</u>	
End of year		<u>\$ 2,436,541</u>	

City of Wyoming
Statement of Net Position - Proprietary Funds
December 31, 2022

	Water (601, 860)	Sewer (602)	Surface Water (651)	Total Proprietary Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 1,522,908	\$ 2,757,632	\$ 475,480	\$ 4,756,020
Accounts receivable	186,308	327,031	62,267	575,606
Special assessment receivable				
Unremitted	395	744	94	1,233
Delinquent	3,114	3,223	406	6,743
Deferred	26,210	49,330	6,209	81,749
Due from other governments	14,704	-	-	14,704
Prepaid items	5,564	8,775	-	14,339
Total current assets	<u>1,759,203</u>	<u>3,146,735</u>	<u>544,456</u>	<u>5,450,394</u>
Noncurrent assets				
Capital assets				
Land	6,284	-	-	6,284
Buildings and improvements	845,950	-	-	845,950
Machinery and equipment	46,092	100,779	-	146,871
Infrastructure	10,332,072	15,095,564	1,619,564	27,047,200
Construction in process	-	1,472,370	-	1,472,370
Total capital assets	<u>11,230,398</u>	<u>16,668,713</u>	<u>1,619,564</u>	<u>29,518,675</u>
Less accumulated depreciation	<u>(4,931,775)</u>	<u>(7,038,231)</u>	<u>(456,325)</u>	<u>(12,426,331)</u>
Net capital assets	<u>6,298,623</u>	<u>9,630,482</u>	<u>1,163,239</u>	<u>17,092,344</u>
Deferred Outflows of Resources				
Deferred outflows of resources related to city pensions	<u>58,155</u>	<u>54,684</u>	<u>7,347</u>	<u>120,186</u>
Total assets and deferred outflows of resources	<u>\$ 8,115,981</u>	<u>\$ 12,831,901</u>	<u>\$ 1,715,042</u>	<u>\$ 22,662,924</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 7,819	\$ 43,308	\$ 13,125	\$ 64,252
Contracts payable	-	52,912	-	52,912
Salaries and benefits payable	9,542	8,879	1,230	19,651
Interest payable	24,545	6,025	-	30,570
Due to other governments	-	23,137	-	23,137
Compensated absences, amount due within one year	11,073	7,997	-	19,070
Bonds payable, amount due within one year	164,895	115,105	-	280,000
Total current liabilities	<u>217,874</u>	<u>257,363</u>	<u>14,355</u>	<u>489,592</u>
Noncurrent liabilities				
Compensated absences, less current portion above	25,836	18,659	-	44,495
Bonds payable, less current portion above	2,013,104	366,896	-	2,380,000
Premium on bonds payable	14,609	16,136	-	30,745
Net pension liability	183,424	172,475	23,172	379,071
Total noncurrent liabilities	<u>2,236,973</u>	<u>574,166</u>	<u>23,172</u>	<u>2,834,311</u>
Total liabilities	<u>2,454,847</u>	<u>831,529</u>	<u>37,527</u>	<u>3,323,903</u>
Deferred Inflows of Resources				
Deferred inflows related to city pensions	<u>2,667</u>	<u>2,508</u>	<u>337</u>	<u>5,512</u>
Net Position				
Net investment in capital assets	4,106,015	9,132,345	1,163,239	14,401,599
Unrestricted	1,552,452	2,865,519	513,939	4,931,910
Total net position	<u>5,658,467</u>	<u>11,997,864</u>	<u>1,677,178</u>	<u>19,333,509</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,115,981</u>	<u>\$ 12,831,901</u>	<u>\$ 1,715,042</u>	<u>\$ 22,662,924</u>

See notes to basic financial statements.

City of Wyoming
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
Year Ended December 31, 2022

	Water (601, 860)	Sewer (602)	Surface Water (651)	Total Proprietary Funds
Operating revenues				
Charges for services	\$ 704,357	\$ 1,305,164	\$ 231,628	\$ 2,241,149
Operating expenses				
Personnel services	260,794	248,410	44,676	553,880
Materials and supplies	80,923	16,065	4,827	101,815
Repairs and maintenance	32,199	88,892	121,489	242,580
Professional services	36,394	31,493	7,345	75,232
Insurance	9,499	71	-	9,570
Utilities	38,941	12,766	30	51,737
Depreciation	220,962	326,187	51,423	598,572
Other services and charges	46,577	640,699	25,534	712,810
Total operating expenses	<u>726,289</u>	<u>1,364,583</u>	<u>255,324</u>	<u>2,346,196</u>
Operating income (loss)	(21,932)	(59,419)	(23,696)	(105,047)
Nonoperating revenues (expenses)				
Investment income	(34,151)	(64,870)	(5,543)	(104,564)
Gain on sale of capital asset	-	-	805	805
Refunds and reimbursements	1,242	-	36,758	38,000
Interest expense	(57,072)	(8,533)	-	(65,605)
Total nonoperating revenues (expenses)	<u>(89,981)</u>	<u>(73,403)</u>	<u>32,020</u>	<u>(131,364)</u>
Income (loss) before capital contributions	(111,913)	(132,822)	8,324	(236,411)
Capital contributions	<u>153,887</u>	<u>146,510</u>	<u>-</u>	<u>300,397</u>
Change in net position	41,974	13,688	8,324	63,986
Net position				
Beginning of year	<u>5,616,493</u>	<u>11,984,176</u>	<u>1,668,854</u>	<u>19,269,523</u>
End of year	<u>\$ 5,658,467</u>	<u>\$ 11,997,864</u>	<u>\$ 1,677,178</u>	<u>\$ 19,333,509</u>

City of Wyoming
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2022

	Water (601, 860)	Sewer (602)	Surface Water (651)	Total Proprietary Funds
Cash Flows - Operating Activities				
Receipts from customers and users	\$ 643,028	\$ 1,291,517	\$ 202,515	\$ 2,137,060
Payments to suppliers	(268,866)	(770,471)	(146,472)	(1,185,809)
Payments to employees	(226,318)	(213,993)	(27,378)	(467,689)
Net cash flows - operating activities	<u>147,844</u>	<u>307,053</u>	<u>28,665</u>	<u>483,562</u>
Cash Flows - Noncapital Financing Activities				
Refunds and reimbursements	<u>1,242</u>	<u>-</u>	<u>36,758</u>	<u>38,000</u>
Cash Flows - Capital and Related Financing Activities				
Principal paid on debt	(163,492)	(111,508)	-	(275,000)
Interest paid on debt	(61,517)	(16,133)	-	(77,650)
Connection charges	153,887	146,510	-	300,397
Proceeds from sale of capital assets	-	-	805	805
Acquisition of capital assets	(3,750)	(14,178)	-	(17,928)
Net cash flows - capital and related financing activities	<u>(74,872)</u>	<u>4,691</u>	<u>805</u>	<u>(69,376)</u>
Cash Flows - Investing Activities				
Interest and dividends received	<u>(34,151)</u>	<u>(64,870)</u>	<u>(5,543)</u>	<u>(104,564)</u>
Net change in cash and cash equivalents	40,063	246,874	60,685	347,622
Cash and Cash Equivalents				
January 1	<u>1,482,845</u>	<u>2,510,758</u>	<u>414,795</u>	<u>4,408,398</u>
December 31	<u>\$ 1,522,908</u>	<u>\$ 2,757,632</u>	<u>\$ 475,480</u>	<u>\$ 4,756,020</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities				
Operating income (loss)	\$ (21,932)	\$ (59,419)	\$ (23,696)	\$ (105,047)
Adjustments to reconcile operating gain (loss) to net cash flows				
Operating activities				
Depreciation expense	220,962	326,187	51,423	598,572
Pension related activity	32,912	33,024	16,068	82,004
Accounts receivable	(43,455)	(4,922)	(28,014)	(76,391)
Due from other governments	(14,704)	-	-	(14,704)
Prepaid items	(554)	(593)	-	(1,147)
Accounts payable	(23,779)	42,121	12,753	31,095
Special assessments	(3,170)	(8,725)	(1,099)	(12,994)
Due to other governmental units	-	(22,013)	-	(22,013)
Salaries payable	2,804	2,478	1,230	6,512
Compensated absences payable	(1,240)	(1,085)	-	(2,325)
Total adjustments	<u>169,776</u>	<u>366,472</u>	<u>52,361</u>	<u>588,609</u>
Net cash flows - operating activities	<u>\$ 147,844</u>	<u>\$ 307,053</u>	<u>\$ 28,665</u>	<u>\$ 483,562</u>

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Wyoming, Minnesota (the City) operates under the "Optional Plan A" form of government as defined by *Minnesota Statutes*. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Councilmembers. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The City has the following component unit.

