

CITY OF CHEYENNE, WYOMING
FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cheyenne, Wyoming (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, the City adopted new accounting guidance with the implementation of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 13, the budgetary comparison schedules on pages 74 and 75, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on page 76, the Schedule of the City's Proportionate Share of Net Pension Liability on pages 77 and 78, the Schedule of the City's Contributions on pages 79 and 80, and the Notes to Required Supplementary Information on pages 81 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Statements of Nonmajor Governmental Funds, the Combining Statements of Nonmajor Proprietary Funds, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This 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. Such 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

The City of Cheyenne (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities as of and for the fiscal year ended June 30, 2021. In addition to this overview and analysis based on currently known facts, decisions, and conditions, the City would encourage readers to consider the information presented in the City's financial statements, which begin on page 14 of this report.

Financial Highlights

The City's total net position (governmental and business-type combined) increased by \$30.77 million (5.36%) during fiscal year 2021. The governmental net position increased by \$19.78 million (8.95%). The business-type net position increased by \$10.99 million (3.12%).

- The General Fund, the City's primary operating fund, reported an increase in fund balance of \$10.16 million on a current financial resource basis. As of June 30, 2021, the unassigned fund balance for the General Fund was \$23.65 million or 174 days of total General Fund expenditures of \$49.52 million. The City Council has a requirement by resolution to maintain an unrestricted fund balance in the General Fund of 60 days of operating expenditures.

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. Required supplementary information and supplementary information are also included at the end of the report.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may provide an indication of whether the City's financial position 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).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety – police and fire, public works, health and welfare, and recreation. The business-type activities of the City include the Board of Public Utilities (water and sewer departments), the Solid Waste Fund, the Civic Center, and the Ice and Events Center.

Fund financial statements: Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds rather than fund types.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

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. A major fund should generally meet both of the following criteria: (1) total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets and deferred outflows, liabilities and deferred inflows, etc.) for that fund type (i.e., governmental or enterprise funds) and (2) total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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, the 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 of 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 provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Miscellaneous Federal Grants Fund, the One-Percent Sales Tax Fund, and the Capital Facilities Tax Fund, all of which are considered to be major funds. Data from the other 19 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 elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison schedules have been provided for the General Fund and the Miscellaneous Federal Grants Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary funds: The City maintains two types of 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 Board of Public Utilities, Solid Waste Fund, Civic Center, and Ice and Events Center. The Internal Service Fund is used to account for activities of the City's Fleet Maintenance facility, and is allocated based on other funds' usage on the Statement of Net Position and Statement of Activities.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks, Sewer, and Solid Waste funds as they are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the 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 the financial statements can be found on pages 29 through 73 of this report.

Other information: Required supplementary information regarding the budget comparisons, total OPEB liability, and net pension liability is included in this report on pages 74 through 84. The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 85 through 96 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's net position, over 97% reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding and any accounts or retainage payable related to those assets. 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 and accounts payable, 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.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

The following table reflects the condensed Statement of Net Position at June 30:

Statement of Net Position
(Amounts expressed in thousands; totals may not add due to rounding)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 122,818	\$ 94,183	\$ 77,465	\$ 73,335	\$ 200,283	\$ 167,518
Capital and other assets	282,332	271,341	368,053	365,673	650,385	637,014
Total assets	405,150	365,524	445,518	439,008	850,668	804,532
Deferred outflows of resources	8,940	12,697	1,208	1,603	10,148	14,300
Long-term liabilities	128,836	118,411	67,502	74,005	196,338	192,416
Other liabilities	16,574	11,998	12,267	11,579	28,841	23,577
Total liabilities	145,410	130,409	79,769	85,584	225,179	215,993
Deferred inflows of resources	27,987	26,857	3,221	2,285	31,208	29,142
Net position:						
Net investment in capital assets	273,028	258,502	315,412	307,543	588,440	566,045
Restricted	71,184	58,239	500	500	71,684	58,739
Unrestricted	(103,519)	(95,786)	47,824	44,699	(55,695)	(51,087)
Total net position	\$ 240,693	\$ 220,955	\$ 363,736	\$ 352,742	\$ 604,429	\$ 573,697

A portion of the City's net position, 11.86%, represents resources that are subject to external restrictions on how they may be used. Although currently in a deficit position, the remaining balance of unrestricted net position, (\$55.66 million), is intended to be utilized to meet the government's ongoing obligations to citizens and creditors subject to the City's fund designations and fiscal policies.

