



January 13, 2020

Honorable Eli Bebout  
Honorable Bob Nicholas  
Joint Appropriations Committee  
200 West 24th Street  
Capitol Building, E201  
Cheyenne, WY 82002

Re: Severance Tax Reconciliation (Letter #5)

Dear Chairman Bebout, Chairman Nicholas and members of the JAC,

The Mineral Severance Tax Distribution Account has had a negative cash balance of \$2,595,290 since 1994. This negative cash balance was the result of implementing Generally Accepted Accounting Principles in that year, which resulted in the over-distribution of mineral severance taxes to municipalities. Numerous attempts to correct this matter have occurred since 2008, unfortunately, none of them have been successful. Not correcting this imbalance puts the Auditor and Treasurer in the awkward position of directing monies from one account to cover the negative balance in the other depriving the recipients of their full appropriation. This activity is tantamount to obliging (without explicit authority) the executive branch to appropriate funds from one account to cover the aged deficit elsewhere. While this practice has occurred every year since 1994 in order to satisfy the Comprehensive Annual Financial Report (CAFR), new accounting principles require that this deficit be outlined in the CAFR which could lead to findings in future audits.

I have included in my profile funds to finally remedy this situation, and I recommend one-time, non-structural, general funds for BFY2021 be used.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Gordon", is written over a white background.

Mark Gordon  
Governor