Blended Component Unit.

The Economic Development Authority (EDA) was created pursuant to *Minnesota Statutes* 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the City Council. The seven-member board of commissioners consists of two City Council members and five members appointed by City Council. The EDA may not exercise any of the powers enumerated by the authorizing *Minnesota Statutes* without prior approval of the City Council. The operations of the EDA are blended and reported in a separate special revenue fund.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unavailable revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as unavailable revenue in the fund financial statements.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The City reports major governmental funds that are calculated based on these criteria:

- 1) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total (that is, total governmental or total enterprise funds), and
- 2) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Description of Funds:

The following major governmental funds meet the criteria described above:

General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – This fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

Capital Equipment Fund – This fund accounts for the accumulation of resources to fund special capital equipment purchases.

Street Replacement Fund – This fund accounts for the accumulation of resources to fund municipal street projects.

Capital Revolving Fund – This fund accounts for the accumulation of resources to fund capital projects.

Escrow Fund – This fund maintains escrow deposits and is used to pay for development costs incurred by the City.

The City reports the following major proprietary funds:

Water Fund – This fund accounts for costs associated with the City's water distribution system and ensure user charges are sufficient to pay for those costs.

Sewer Fund – This fund accounts for costs associated with the City's sewer collection system and ensure that user charges are sufficient to pay for those costs.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds: (Continued)

The City reports the following major proprietary funds: (Continued)

Surface Water Fund – This fund accounts for the costs associated with the City's surface water system, which are financed by the surface water surcharge and ensure that user charges are sufficient to pay for those costs.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by *Minnesota Statutes*, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

1. Deposits and Investments (Continued)

3. General obligations of a State or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June, and November each year.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

2. Property Taxes (Continued)

Delinquent taxes receivable includes the past six years' uncollected taxes. Governmental delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year-end in the fund financial statements.

3. Accounts Receivable

Accounts receivable include amounts billed for services provided before year-end. Unbilled utility enterprise fund receivables are also included for services provided in 2022. There has been no allowance for doubtful accounts established.

4. Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are annually certified to the County or received in cash or within 60 days after year-end. All governmental deferred and delinquent special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

5. Interfund Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account unless otherwise restricted, committed, or assigned in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

6. Capital Assets (Continued)

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated acquisition of the item at the date of its donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Structures	10-50
Infrastructure	20-50
Machinery and Equipment	3-20
Other Assets	3-15

7. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense/expenditure in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts during the current period.

9. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount earned but unused vacation and sick leave which is paid to the employee upon separation. A limited amount of earned but unused vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In the governmental funds, compensated absences are generally liquidated by the General Fund.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Wyoming's Fire Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The government has another item that qualifies for reporting in this category related to grants which is reported on the Statement of Net Position and the Governmental Funds Balance Sheet. This item is deferred until time requirements have been met.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

12. Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable Fund Balances – Amounts that cannot be spent because they are not in spendable form, such as prepaid items and long-term receivables.

Restricted Fund Balances – Amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

Committed Fund Balances – Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned Fund Balances – Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator.

City of Wyoming
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

12. Fund Balance (Continued)

Unassigned Fund Balances – The residual classification for the General Fund and also negative residual amounts in other funds.

The City's policy is to maintain a minimum unrestricted fund balance of 55% of subsequent years budgeted expenditures.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

13. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is displayed in three components:

- Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

13. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is displayed in three components:

- Restricted Net Position – Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.
- Unrestricted Net Position – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

14. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund. All annual appropriations lapse at year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings, and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Administrator. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted.

City of Wyoming
Notes to Basic Financial Statements

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

Budgetary control for governmental funds is established at the department level. Expenditures exceeded appropriations in the following General Fund departments for the year ending December 31, 2022.

	<u>Appropriations</u>	<u>Expenditures</u>
General Fund		
Accounting and auditing	\$ 151,650	\$ 160,447
Elections	6,000	6,599
Police	2,031,599	2,077,747
Engineering	54,420	61,244
Parks	191,080	196,431

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consisted of the following:

Deposits	\$ 5,448,602
Investments	<u>10,604,302</u>
Total	<u><u>\$ 16,052,904</u></u>

Cash and investments are presented in the financial statements as follows

Statement of Net Position	
Cash and investments	<u><u>\$ 16,052,904</u></u>

B. Deposits

In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit. The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, irrevocable standby letters of credit from Federal Home Loan Bank, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

City of Wyoming
Notes to Basic Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits (Continued)

At year-end, the City had non-pooled deposits with a carrying value of \$96,089 and pooled deposits with a carrying value of \$5,352,513. The bank balances were covered by federal depository insurance or by collateral pledged in the City's name. As stated above, Minnesota State statute requires 110% of deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan banks to be covered by collateral.

C. Investments

At year-end, the City's investment balances were as follows:

Investment Type	Fair Value	Less than 1 Year	1-5 Years	Greater than 6 Years
Municipal Securities	\$ 1,213,050	\$ -	\$ 1,213,050	\$ -
Government Securities	6,668,053	1,661,163	4,752,786	254,104
Brokered Certificates of Deposit	1,605,494	747,678	857,816	-
Investments at amortized cost				
Money Market funds	1,117,705	1,117,705	-	-
Total Investments	\$ 10,604,302	\$ 3,526,546	\$ 6,823,652	\$ 254,104

The City has the following recurring fair value measurements at December 31, 2022:

- \$9,486,597 of investments are valued using a matrix pricing model (Level 2 inputs).

The Minnesota Municipal Money Market Fund is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. The City's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. Investments in the 4M Plus must be deposited for a minimum of 14 days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

The investments of the City are subject to the following risks:

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. *Minnesota Statutes* and the City's investment policy limit the City's investments to the list in Note 1, D. As of December 31, 2022, the municipal securities were rated Aaa to Aa3 by Moody's and AAA to AA- by S&P. The remaining securities were unrated.

City of Wyoming
Notes to Basic Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk: This is the risk that, in the event of the failure of the Counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City will minimize custodial risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the city will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and managing the average maturity of the overall portfolio to be consistent with the risk profile of the City not to exceed 3.5 years.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy does not address concentration of credit risk, placing no limit on the amount that may be invested in any one issuer. The City has not invested more than 5% of applicable investments in a single issuer.