Net position in the City's governmental activities increased by \$19.78 million during fiscal year 2021. This was up from a prior-year decrease of \$5.08 million. Net position in the City's business-type activities increased by \$10.99 million during fiscal year 2021, compared to an increase of \$12.54 million in the prior year.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

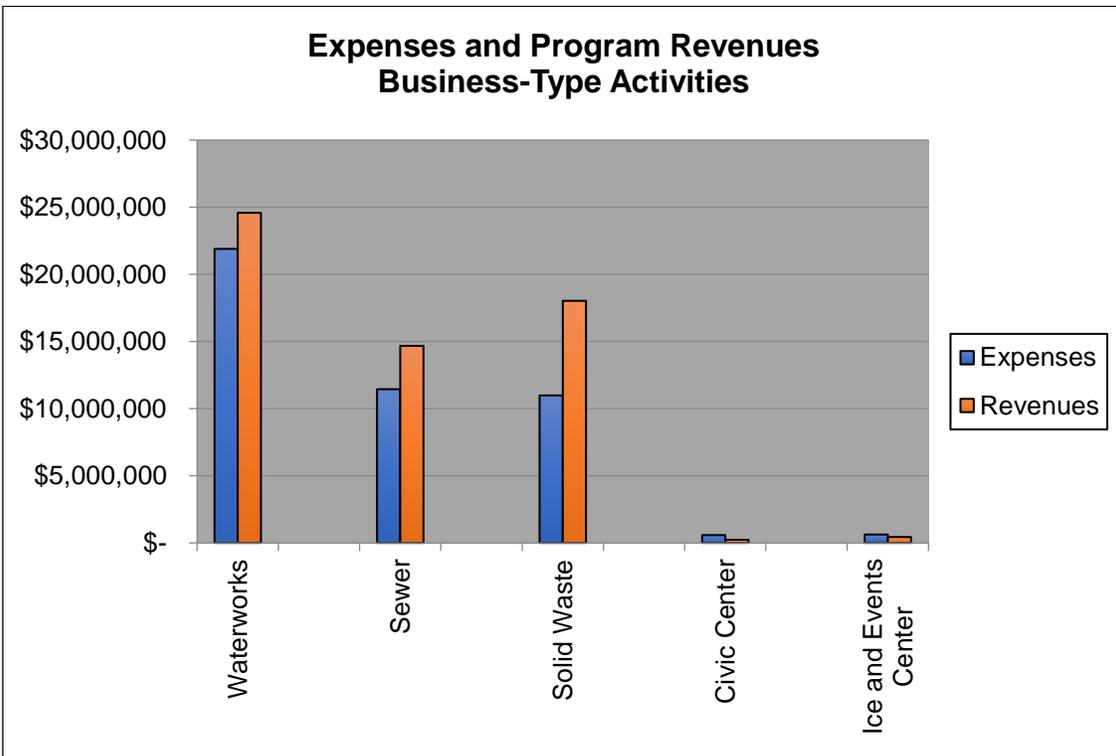
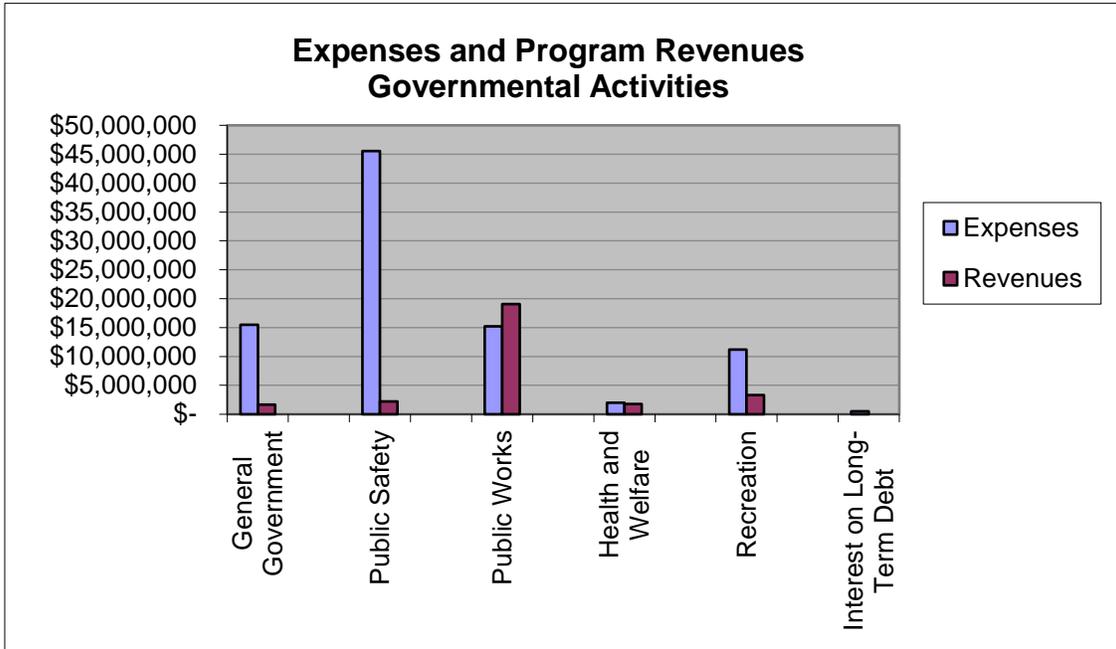
June 30, 2021

The following table reflects a condensed summary of activities and changes in net position for the years ended June 30:

Changes in Net Position						
(Amounts expressed in thousands; totals may not add due to rounding)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 9,249	\$ 6,081	\$ 52,278	\$ 54,506	\$ 61,527	\$ 60,587
Operating grants and contributions	5,702	5,545	4,527	2,971	10,229	8,516
Capital grants and contributions	13,086	470	1,159	2,811	14,245	3,281
General revenues:						
Property and other taxes	15,389	15,009	-	-	15,389	15,009
Sales taxes	55,810	51,714	-	-	55,810	51,714
Intergovernmental	6,072	5,861	-	-	6,072	5,861
Other	3,014	(648)	(84)	1,301	2,930	653
Total revenues	108,322	84,032	57,880	61,589	166,202	145,621
Expenses:						
Civic Center	-	-	582	1,769	582	1,769
General government	15,484	16,325	-	-	15,484	16,325
Health and welfare	1,983	1,958	-	-	1,983	1,958
Interest on long-term debt	499	259	-	-	499	259
Public safety	45,570	40,820	-	-	45,570	40,820
Public works	15,195	16,498	-	-	15,195	16,498
Recreation	11,166	12,021	-	-	11,166	12,021
Sewer	-	-	11,446	11,353	11,446	11,353
Solid waste	-	-	10,982	11,451	10,982	11,451
Water	-	-	21,898	23,107	21,898	23,107
Ice and events	-	-	626	670	626	670
Total expenses	89,897	87,881	45,534	48,350	135,431	136,231
Increase (decrease) in net position before transfers	18,425	(3,849)	12,346	13,239	30,771	9,390
Transfers	1,352	704	(1,352)	(704)	-	-
Change in net position	19,777	(3,145)	10,993	12,535	30,771	9,390
Net Position, beginning of year, original	220,955	226,035	352,742	340,207	573,697	566,242
Prior-period adjustments	(39)	(1,935)	-	-	(39)	(1,935)
Net Position, beginning of year, amended	220,916	224,100	352,742	340,207	573,658	564,307
Net Position, end of year	\$ 240,693	\$ 220,955	\$ 363,736	\$ 352,742	\$ 604,429	\$ 573,697

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021



CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus on the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing 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 fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$103,208,782. Approximately 22% of this total amount, \$23,473,294, constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period or pay debt service, or has been dedicated to other uses.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$23,654,025, while the total fund balance reached \$28,969,395. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to the total fund expenditures. The unassigned fund balance represents 47.77% of the total General Fund expenditures, while the total fund balance represents 53.74% of that same amount. This compares to 23.63% and 33.34%, respectively, in the prior year.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Waterworks Fund and the Sewer Fund at the end of the year amounted to \$38,437,359, the Solid Waste Fund was \$10,455,667, and the Civic Center and the Ice and Events Center amounted to (\$1,246,973). Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original and the final amended budgeted expenditures and transfers out were \$7,652,304. The major expenditure increases follow:

- \$1,181,736 in carryover projects
- \$80,000 to increase the Police Department's professional services
- \$345,481 in encumbrances
- \$100,000 to increase the Parks Division budget
- \$20,000 to increase the City's public defender expenses for legal costs
- \$20,232 to pay for the final balances of Splash Pad project
- \$4,125 for watering flower pots for the Cheyenne Downtown Development Authority
- \$20,730 for increased janitorial costs for the Children's Village and Botanic Gardens Production House
- \$5,880,000 for expenses related to the refunding of the 2021 Series Revenue Bonds

Of this increase, \$7,652,304 was budgeted from the available fund balance. Expenditures were less than budgetary estimates, thus eliminating the need to further draw upon the existing fund balance for operations.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Capital Asset and Debt Administration

Capital assets: The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$648,172,790 (net of accumulated depreciation). This investment in capital assets included land, buildings, utility plant, improvements, machinery and equipment, park facilities, and roads. The total increase in the City's investment in capital assets for the current fiscal year was 2.2%.