City of Wyoming
Notes to Basic Financial Statements

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 869,787	\$ -	\$ -	\$ 869,787
Construction in progress	1,704,160	682,097	-	2,386,257
Total capital assets not being depreciated	<u>2,573,947</u>	<u>682,097</u>	<u>-</u>	<u>3,256,044</u>
Capital assets being depreciated				
Buildings and improvements	686,631	-	-	686,631
Machinery and equipment	5,301,737	228,963	157,385	5,373,315
Infrastructure	28,489,386	44,558	-	28,533,944
Total capital assets being depreciated	<u>34,477,754</u>	<u>273,521</u>	<u>157,385</u>	<u>34,593,890</u>
Less accumulated depreciation for				
Buildings and improvements	(490,978)	(13,209)	-	(504,187)
Machinery and equipment	(3,133,134)	(329,780)	(151,202)	(3,311,712)
Infrastructure	(10,409,714)	(855,994)	-	(11,265,708)
Total accumulated depreciation	<u>(14,033,826)</u>	<u>(1,198,983)</u>	<u>(151,202)</u>	<u>(15,081,607)</u>
Total capital assets being depreciated, net	<u>20,443,928</u>	<u>(925,462)</u>	<u>6,183</u>	<u>19,512,283</u>
Governmental activities capital assets, net	<u>\$ 23,017,875</u>	<u>\$ (243,365)</u>	<u>\$ 6,183</u>	<u>\$ 22,768,327</u>

City of Wyoming
Notes to Basic Financial Statements

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,284	\$ -	\$ -	\$ 6,284
Construction in progress	1,458,191	14,179	-	1,472,370
Total capital assets				
Not being depreciated	<u>1,464,475</u>	<u>14,179</u>	<u>-</u>	<u>1,478,654</u>
Capital assets being depreciated				
Buildings and improvements	845,950	-	-	845,950
Machinery and equipment	146,871	-	-	146,871
Infrastructure	27,043,451	3,749	-	27,047,200
Total capital assets				
being depreciated	<u>28,036,272</u>	<u>3,749</u>	<u>-</u>	<u>28,040,021</u>
Less accumulated depreciation for				
Buildings and improvements	(643,171)	(15,352)	-	(658,523)
Machinery and equipment	(98,243)	(9,311)	-	(107,554)
Infrastructure	<u>(11,086,345)</u>	<u>(573,909)</u>	<u>-</u>	<u>(11,660,254)</u>
Total accumulated				
depreciation	<u>(11,827,759)</u>	<u>(598,572)</u>	<u>-</u>	<u>(12,426,331)</u>
Total capital assets being				
depreciated, net	<u>16,208,513</u>	<u>(594,823)</u>	<u>-</u>	<u>15,613,690</u>
Business-type activities capital				
assets, net	<u>\$ 17,672,988</u>	<u>\$ (580,644)</u>	<u>\$ -</u>	<u>\$ 17,092,344</u>

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

Governmental Activities	
General Government	\$ 53,126
Public Safety	163,172
Public Works	939,120
Culture and Recreation	<u>43,565</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,198,983</u>
Business-type activities	
Water	\$ 220,962
Sewer	326,187
Surface Water	<u>51,423</u>
Total depreciation expense - governmental activities	<u>\$ 598,572</u>

City of Wyoming
Notes to Basic Financial Statements

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Internal Balances

At December 31, 2022, advances to/from other funds for the City were as follows:

	Advance to Other Funds		
	General Fund	Capital Equipment	Total
Advance from other funds			
Capital Equipment Fund	\$ -	\$ 47,178	\$ 47,178
Debt Service Fund	200,834	-	200,834
	<u>200,834</u>	<u>-</u>	<u>200,834</u>
Total	<u>\$ 200,834</u>	<u>\$ 47,178</u>	<u>\$ 248,012</u>

The City approved an advance to the Debt Service fund from the General Fund to provide funding for the tax increment financing bond payments due to the district not generating enough tax increment revenue to meet debt obligations. The advance will be paid back with future tax increments. The outstanding balance on the advance at year-end was \$200,834.

The City approved an advance to the Capital Equipment fund from the Capital Revolving fund to provide funding for the 2019 Boyer Wester Star Dump Truck Loan. The outstanding balance on the advance at year-end was \$47,178.

At December 31, 2022, there was amount of \$606 due to the General Fund from the Debt Service Fund related to a cash deficit at year end for the G.O. Tax Increment Bonds (TIF 3-1) Fund.

B. Transfers

The composition of interfund transfers as of December 31, 2022, is as follows:

	Advance to Other Funds		
	General Fund	Capital Equipment	Total
Advance from other funds			
Capital Equipment Fund	\$ -	\$ 47,178	\$ 47,178
Debt Service Fund	200,834	-	200,834
	<u>200,834</u>	<u>-</u>	<u>200,834</u>
Total	<u>\$ 200,834</u>	<u>\$ 47,178</u>	<u>\$ 248,012</u>

The City transferred \$499,366 from the General Fund to the Capital Revolving Fund for the purpose of the future capital expenditure budget. A transfer of \$143,958 was made from the Street Replacement Fund to the Debt Service Fund for a change in funds of prepaid special assessments.

City of Wyoming
Notes to Basic Financial Statements

NOTE 6 – LONG-TERM DEBT

General Obligation (G.O.) Bonds

The City issues general obligation (G.O.) bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund G.O. bonds.

G.O. bonds are direct obligations and pledge the full faith and credit of the City.

General Obligation (G.O.) Improvement Bonds

The following bonds were issued to finance various improvements and will be repaid from special assessments levied on the properties benefiting from the improvements and ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105% of the amount required for debt service. The excess of 5% is to cover any delinquencies in tax or assessment payments.

G.O. improvement bonds currently outstanding are as follows:

	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year-End
G.O. Improvement Bonds, Series 2009A	\$ 3,955,000	2.00-5.50%	09/15/09	02/01/25	\$ 1,005,000
G.O. Improvement Bonds, Series 2015A	3,235,000	2.00-5.50%	09/15/09	02/01/26	1,410,000
G.O. Improvement Bonds, Series 2016A	1,125,000	0.85-1.75%	10/20/16	02/01/27	580,000
G.O. Improvement Bonds, Series 2018A	1,495,000	3.00-3.25%	07/19/18	02/01/34	1,245,000
G.O. Improvement Bonds, Series 2020A	3,495,000	2.00%	07/16/20	02/01/36	<u>3,290,000</u>
Total G.O. Improvement Bonds					<u>\$ 7,530,000</u>

Requirement to maturity for general obligation improvement bonds follows:

Year Ending December 31,	General Obligation Improvement Bonds			
	Governmental Activities			Total
	Principal	Interest	Subsidy	
2023	\$ 1,055,000	\$ 192,294	\$ (16,037)	\$ 1,231,257
2024	1,095,000	156,188	(13,273)	1,237,915
2025	1,130,000	118,210	-	1,248,210
2026	810,000	88,494	-	898,494
2027	445,000	73,394	-	518,394
2028-2032	1,720,000	245,065	-	1,965,065
2033-2036	<u>1,275,000</u>	<u>49,744</u>	<u>-</u>	<u>1,324,744</u>
Total	<u>\$ 7,530,000</u>	<u>\$ 923,389</u>	<u>\$ (29,310)</u>	<u>\$ 8,424,079</u>

City of Wyoming
Notes to Basic Financial Statements

NOTE 6 – LONG-TERM DEBT (CONTINUED)

G.O. Revenue Bonds

The following bonds were issued to finance capital improvement in the enterprise funds. They will be retired from net revenue of the enterprise funds.