Major capital asset events during the current fiscal year included the following:

- Replacement of public safety, public works, and recreation vehicles and equipment.
- Various recreation projects, including renovations to the Cheyenne Aquatics Center, construction of the Depot Plaza Splash Pad, purchase of various playground equipment, synthetic turf replacement at Powers Field, and improvements to the East Cheyenne Community Park land purchased during the prior fiscal year.
- Construction of the Judge Joseph M. Carey City Center Municipal Courthouse, which began in fiscal year 2019 and was finished in September 2020.
- A variety of drainage and street construction projects, including the Christensen Road Overpass project, Prairie Avenue and Frontier Mall Roundabout project, Evers Boulevard project, Allison Road and Cribbon Avenue project, Fox Farm and Walterscheid Intersection improvements, and various traffic signal upgrades.
- Several greenway projects, including the Henderson Greenway Project, the Dey Avenue Greenway Connector and the Carey Avenue Multi-Use Greenway Project.
- Re-roofing the Fleet Maintenance Shop, the Cheyenne Aquatics Center and the Parks Maintenance Shop.
- Construction of a new landfill building/scale house, and expansion of the City's landfill.
- Various building and system additions and improvements for the Board of Public Utilities.

Capital Assets, Net of Depreciation

(Amounts expressed in thousands; totals may not add due to rounding)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,735	\$ 11,850	\$ 14,003	\$ 13,843	\$ 28,738	\$ 25,693
Construction in progress	10,993	34,235	17,341	11,290	28,334	45,525
Buildings and improvements	137,067	122,973	34,840	34,184	171,907	157,157
Utility plant in service	-	-	585,968	577,215	585,968	577,215
Machinery and equipment	44,687	42,968	25,933	24,506	70,620	67,474
Infrastructure	256,337	231,910	-	-	256,337	231,910
Less accumulated depreciation	<u>(183,699)</u>	<u>(175,441)</u>	<u>(310,032)</u>	<u>(295,365)</u>	<u>(493,731)</u>	<u>(470,806)</u>
Total	<u>\$ 280,120</u>	<u>\$ 268,495</u>	<u>\$ 368,053</u>	<u>\$ 365,673</u>	<u>\$ 648,173</u>	<u>\$ 634,168</u>

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

Long-term debt: The City's debt represents bonds and loans secured solely by specified revenue sources (i.e., revenue bonds).

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Outstanding Debt - General Obligation Bonds, Revenue Bonds, and Loans

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Loans and capital leases	\$ 3,726,100	\$ 4,730,131	\$ 46,765,989	\$ 51,878,770	\$ 50,492,089	\$ 56,608,901
Revenue bonds	5,455,000	6,325,000	4,160,000	5,030,000	9,615,000	11,355,000
Total	\$ 9,181,100	\$ 11,055,131	\$ 50,925,989	\$ 56,908,770	\$ 60,107,089	\$ 67,963,901

The City's total debt decreased by \$7,856,812 or 11.56% during the current fiscal year.

The Board of Public Utilities maintains a AA rating from Standard & Poor's for general obligation debt. The City maintains an A+ rating from Standard & Poor's on the revenue bonds.

Additional information on the City's long-term debt can be found in Notes 6 and 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's original approved fiscal year 2021 budget for the General Fund totaled \$50,652,480, compared to an original budget in fiscal year 2020 of \$55,823,809. This represented a 9.3% decrease. The decrease was directly related to the unknown economic implications of the COVID-19 pandemic. The City responded to the pandemic by significantly dropping revenue forecasts in the fiscal year 2021 budget, which in turn forced difficult expenditure-cutting decisions. Some of these decisions included a reduction in force of 18 employees, not filling 15 vacant positions, and moving six positions from the General Fund to other City funds.

Additionally, because of the COVID-19 pandemic, extraordinary measures were taken to adjust revenues in the fiscal year 2021 budget. The first is an increase to the transfer from the Solid Waste Fund. Resolution #5635, which was approved in 2014, directs that a 5% transfer from the Solid Waste Fund be made to the General Fund based on budgeted operating expenditures. To overcome the revenue challenges in fiscal year 2021, a temporary revenue adjustment was approved to make this transfer 9.3% for one year

Further, in the fall of 2019, a resolution was approved by the Governing Body that divides the Belvoir Ranch wind energy lease payments between the newly established Belvoir Ranch Recreation Fund, the Solid Waste Fund and the Board of Public Utilities. In the fiscal year 2021 budget, these funds were temporarily diverted to the General Fund for one year.

The original adopted fiscal year 2021 budget included \$1,173,085 in General Fund reserves in order to fund various expenditures, including the \$260,000 minimum revenue guarantee for SkyWest Airlines, an additional one-time \$750,000 subsidy to the Civic Center Fund to cover its negative net position, and \$138,085 for miscellaneous items, including fire payroll expenses and to reopen the Johnson Pool for the summer. Various budget amendments were approved throughout the year, which included expenditures related to the revenue bond refunding, providing more funds to the Parks Division to help with seasonal labor shortages, increasing the public defender line item and high janitorial service costs for the Botanic Gardens.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

City expenditures continued to rise in fiscal year 2021 for major categories such as insurance, fuel, health insurance and pension expense increases for employees. Blue Cross Blue Shield of Wyoming increased employee health insurance rates by 10%. To offset these increased costs and lower revenue projections, in addition to the reduction in force and other staffing cuts, the City eliminated longevity pay for all City staff except for uniformed firefighters. Instead of losing their longevity pay, firefighters received a 1% pay cut for one year.

When preparing the fiscal year 2021 budget, the City utilized economic forecasts obtained from the Consensus Revenue Estimating Group, economic data from the State of Wyoming Economic Analysis Division, a review of historical revenues, and estimates from City departments to facilitate decisions on projecting sales and use tax collections and other revenues. With the uncertainty of the economy due to COVID-19, the City decided to project a 25% decrease in sales and use tax revenue. Other revenue sources were projected to decrease as well, including lottery proceeds, gas and special fuel taxes, fines and forfeitures, investment income, and charges for services such as parking and recreation fees.

Actual revenues received in fiscal year 2021 were much higher than the City's conservative revenue forecasts. The City received a total of \$57,133,740 in revenue, which was \$4,371,861 higher than final approved budgeted revenues, and \$4,722,096 more than what was received in fiscal year 2020.

The significant revenue increase in fiscal year 2021 compared to fiscal year 2020 is attributed, in part, to the following:

- \$5,455,000 received in capital financing proceeds from refunding the parking revenue bonds
- \$2,617,335 increase in state sales tax
- \$1,843,085 increase in building permit revenue
- \$1,627,371 for the one-year increase from the Solid Waste Fund transfer
- \$798,986 Coronavirus Aid, Relief, and Economic Security Act grant reimbursement that recouped COVID-19-related payroll costs

The City's total General Fund expenditures were \$49,042,315, which were \$9,262,469 less than the \$58,304,784 final approved budget. This is due to a combination of factors, but primarily was the result of not being able to hire vacant seasonal and other positions. In comparison, during fiscal year 2020, the City had \$55,883,154 in expenditures. Therefore, in fiscal year 2021, the City expended \$6,840,839 less compared to fiscal year 2020.

Requests for Information

The financial report is designed to provide a general overview of the City of Cheyenne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Treasurer, City of Cheyenne, 2101 O'Neil, Room 309, Cheyenne, Wyoming 82001.