	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year-End
G.O. Utility Revenue Bonds, Series 2015A	\$ 1,525,000	3.00%	06/30/15	02/01/26	\$ 670,000
G.O. Utility Revenue Bonds, Series 2015B	2,670,000	0.75-3.10%	11/12/15	02/01/36	<u>1,990,000</u>
Total G.O. Revenue Bonds					<u>\$ 2,660,000</u>

The annual debt service requirements to maturities for general obligation revenue bonds are as follows:

<u>Year Ending December 31,</u>	General Obligation Revenue Bonds Business-Type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 280,000	\$ 69,765	\$ 349,765
2024	290,000	62,440	352,440
2025	295,000	54,852	349,852
2026	305,000	47,000	352,000
2027	130,000	41,385	171,385
2028-2032	710,000	151,738	861,738
2033-2038	<u>650,000</u>	<u>40,757</u>	<u>690,757</u>
Total	<u>\$ 2,660,000</u>	<u>\$ 467,937</u>	<u>\$ 3,127,937</u>

City of Wyoming
Notes to Basic Financial Statements

NOTE 6 – LONG-TERM DEBT (CONTINUED)

During the year ended December 31, 2022, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
G.O. Improvement Bonds	\$ 8,570,000	\$ -	\$ (1,040,000)	\$ 7,530,000	\$ 1,055,000
Unamortized Premium on Bonds	260,431	-	(32,737)	227,694	-
Total bonds payable	<u>8,830,431</u>	-	<u>(1,072,737)</u>	<u>7,757,694</u>	<u>1,055,000</u>
Notes from direct borrowing	204,534	-	(204,534)	-	-
Compensated Absences Payable	510,121	207,606	(266,126)	451,601	135,480
Long-term liabilities	<u>\$ 9,545,086</u>	<u>\$ 207,606</u>	<u>\$ (1,543,397)</u>	<u>\$ 8,209,295</u>	<u>\$ 1,190,480</u>
Business-Type Activities					
G.O. Revenue Bonds	2,935,000	-	(275,000)	2,660,000	280,000
Unamortized Premium on Bonds	40,053	-	(9,308)	30,745	-
Compensated absences payable	<u>65,890</u>	<u>27,985</u>	<u>(30,310)</u>	<u>63,565</u>	<u>19,070</u>
Business-type activity long-term liabilities	<u>\$ 3,040,943</u>	<u>\$ 27,985</u>	<u>\$ (314,618)</u>	<u>\$ 2,754,310</u>	<u>\$ 299,070</u>

Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance, which would have a material effect on the financial statements.

City of Wyoming
Notes to Basic Financial Statements

NOTE 7 – FUND BALANCES

At December 31, 2022, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Capital Equipment	Street Replacement	Capital Revolving	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$ 54,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,974
Advances to other funds	200,834	-	-	-	-	-	200,834
Total nonspendable	<u>255,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,808</u>
Restricted							
Debt service	-	2,270,824	-	-	-	-	2,270,824
Public safety expenditures	-	-	-	-	-	18,030	18,030
Revolving loan	-	-	-	-	-	21,674	21,674
Park dedication	-	-	-	-	-	179,087	179,087
Lawful gambling	-	-	-	-	-	100,639	100,639
State Aid Streets	-	-	-	-	-	783,583	783,583
Total restricted	<u>-</u>	<u>2,270,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,103,013</u>	<u>3,373,837</u>
Committed							
Public safety expenditures	-	-	-	-	-	28,542	28,542
Economic Development	-	-	-	-	-	191,016	191,016
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,558</u>	<u>219,558</u>
Assigned							
Street replacement	-	-	-	1,372,181	-	-	1,372,181
Capital projects	-	-	205,300	-	2,174,934	5,286	2,385,520
Capital equipment	-	-	-	-	-	6,625	6,625
Total assigned	<u>-</u>	<u>-</u>	<u>205,300</u>	<u>1,372,181</u>	<u>2,174,934</u>	<u>11,911</u>	<u>3,764,326</u>
Unassigned							
	2,180,733	(201,440)	-	-	-	-	1,979,293
Total fund balance	<u>\$ 2,436,541</u>	<u>\$ 2,069,384</u>	<u>\$ 205,300</u>	<u>\$ 1,372,181</u>	<u>\$ 2,174,934</u>	<u>\$ 1,334,482</u>	<u>\$ 9,592,822</u>

NOTE 8 – PENSION PLANS

The city participates in various pension plans, total pension expense for the year ended December 31, 2022, was \$491,538. The components of pension expense are noted in the following plan summaries.

The General Fund and Water and Sewer Funds typically liquidate the liability related to pensions.

Public Employees' Retirement Association

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

Police and Fire Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$74,271. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$170,772. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

At December 31, 2022, the City reported a liability of \$1,140,485 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$33,611.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0144% at the end of the measurement period and 0.0145% for the beginning of the period.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

D. Pension Costs (Continued)

City's proportionate share of the net pension liability	\$ 1,140,485
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>33,611</u>
Total	<u><u>\$ 1,174,096</u></u>

For the year ended December 31, 2022, the City recognized pension expense of \$178,531 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$5,022 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2022, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 9,525	\$ 12,201
Changes in actuarial assumptions	259,851	4,381
Net collective difference between projected and actual investment earnings	14,280	-
Changes in proportion	40,802	-
Contributions paid to PERA subsequent to the measurement date	<u>37,136</u>	<u>-</u>
Total	<u><u>\$ 361,594</u></u>	<u><u>\$ 16,582</u></u>

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The \$37,136 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	\$ 124,745
2024	115,209
2025	(35,218)
2026	103,140
Total	\$ 307,876

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$3,154,914 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.0725% at the end of the measurement period and 0.0716% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$268,569 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$26,746 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$6,525 for the year ended December 31, 2022, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2022, the City reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 192,528	\$ -
Changes in actuarial assumptions	1,848,983	19,651
Net collective difference between projected and actual investment earnings	55,604	-
Changes in proportion	20,357	52,725
Contributions paid to PERA subsequent to the measurement date	85,386	-
Total	\$ 2,202,858	\$ 72,376

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

The \$85,386 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	\$ 389,546
2024	399,081
2025	349,974
2026	642,844
2027	263,651
Total	\$ 2,045,096

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term
Domestic equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from MP-2020 to MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

G. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in the fiscal year ended June 30, 2061, projected benefit payments exceed the fund's projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.4% for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

H. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's proportionate share of the General Employees Fund net pension liability	\$ 1,801,455	\$ 1,140,485	\$ 598,387
	1% Decrease in Discount Rate (4.4%)	Current Discount Rate (5.4%)	1% Increase in Discount Rate (6.4%)
City's proportionate share of the Police and Fire Fund net pension liability	\$ 4,774,557	\$ 3,154,914	\$ 1,845,529

**City of Wyoming
Notes to Basic Financial Statements**

NOTE 8 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

J. Public Employees Defined Contribution Plan (Defined Contribution Plan)

Council members are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official’s employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share.

Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.25%) of the assets in each member’s account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City during fiscal year 2022 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 200	\$ 200	5%	5%	5%

Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association

A. Plan Description

The City of Wyoming Firefighter's Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the City of Wyoming Fire Department per *Minnesota State Statutes*.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to City of Wyoming Firefighter’s Association, 26885 Forest Blvd, Wyoming, MN 55092 or by calling (651) 257-4100.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement. The lump sum pension is based on completed months of service. The current lump sum pension is based on \$4,000 per year of service plus a supplemental benefit of 10% of the regular lump sum distribution, but not more than \$1,000.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, the lump sum pension will be reduced by 4% for each year of service less than 20 years. This percentage increases 4% per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable nonforfeitable percentage of pension.

C. Members Covered by Benefit Terms

At December 31, 2021, the following members were covered by the benefit terms:

Inactive members entitled to but not yet receiving benefits	4
Active members	<u>29</u>
Total	<u><u>33</u></u>

D. Contributions.

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City’s obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During 2022, the City recognized as revenue and as an expenditure an on behalf payment of \$54,798 made by the State of Minnesota for the Relief Association. The City also contributed \$7,400 to the Relief Association.

E. Net Pension Liability

The City’s net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)

E. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability measured at December 31, 2021, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %	
Investment rate	4.75 %	Net of pension plan investment expenses: including inflation

Actuarial Assumptions

The mortality assumptions include Pub-2010 Public Safety Employee mortality tables with projected mortality improvements based on scale MP-2020 for Healthy Pre-retirement and Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvements based on scale MP-2020 with male rates being adjusted by a factor of 0.98 for Healthy Post-retirement. Disabled use Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvements based on scale MP-2020. Male rates are adjusted by a factor of 1.05.

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan’s target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of the measurement date are summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.16 %	4.42%
Fixed income	34.32	1.00
Cash and Equivalents	20.52	-0.33
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.75%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)

E. Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2022	\$ 414,355	\$ 936,867	\$ (522,512)
Changes for the year			
Service cost	35,474	-	35,474
Interest cost	25,085	-	25,085
Differences between expected and actual experience	(28,809)	-	(28,809)
Changes of assumptions	30,286	-	30,286
Changes of benefit terms	139,657	-	139,657
State and local contributions	-	58,609	(58,609)
Net investment income	-	103,167	(103,167)
Benefit payments	(27,133)	(27,133)	-
Net changes	<u>174,560</u>	<u>134,643</u>	<u>39,917</u>
Balances at December 31, 2022	<u>\$ 588,915</u>	<u>\$ 1,071,510</u>	<u>\$ (482,595)</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 4.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.75%) or 1-percentage-point higher (5.75%) than the current rate:

	1% Decrease in Discount Rate (3.75%)	Current Discount Rate Rate (4.75%)	1% Increase in Discount Rate (5.75%)
City's net pension liability (asset)	<u>\$ (448,699)</u>	<u>\$ (482,595)</u>	<u>\$ (514,550)</u>

Detailed information about the pension plan’s fiduciary net position is available in the separately issued relief association financial report.

City of Wyoming
Notes to Basic Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter’s Relief Association (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized pension expense of \$44,238. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ -	\$ 102,266
Changes in actuarial assumptions	30,516	-
Net collective difference between projected and actual investment earnings	-	96,325
Contributions paid subsequent to the measurement date	62,198	-
Total	\$ 92,714	\$ 198,591

The \$62,198 reported as deferred outflows of resources related pensions resulting from the City's contribution to the relief association subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown on the following page.

Year Ending	Total
2023	\$ (34,482)
2024	(43,837)
2025	(30,368)
2026	(17,422)
2027	(7,446)
Thereafter	(34,520)
Total	\$ (168,075)

H. Payable to the Pension Plan

At December 31, 2022, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

City of Wyoming
Notes to Basic Financial Statements

NOTE 9 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

NOTE 10 - JOINT VENTURE

The City is member of the Chisago Lakes Joint Sewage Treatment Commission (CLJSTC) along with five other communities. The purpose of the CLJSTC is to provide administration and operation of the disposal system serving all six communities. Each community owns a percentage of the assets of the Commission and is responsible for a proportionate share of expenses and debt. The City costs are reflected in the Sewer enterprise fund and totaled \$327,724 and \$327,206 for the years ended 2022 and 2021, respectively. Totals from the most recently issued condensed combined financial statements of the CLJSTC are below and on the following page.

Statement of Net Position
December 31, 2022

Assets	
Current assets	\$ 2,065,327
Capital assets and other noncurrent assets	12,140,198
Total assets	14,205,525
Liabilities	
Current liabilities	1,044,861
Noncurrent liabilities	3,838,052
Total liabilities	4,882,913
Net position	
Net investment in capital assets	6,397,742
Restricted	1,553,949
Unrestricted	1,370,921
Total net position	\$ 9,322,612

City of Wyoming
Notes to Basic Financial Statements

NOTE 10 - JOINT VENTURE (CONTINUED)

Statement of Activities
December 31, 2022

Revenues		
Operating		\$ 2,137,131
Nonoperating		15,493
Total revenues		2,152,624
 Expenses		
Operating		2,182,530
Nonoperating		103,746
Total expenses		2,286,276
 Change in net position		(133,652)
 Net position - beginning of year		9,456,264
 Net position - end of year		\$ 9,322,612

NOTE 11 – COMMITMENTS

At December 31, 2022, the City had outstanding construction commitments totaling \$547,786 for the East Viking Boulevard Utility Project and the 2021 Street Improvement Project. There were additional outstanding commitments related to the purchase of various vehicles and equipment for \$371,179, as well as \$96,813 for Helium Court and Feriday Avenue Storm Sewer improvements, and \$443,905 for the purchase and installation of water meters. The City had total outstanding commitments of \$1,459,684.

NOTE 12 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

City of Wyoming
Schedule of City's Proportionate Share
of Net Pension Liability
General Employees Retirement Fund
Last Ten Years

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0153%	\$ 792,925	\$ -	\$ 792,925	\$ 899,558	88.15%	78.19%
2016	0.0129%	1,047,420	13,713	1,061,133	796,189	133.28%	68.91%
2017	0.0133%	849,063	10,663	859,726	855,722	99.22%	75.90%
2018	0.0122%	676,806	22,200	699,006	820,000	82.54%	79.53%
2019	0.0126%	696,626	21,666	718,292	894,640	77.87%	80.23%
2020	0.0136%	815,382	25,288	840,670	972,773	83.82%	79.06%
2021	0.0145%	619,215	18,855	638,070	1,043,707	59.33%	87.00%
2022	0.0144%	1,140,485	33,611	1,174,096	1,082,240	105.38%	76.67%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Wyoming
Schedule of City's Proportionate Share
of Net Pension Liability
Public Employees Police and Fire Fund
Last Ten Years

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0770%	\$ 874,900	N/A	\$ 874,900	\$ 710,967	123.06%	86.61%
2016	0.0750%	3,009,881	N/A	3,009,881	726,311	414.41%	63.88%
2017	0.0780%	1,046,073	N/A	1,046,073	802,482	130.35%	85.43%
2018	0.0737%	778,933	N/A	778,933	776,333	100.33%	88.84%
2019	0.0778%	817,757	N/A	817,757	840,111	97.34%	89.26%
2020	0.0745%	975,285	\$ 23,148	998,433	899,451	111.00%	87.19%
2021	0.0716%	546,232	24,840	571,072	924,414	61.78%	93.66%
2022	0.0725%	3,154,914	137,884	3,292,798	880,565	373.94%	70.53%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Wyoming
Schedule of City Contributions
General Employees Retirement Fund
Last Ten Years**

<u>Fiscal Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered</u>
2015	\$ 63,293	\$ 63,293	\$ -	\$ 843,907	7.50%
2016	61,537	61,537	-	820,493	7.50%
2017	60,118	60,118	-	801,573	7.50%
2018	69,211	69,211	-	922,813	7.50%
2019	70,182	70,182	-	935,760	7.50%
2020	75,701	75,701	-	1,009,347	7.50%
2021	74,287	74,287	-	990,493	7.50%
2022	74,271	74,271	-	990,280	7.50%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Wyoming
Schedule of City Contributions
Public Employees Police and Fire Fund
Last Ten Years**