BASIC FINANCIAL STATEMENTS

CITY OF CHEYENNE, WYOMING

**STATEMENT OF NET POSITION
June 30, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 3,795,606	\$ 6,975,157	\$ 10,770,763	\$ 1,336,646
Investments, at fair value	31,656,314	63,359,424	95,015,738	-
Restricted assets:				
Cash and cash equivalents	12,109,056	92,968	12,202,024	-
Investments, at fair value	54,539,223	-	54,539,223	-
Due from other governments	1,520	294,045	295,565	-
Receivables:				
Accrued interest	328,803	179,976	508,779	-
Accounts, customers, net	865,937	1,757,022	2,622,959	50,197
Estimated unbilled usage	-	2,826,181	2,826,181	-
Sanitation receivable and unbilled usage	-	2,169,318	2,169,318	-
Property tax receivable	6,730,662	-	6,730,662	393,307
Internal balances	1,289,545	(1,289,545)	-	-
Intergovernmental receivable	10,631,726	-	10,631,726	-
Prepaid expenses	166,069	446,224	612,293	-
Inventories	70,176	654,130	724,306	-
Net investment in direct financing lease, current portion	633,527	-	633,527	-
Total current assets	122,818,164	77,464,900	200,283,064	1,780,150
Noncurrent Assets				
Capital assets not being depreciated:				
Land	14,734,659	12,204,872	26,939,531	-
Construction in progress	10,992,937	17,341,321	28,334,258	-
Water rights	-	1,797,968	1,797,968	-
Capital assets being depreciated:				
Utility plant in service	-	585,968,021	585,968,021	-
Machinery and equipment	17,534,607	8,684,743	26,219,350	-
Transportation equipment	22,744,561	15,426,829	38,171,390	-
Buildings and improvements	137,066,742	34,840,284	171,907,026	9,700
Office furniture and equipment	4,408,542	1,820,292	6,228,834	19,242
Infrastructure	256,336,732	-	256,336,732	-
Accumulated depreciation	(183,698,555)	(310,031,765)	(493,730,320)	(28,942)
Net investment in direct financing lease, net of current portion	2,211,942	-	2,211,942	-
Total noncurrent assets	282,332,167	368,052,565	650,384,732	-
Total assets	405,150,331	445,517,465	850,667,796	1,780,150
DEFERRED OUTFLOWS OF RESOURCES	8,939,745	1,208,303	10,148,048	-

Continued

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET POSITION, *Continued*
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 5,628,616	\$ 3,930,378	\$ 9,558,994	\$ 21,507
Accrued interest	23,703	419,510	443,213	-
Accrued salaries, including compensated absences and early retirement	3,395,431	929,232	4,324,663	-
Unearned fees and deposits	-	881,040	881,040	-
Unearned revenue	6,133,862	108,177	6,242,039	-
Capital leases, due within one year	202,588	747,082	949,670	-
Bonds and loans payable, due within one year	1,189,853	5,251,608	6,441,461	-
Total current liabilities	16,574,053	12,267,027	28,841,080	21,507
Noncurrent Liabilities				
Landfill closure and post-closure costs	-	9,001,450	9,001,450	-
Net pension liability	113,602,291	12,575,141	126,177,432	-
Net postemployment benefits other than pensions (OPEB) liability	6,056,980	-	6,056,980	-
Compensated absences	1,387,646	998,179	2,385,825	-
Capital leases	310,628	315,803	626,431	-
Bonds and loans payable	7,478,030	44,611,496	52,089,526	-
Total noncurrent liabilities	128,835,575	67,502,069	196,337,644	-
Total liabilities	145,409,628	79,769,096	225,178,724	21,507
DEFERRED INFLOWS OF RESOURCES	27,986,882	3,220,573	31,207,455	387,606
NET POSITION				
Net Investment in Capital Assets	273,027,720	315,412,247	588,439,967	-
Restricted for:				
Debt service and capital improvements	544,938	500,000	1,044,938	-
Legal restrictions	2,114,279	-	2,114,279	-
Tax voter-approved projects	68,526,073	-	68,526,073	-
Unrestricted	(103,519,444)	47,823,852	(55,695,592)	1,371,037
Total net position	\$ 240,693,566	\$ 363,736,099	\$ 604,429,665	\$ 1,371,037

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 15,483,614	\$ 1,627,234	\$ 55,242	\$ -
Public safety	45,569,533	708,308	1,185,276	322,862
Public works	15,196,123	4,118,053	2,677,086	12,273,038
Health and welfare	1,982,941	1,920	1,770,461	-
Recreation	11,165,781	2,793,683	14,103	490,036
Interest on long-term debt	499,591	-	-	-
Total governmental activities	<u>89,897,583</u>	<u>9,249,198</u>	<u>5,702,168</u>	<u>13,085,936</u>
Business-type activities:				
Waterworks	21,897,999	20,353,811	3,633,892	595,549
Sewer	11,446,268	13,456,740	892,863	325,962
Solid Waste	10,981,633	17,985,975	-	44,782
Civic Center	582,398	159,120	-	74,452
Ice and Events Center	625,104	322,816	-	118,093
Total business-type activities	<u>45,533,402</u>	<u>52,278,462</u>	<u>4,526,755</u>	<u>1,158,838</u>
Total primary government	<u>\$ 135,430,985</u>	<u>\$ 61,527,660</u>	<u>\$ 10,228,923</u>	<u>\$ 14,244,774</u>
Governmental component unit:				
Downtown Development Authority	<u>\$ 715,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues	
Property taxes and other taxes	
Sales taxes	
Franchise taxes	
Motor vehicle taxes	
Intergovernmental funds and shared revenues not restricted to specific programs	
Unrestricted investment earnings	
Insurance proceeds	
(Loss) on sale of capital assets	
Miscellaneous revenue	
Transfers	
Total general revenues and transfers	
Change in net position	