<u>Fiscal Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered</u>
2015	\$ 113,792	\$ 113,792	\$ -	\$ 702,420	16.20%
2016	125,767	125,767	-	776,340	16.20%
2017	126,239	126,239	-	779,253	16.20%
2018	127,891	127,891	-	789,451	16.20%
2019	141,556	141,556	-	835,139	16.95%
2020	149,071	149,071	-	842,209	17.70%
2021	160,375	160,375	-	906,073	17.70%
2022	170,772	170,772	-	964,814	17.70%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Wyoming
Schedule of Changes in Net Pension Liability - Fire Relief Association -
General Employees Retirement Fund
Last Ten Years*

	2015	2016	2017	2018	2019
Total pension liability (TPL)					
Service cost	\$ 23,360	\$ 25,442	\$ 26,142	\$ 21,354	\$ 29,545
Interest on the pension liability	15,876	17,650	19,006	14,110	20,026
Differences between expected and actual experience	-	-	(102,356)	-	(11,189)
Changes of assumptions	-	-	4,047	-	109
Changes of benefit terms	-	-	-	59,227	-
Benefit payments	(8,033)	(15,490)	(26,875)	-	-
Net change in TPL	<u>31,203</u>	<u>27,602</u>	<u>(80,036)</u>	<u>94,691</u>	<u>38,491</u>
TPL - beginning	<u>245,265</u>	<u>276,468</u>	<u>304,070</u>	<u>224,034</u>	<u>318,725</u>
TPL - ending	<u>\$ 276,468</u>	<u>\$ 304,070</u>	<u>\$ 224,034</u>	<u>\$ 318,725</u>	<u>\$ 357,216</u>
Plan fiduciary net position (PFNP)					
Contributions - State	\$ 43,147	\$ 44,376	\$ 43,366	\$ 44,670	\$ 47,502
Contributions - City	-	5,600	6,000	10,000	5,400
Net investment income	2,273	24,572	41,959	(13,933)	103,346
Other additions	-	-	14,270	24,958	-
Benefit payments	(8,033)	(15,490)	(26,875)	-	-
Administrative expense	(4,648)	(1,500)	(216)	-	-
Net change in PFNP	<u>32,739</u>	<u>57,558</u>	<u>78,504</u>	<u>65,695</u>	<u>156,248</u>
PFNP - beginning	<u>381,093</u>	<u>413,832</u>	<u>471,390</u>	<u>549,894</u>	<u>615,589</u>
PFNP - ending	<u>\$ 413,832</u>	<u>\$ 471,390</u>	<u>\$ 549,894</u>	<u>\$ 615,589</u>	<u>\$ 771,837</u>
Net pension liability/ (asset) - ending	<u>\$ (137,364)</u>	<u>\$ (167,320)</u>	<u>\$ (325,860)</u>	<u>\$ (296,864)</u>	<u>\$ (414,621)</u>
Plan fiduciary net position as a percentage of the total pension liability	149.69%	155.03%	245.45%	193.14%	216.07%

Schedule of City Contributions - Fire Relief Association -
General Employees Retirement Fund
Last Ten Years*

	2015	2016	2017	2018	2019
Statutorily required contribution (a)	\$ 43,147	\$ 44,376	\$ 43,366	\$ 44,670	\$ 47,502
Actual contributions paid (b)	43,147	44,376	43,366	44,670	47,502
Contribution deficiency (Excess) (a-b)	-	-	-	-	-

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

<u>2020</u>	<u>2021</u>
\$ 34,609	\$ 35,474
22,530	25,085
	(28,809)
-	30,286
-	139,657
-	(27,133)
-	-
<u>57,139</u>	<u>174,560</u>
<u>357,216</u>	<u>414,355</u>
<u>\$ 414,355</u>	<u>\$ 588,915</u>
\$ 49,897	\$ 53,209
5,600	5,400
109,533	103,167
-	-
-	(27,133)
-	-
<u>165,030</u>	<u>134,643</u>
<u>771,837</u>	<u>936,867</u>
<u>\$ 936,867</u>	<u>\$ 1,071,510</u>
<u>\$ (522,512)</u>	<u>\$ (482,595)</u>
226.10%	181.95%

<u>2020</u>	<u>2021</u>
\$ 49,897	\$ 53,209
49,897	53,209
-	-

City of Wyoming
Notes to Required Supplementary Information

General Employees Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

City of Wyoming
Notes to Required Supplementary Information

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020, through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

City of Wyoming
Notes to Required Supplementary Information

General Employees Fund (Continued)

2017 Changes (Continued)

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

City of Wyoming
Notes to Required Supplementary Information

Police and Fire Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Wyoming
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.

City of Wyoming
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2017 Changes (Continued)

- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

City of Wyoming
Notes to Required Supplementary Information

Fire Relief Association Defined Benefit Pension Plan

2021 Changes

- The annual lump sum amount increased from \$3,000 to \$4,000.
- The expected investment return and discount rate decreased from 5.75% to 4.75% to reflect updated capital market assumptions.
- The disability, mortality, and withdrawal assumptions were updated from the rates used in the July 1, 2019, Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2021, Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumption decreased from 2.50% to 2.25%.

2020 Changes

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The mortality assumptions were updated from the rates used in the July 1, 2017, Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2019, Minnesota PERA Police and Fire Plan actuarial valuation.

2018 Changes

Changes in Plan Provisions

- The annual lump sum amount increased from \$2,200 to \$3,000.

SUPPLEMENTARY INFORMATION

**City of Wyoming
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022**

	Special Revenue	Capital Projects	Total Nonmajor Governmental
Assets			
Cash and investments	\$ 362,839	\$ 974,581	\$ 1,337,420
Liabilities			
Accounts payable	\$ 2,346	\$ -	\$ 2,346
Due to other governments	592	-	592
Total liabilities	2,938	-	2,938
Fund Balances			
Restricted	140,343	962,670	1,103,013
Committed	219,558	-	219,558
Assigned	-	11,911	11,911
Total fund balances	359,901	974,581	1,334,482
Total liabilities and fund balances	\$ 362,839	\$ 974,581	\$ 1,337,420

City of Wyoming
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Special Revenue	Capital Projects	Total Nonmajor Governmental
Revenues			
Property taxes	\$ 10,000	\$ -	\$ 10,000
Intergovernmental	-	162,951	162,951
Charges for services	13,937	4,800	18,737
Miscellaneous			
Investment income	(8,612)	(36,460)	(45,072)
Contributions and donations	793	2,825	3,618
Other	29,299	-	29,299
Total revenues	<u>45,417</u>	<u>134,116</u>	<u>179,533</u>
Expenditures			
Current			
Public safety	14,010	-	14,010
Economic development	9,104	-	9,104
Capital outlay			
Culture and recreation	-	67,684	67,684
Total expenditures	<u>23,114</u>	<u>67,684</u>	<u>90,798</u>
Excess of revenues over expenditures	22,303	66,432	88,735
Other Financing Sources (Uses)			
Proceeds from sale of capital asset	<u>6,510</u>	<u>-</u>	<u>6,510</u>
Net change in fund balances	28,813	66,432	95,245
Fund Balances			
Beginning of year	<u>331,088</u>	<u>908,149</u>	<u>1,239,237</u>
End of year	<u>\$ 359,901</u>	<u>\$ 974,581</u>	<u>\$ 1,334,482</u>

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SPECIAL REVENUE FUNDS

**City of Wyoming
Combining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2022**

	Special Revenue			
	Police Forfeiture (201)	Police Impound (202)	Police Department Donations (205)	Public Safety Donations (206)
Assets				
Cash and investments	\$ 18,629	\$ 23,128	\$ 5,892	\$ 1,661
Liabilities				
Accounts payable	\$ 7	\$ 639	\$ -	\$ 1,500
Due to other governments	592	-	-	-
Total liabilities	599	639	-	1,500
Fund Balances				
Restricted	18,030	-	-	-
Committed	-	22,489	5,892	161
Total fund balances	18,030	22,489	5,892	161
 Total liabilities and fund balances	 \$ 18,629	 \$ 23,128	 \$ 5,892	 \$ 1,661