Net Position, beginning of year
Prior-period adjustment (Note 17)
Net Position, beginning of year, restated
Net Position, end of year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			Downtown
Governmental	Business-Type	Total	Development
Activities	Activities		Authority
\$ (13,801,138)	\$ -	\$ (13,801,138)	\$ -
(43,353,087)	-	(43,353,087)	-
3,872,054	-	3,872,054	-
(210,560)	-	(210,560)	-
(7,867,959)	-	(7,867,959)	-
(499,591)	-	(499,591)	-
(61,860,281)	-	(61,860,281)	-
-	2,685,253	2,685,253	-
-	3,229,297	3,229,297	-
-	7,049,124	7,049,124	-
-	(348,826)	(348,826)	-
-	(184,195)	(184,195)	-
-	12,430,653	12,430,653	-
(61,860,281)	12,430,653	(49,429,628)	-
-	-	-	(715,060)
8,643,311	-	8,643,311	362,625
55,809,956	-	55,809,956	-
5,086,281	-	5,086,281	-
1,659,759	-	1,659,759	-
6,071,844	-	6,071,844	55,139
342,789	262,749	605,538	668
232,208	47,000	279,208	-
(92,738)	(394,093)	(486,831)	-
2,532,057	-	2,532,057	125,122
1,352,371	(1,352,371)	-	-
81,637,838	(1,436,715)	80,201,123	543,554
19,777,557	10,993,938	30,771,495	(171,506)
220,954,676	352,742,161	573,696,837	1,542,543
(38,667)	-	(38,667)	-
220,916,009	352,742,161	573,658,170	1,542,543
\$ 240,693,566	\$ 363,736,099	\$ 604,429,665	\$ 1,371,037

CITY OF CHEYENNE, WYOMING

**BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2021**

	General Fund	Miscellaneous Federal Grants Fund	One-Percent Sales Tax Fund	Capital Facilities Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,275,560	\$ 415,750	\$ -	\$ -	\$ 1,066,131	\$ 3,757,441
Investments, at fair value	21,642,862	5,512,546	-	-	4,403,074	31,558,482
Cash and Cash Equivalents, restricted	24,778	-	7,414,251	4,509,148	160,879	12,109,056
Investments, at fair value, restricted	520,160	-	36,061,439	17,455,895	501,729	54,539,223
Receivables						
Accrued interest	3,007	-	223,281	102,515	-	328,803
Property tax	6,730,662	-	-	-	-	6,730,662
Customers	393,721	-	-	-	472,216	865,937
Due from Other Funds	1,398,655	-	-	-	151,193	1,549,848
Due from Other Governments	5,837,483	288,182	3,282,386	537,335	686,340	10,631,726
Prepaid Items	87,647	4,150	18,353	-	55,529	165,679
Total assets	\$ 38,914,535	\$ 6,220,628	\$ 46,999,710	\$ 22,604,893	\$ 7,497,091	\$ 122,236,857
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 3,161,544	\$ 164,820	\$ 911,518	\$ 767,842	\$ 569,288	\$ 5,575,012
Accrued interest	10,003	-	13,700	-	-	23,703
Accrued salaries, including vacation and sick leave	117,460	-	1,193	4,231	33,728	156,612
Due to other funds	-	-	-	-	265,305	265,305
Unearned revenue	-	6,095,907	-	-	31,183	6,127,090
Total liabilities	3,289,007	6,260,727	926,411	772,073	899,504	12,147,722
Deferred Inflows of Resources						
Unavailable revenues	6,656,133	136,482	-	-	87,738	6,880,353
Fund Balances						
Nonspendable	93,716	4,150	18,353	-	55,529	171,748
Restricted	544,938	-	46,054,946	21,832,820	2,752,586	71,185,290
Committed	883,333	-	-	-	3,658,660	4,541,993
Assigned	3,793,383	-	-	-	43,074	3,836,457
Unassigned	23,654,025	(180,731)	-	-	-	23,473,294
Total fund balances	28,969,395	(176,581)	46,073,299	21,832,820	6,509,849	103,208,782
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,914,535	\$ 6,220,628	\$ 46,999,710	\$ 22,604,893	\$ 7,497,091	\$ 122,236,857