Special Revenue

Economic Development Authority (280)	Gambling Proceeds (490)	Revolving Loan (285)	Total Special Revenue Funds
\$ 191,216	\$ 100,639	\$ 21,674	\$ 362,839
\$ 200	\$ -	\$ -	\$ 2,346
-	-	-	592
200	-	-	2,938
-	100,639	21,674	140,343
191,016	-	-	219,558
191,016	100,639	21,674	359,901
\$ 191,216	\$ 100,639	\$ 21,674	\$ 362,839

City of Wyoming
Combining Statement of Revenues, Expenditures,
and Changes In Fund Balances -
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Special Revenue			
	Police Forfeiture (201)	Police Impound (202)	Police Department Donations (205)	Public Safety Donations (206)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	12,437	-	1,500
Miscellaneous				
Investment income	(460)	(472)	(171)	(37)
Contributions and donations	-	-	793	-
Other	-	-	-	-
Total revenues	<u>(460)</u>	<u>11,965</u>	<u>622</u>	<u>1,463</u>
Expenditures				
Current				
Public safety	600	10,204	1,706	1,500
Economic development	-	-	-	-
Total expenditures	<u>600</u>	<u>10,204</u>	<u>1,706</u>	<u>1,500</u>
Excess of revenues over (under) expenditures	(1,060)	1,761	(1,084)	(37)
Other Financing Sources				
Proceeds from sale of capital asset	<u>1,688</u>	<u>4,822</u>	<u>-</u>	<u>-</u>
Net change in fund balances	628	6,583	(1,084)	(37)
Fund Balances				
Beginning of year	<u>17,402</u>	<u>15,906</u>	<u>6,976</u>	<u>198</u>
End of year	<u>\$ 18,030</u>	<u>\$ 22,489</u>	<u>\$ 5,892</u>	<u>\$ 161</u>

Special Revenue

Economic Development Authority (280)	Gambling Proceeds (490)	Revolving Loan (285)	Total Special Revenue Funds
\$ 10,000	\$ -	\$ -	\$ 10,000
-	-	-	13,937
(4,854)	(2,044)	(574)	(8,612)
-	-	-	793
-	29,299	-	29,299
<u>5,146</u>	<u>27,255</u>	<u>(574)</u>	<u>45,417</u>
-	-	-	14,010
<u>9,104</u>	<u>-</u>	<u>-</u>	<u>9,104</u>
<u>9,104</u>	<u>-</u>	<u>-</u>	<u>23,114</u>
(3,958)	27,255	(574)	22,303
-	-	-	6,510
(3,958)	27,255	(574)	28,813
<u>194,974</u>	<u>73,384</u>	<u>22,248</u>	<u>331,088</u>
<u>\$ 191,016</u>	<u>\$ 100,639</u>	<u>\$ 21,674</u>	<u>\$ 359,901</u>

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CAPITAL PROJECTS FUNDS

**City of Wyoming
Combining Balance Sheet -
Nonmajor Capital Projects Funds
December 31, 2022**

	Capital Projects				Total Capital Project Funds
	Equipment (403)	Park Acquisition (404)	MSA (407)	Trail Development (405)	
Assets					
Cash and investments	\$ 6,625	\$ 179,087	\$ 783,583	\$ 5,286	\$ 974,581
Fund Balances					
Restricted	\$ -	\$ 179,087	\$ 783,583	\$ -	\$ 962,670
Assigned	6,625	-	-	5,286	11,911
Total fund balances	\$ 6,625	\$ 179,087	\$ 783,583	\$ 5,286	\$ 974,581

City of Wyoming
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Capital Projects Funds
Year Ended December 31, 2022

	Capital Projects				Total Capital Project Funds
	Equipment (403)	Park Acquisition (404)	MSA (407)	Trail Development (405)	
Revenues					
Intergovernmental	-	\$ 16,000	\$ 146,951	\$ -	\$ 162,951
Charges for services	-	4,800	-	-	4,800
Miscellaneous					
Investment income	(175)	(6,149)	(29,997)	(139)	(36,460)
Contributions and donations	-	2,825	-	-	2,825
Total revenues	<u>(175)</u>	<u>17,476</u>	<u>116,954</u>	<u>(139)</u>	<u>134,116</u>
Expenditures					
Capital outlay					
Culture and recreation	-	67,684	-	-	67,684
Excess of revenues over expenditures	(175)	(50,208)	116,954	(139)	66,432
Fund Balances					
Beginning of year	<u>6,800</u>	<u>229,295</u>	<u>666,629</u>	<u>5,425</u>	<u>908,149</u>
End of year	<u>\$ 6,625</u>	<u>\$ 179,087</u>	<u>\$ 783,583</u>	<u>\$ 5,286</u>	<u>\$ 974,581</u>

City of Wyoming
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2022

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Revenues			
Taxes			
Property taxes	\$ 3,454,664	\$ 3,447,010	\$ (7,654)
Miscellaneous taxes	82,748	88,377	5,629
Total taxes	<u>3,537,412</u>	<u>3,535,387</u>	<u>(2,025)</u>
Licenses and permits	224,000	274,779	50,779
Intergovernmental revenue			
Property tax credits	3,800	3,923	123
Fire aid	56,000	54,798	(1,202)
Police aid	95,000	86,809	(8,191)
Federal grants	5,000	154,562	149,562
Other grants and aids	6,000	20,653	14,653
Total intergovernmental revenue	<u>165,800</u>	<u>320,745</u>	<u>154,945</u>
Charges for services			
General government	51,000	42,267	(8,733)
Public safety	1,500	11,943	10,443
Park and recreation	1,000	2,720	1,720
Total charges for services	<u>53,500</u>	<u>56,930</u>	<u>3,430</u>
Fines and forfeitures	15,000	12,776	(2,224)
Miscellaneous revenues			
Investment income	25,000	(20,275)	(45,275)
Contributions and donations	-	1,000	1,000
Other	-	31,029	31,029
Total miscellaneous revenues	<u>25,000</u>	<u>11,754</u>	<u>(13,246)</u>
Total revenues	<u>4,020,712</u>	<u>4,212,371</u>	<u>191,659</u>
Expenditures			
General government			
Mayor and council			
Personal services	22,980	23,116	136
Supplies	5,000	1,245	(3,755)
Other services and charges	530	30	(500)
Total mayor and council	<u>28,510</u>	<u>24,391</u>	<u>(4,119)</u>

City of Wyoming
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2022

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Expenditures (Continued)			
City Administration			
Personal services	\$ 224,460	\$ 254,794	\$ 30,334
Supplies	65,500	54,052	(11,448)
Other services and charges	139,130	111,113	(28,017)
Total city administration	<u>429,090</u>	<u>419,959</u>	<u>(9,131)</u>
Accounting and Auditing			
Personal services	49,100	48,925	(175)
Supplies	300	191	(109)
Other services and charges	102,250	111,331	9,081
Total accounting and auditing	<u>151,650</u>	<u>160,447</u>	<u>8,797</u>
Elections			
Personal services	4,750	5,349	599
Supplies	1,000	1,100	100
Other services and charges	250	150	(100)
Total elections	<u>6,000</u>	<u>6,599</u>	<u>599</u>
Boards and commissions			
Personal services	5,590	4,881	(709)
Supplies	250	134	(116)
Total boards and commissions	<u>5,840</u>	<u>5,015</u>	<u>(825)</u>
Total general government	<u>621,090</u>	<u>616,411</u>	<u>(4,679)</u>
Public safety			
Police			
Personal services	1,671,870	1,693,770	21,900
Supplies	116,610	117,911	1,301
Other services and charges	230,019	249,032	19,013
Capital outlay	13,100	17,034	3,934
Total police	<u>2,031,599</u>	<u>2,077,747</u>	<u>46,148</u>

City of Wyoming
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2022

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Expenditures (Continued)			
Building and inspections			
Personal services	\$ 199,740	\$ 169,464	\$ (30,276)
Supplies	13,700	29,320	15,620
Other services and charges	17,310	9,421	(7,889)
Total building and inspections	<u>230,750</u>	<u>208,205</u>	<u>(22,545)</u>
Total public safety	<u>2,262,349</u>	<u>2,285,952</u>	<u>23,603</u>
Public works			
Streets and highways			
Personal services	535,800	376,524	(159,276)
Supplies	48,500	55,039	6,539
Other services and charges	266,323	366,417	100,094
Total streets and highways	<u>850,623</u>	<u>797,980</u>	<u>(52,643)</u>
Engineering			
Personal services	43,720	43,741	21
Supplies	10,700	17,503	6,803
Total engineering	<u>54,420</u>	<u>61,244</u>	<u>6,824</u>
Total public works	<u>905,043</u>	<u>859,224</u>	<u>(45,819)</u>
Culture and recreation			
Library			
Other services and charges	41,150	39,755	(1,395)
Parks			
Personal services	72,360	65,640	(6,720)
Supplies	11,500	7,550	(3,950)
Other services and charges	107,220	123,241	16,021
Total parks	<u>191,080</u>	<u>196,431</u>	<u>5,351</u>
Total culture and recreation	<u>232,230</u>	<u>236,186</u>	<u>3,956</u>

City of Wyoming
Detailed Schedule of Revenues, Expenditure, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Over (Under)
	Original and Final				
Expenditures (Continued)					
Total expenditures	\$ 4,020,712		\$ 3,997,773		\$ (22,939)
Excess of revenues over (under) expenditures	-		214,598		214,598
Other financing sources (uses)					
Proceeds from sale of capital asset	-		10,552		10,552
Transfers out	-		(499,366)		(499,366)
Total other financing sources (uses)	-		(488,814)		(488,814)
Net change in fund balance	\$ -		(274,216)		\$ (274,216)
Fund Balance					
Beginning of year			2,710,757		
End of year			\$ 2,436,541		

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DEBT SERVICE FUND

City of Wyoming
Combining Balance Sheet -
Debt Service Fund - By Bond Issue
December 31, 2022

	Debt Service			
	2009 G.O. Improvement Bonds (337)	2015A G.O. Improvement Bonds (338)	2016A G.O. Improvement Bonds (339)	2018A G.O. Improvement Bonds (340)
Assets				
Cash and investments	\$ 767,813	\$ 659,123	\$ 172,667	\$ 124,769
Special assessment receivable				
Current	-	1,093	-	-
Delinquent	185,834	1,687	-	604
Deferred	155,929	169,637	-	139,152
Total assets	<u>\$ 1,109,576</u>	<u>\$ 831,540</u>	<u>\$ 172,667</u>	<u>\$ 264,525</u>
Liabilities				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Advance from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue - special assessments	341,764	171,323	-	139,756
Fund Balances				
Restricted	767,812	660,217	172,667	124,769
Unassigned	-	-	-	-
Total fund balances	<u>767,812</u>	<u>660,217</u>	<u>172,667</u>	<u>124,769</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,109,576</u>	<u>\$ 831,540</u>	<u>\$ 172,667</u>	<u>\$ 264,525</u>

Debt Service		
2020A G.O. Improvement Bonds (341)	1999C & D G.O. Tax Increment Bonds (TIF 3-1) (370)	Total Debt Service Funds
\$ 545,062	\$ -	\$ 2,269,434
296	-	1,389
548	-	188,673
<u>442,961</u>	<u>-</u>	<u>907,679</u>
<u>\$ 988,867</u>	<u>\$ -</u>	<u>\$ 3,367,175</u>
\$ -	\$ 606	\$ 606
-	200,834	200,834
<u>-</u>	<u>201,440</u>	<u>201,440</u>
<u>443,508</u>	<u>-</u>	<u>1,096,351</u>
545,359	-	2,270,824
<u>-</u>	<u>(201,440)</u>	<u>(201,440)</u>
<u>545,359</u>	<u>(201,440)</u>	<u>2,069,384</u>
<u>\$ 988,867</u>	<u>\$ -</u>	<u>\$ 3,367,175</u>

City of Wyoming
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Debt Service Fund - By Bond Issue
Year Ended December 31, 2022

	Debt Service			
	2009 G.O. Improvement Bonds (337)	2015A G.O. Improvement Bonds (338)	2016A G.O. Improvement Bonds (339)	2018A G.O. Improvement Bonds (340)
Revenues				
Property taxes	\$ 210,000	\$ 275,000	\$ 124,404	\$ 104,540
Tax increments	-	-	-	-
Special assessments	99,774	67,452	-	26,844
Intergovernmental	20,625	-	-	-
Miscellaneous				
Investment income	(15,424)	(10,243)	(2,008)	(594)
Total revenues	<u>314,975</u>	<u>332,209</u>	<u>122,396</u>	<u>130,790</u>
Expenditures				
Current				
Economic development	-	-	-	-
Debt service				
Principal	315,000	325,000	110,000	85,000
Interest and other charges	62,865	47,725	10,410	40,069
Total expenditures	<u>377,865</u>	<u>372,725</u>	<u>120,410</u>	<u>125,069</u>
Excess of revenues over (under) expenditures	(62,890)	(40,516)	1,986	5,721
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balances	(62,890)	(40,516)	1,986	5,721
Fund Balances				
Beginning of year	<u>830,702</u>	<u>700,733</u>	<u>170,681</u>	<u>119,048</u>
End of year	<u>\$ 767,812</u>	<u>\$ 660,217</u>	<u>\$ 172,667</u>	<u>\$ 124,769</u>

Debt Service

2020A G.O. Improvement Bonds (341)	1999C & D G.O. Tax Increment Bonds (TIF 3-1) (370)	Total Debt Service Funds
\$ 222,116	\$ -	\$ 936,060
-	35,150	35,150
53,428	-	247,498
-	-	20,625
<u>(1,697)</u>	<u>(607)</u>	<u>(30,573)</u>
<u>273,847</u>	<u>34,543</u>	<u>1,208,760</u>
-	9,397	9,397
205,000	-	1,040,000
<u>67,850</u>	<u>8,714</u>	<u>237,633</u>
<u>272,850</u>	<u>18,111</u>	<u>1,287,030</u>
997	16,432	(78,270)
<u>143,958</u>	<u>-</u>	<u>143,958</u>
144,955	16,432	65,688
<u>400,404</u>	<u>(217,872)</u>	<u>2,003,696</u>
<u>\$ 545,359</u>	<u>\$ (201,440)</u>	<u>\$ 2,069,384</u>

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**Report on Internal Control over Financial
Reporting and on Compliance and other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wyoming, Minnesota, as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 10, 2023.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 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 result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BergankDV, Ltd.

St. Cloud, Minnesota
May 10, 2023

Minnesota Legal Compliance

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wyoming, Minnesota, as of and for the year ended December 31, 2022, and the related notes to financial statements, and have issued our report thereon dated May 10, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Wyoming failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to *Minnesota Statutes* § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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

BergankDV, Ltd.

St. Cloud, Minnesota
May 10, 2023