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2021

Total fund balances - governmental funds	\$ 103,208,782
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	280,120,225
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	291,503
Assets related to net investment in direct financing lease are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	2,845,469
Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(4,626,465)
Pension and OPEB plan accounts, such as deferred inflows/outflows of resources, net pension liability, and OPEB liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(113,602,291)
Net OPEB liability	(6,056,980)
Deferred outflows of resources	8,939,745
Deferred inflows of resources	(21,404,804)
Long-term liabilities, including loans and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Wyoming Business Council loan/grant	(3,212,883)
Bonds payable	(5,455,000)
Capital lease	(513,216)
An Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of this Internal Service Fund are allocated 39% to governmental activities based on usage in the Statement of Net Position.	159,481
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Net position of governmental activities	\$ 240,693,566
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See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS**

Year Ended June 30, 2021

	General Fund	Miscellaneous Federal Grants Fund	One-Percent Sales Tax Fund	Capital Facilities Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes and special assessments	\$ 12,882,361	\$ -	\$ -	\$ -	\$ -	\$ 12,882,361
Licenses and permits	4,388,198	-	-	-	-	4,388,198
Intergovernmental	35,442,632	4,458,011	18,525,907	11,026,885	5,479,564	74,932,999
Charges for services	1,851,571	-	-	-	2,227,871	4,079,442
Fines and forfeitures	781,558	-	-	-	-	781,558
Investment income (loss)	90,950	12,546	344,128	(113,143)	8,308	342,789
Miscellaneous	2,455,455	-	-	-	774,642	3,230,097
Total revenues	57,892,725	4,470,557	18,870,035	10,913,742	8,490,385	100,637,444
Expenditures						
Current:						
General government	12,692,621	1,684,108	-	41,366	129,988	14,548,083
Public safety	24,545,344	89,648	82,667	-	1,053,766	25,771,425
Public works	3,871,566	-	2,874,430	569,353	2,633,337	9,948,686
Health and welfare	-	-	714,316	-	1,305,763	2,020,079
Recreation	6,470,281	-	269,495	883,601	1,174,721	8,798,098
Capital outlay	1,325,963	2,070,944	6,373,918	4,686,765	495,481	14,953,071
Debt service:						
Principal retirements	525,000	-	108,311	-	623,617	1,256,928
Interest payments	132,092	-	29,522	-	23,424	185,038
Total expenditures	49,562,867	3,844,700	10,452,659	6,181,085	7,440,097	77,481,408
Excess of revenues over expenditures	8,329,858	625,857	8,417,376	4,732,657	1,050,288	23,156,036
Other Financing Sources (Uses)						
Transfers in	3,138,084	-	-	-	168,555	3,306,639
Transfers out	(1,113,833)	(798,986)	(39,022)	-	(2,427)	(1,954,268)
Insurance proceeds	232,208	-	-	-	-	232,208
Proceeds from sales of assets	3,063	-	3,737	-	5,300	12,100
Issuance of refunding bonds	5,455,000	-	-	-	-	5,455,000
Payment to refunded bonds escrow agent	(5,880,000)	-	-	-	-	(5,880,000)
Total other financing sources (uses)	1,834,522	(798,986)	(35,285)	-	171,428	1,171,679
Net change in fund balances	10,164,380	(173,129)	8,382,091	4,732,657	1,221,716	24,327,715
Fund Balances, beginning of year	18,843,682	(3,452)	37,691,208	17,100,163	5,288,133	78,919,734
Prior-period adjustment (Note 17)	(38,667)	-	-	-	-	(38,667)
Fund Balances, beginning of year, restated	18,805,015	(3,452)	37,691,208	17,100,163	5,288,133	78,881,067
Fund Balances, end of year	\$ 28,969,395	\$ (176,581)	\$ 46,073,299	\$ 21,832,820	\$ 6,509,849	\$ 103,208,782

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2021**

Net change in fund balances - total governmental funds	\$ 24,327,715
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases and contributions exceeded depreciation and disposals in the current period.	
Donated assets	8,188,559
Capital outlay	15,045,207
Depreciation expense	(11,377,928)
Disposal of assets	(104,838)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(15,450)
Expenses for accrued absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(175,877)
The change in the defined benefit pension and OPEB liability and pension and OPEB-related outflows and inflows are not reported in the governmental funds. This is the net effect of the change in these balances in the Statement of Net Position.	(16,722,887)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. This amount is the net effect of the differences in the treatment of long-term debt and related items.	1,367,375
Receipts related to net investment in direct financing lease provide current financial resources to governmental funds. However, these receipts do not have an effect on net position.	(627,255)
The Internal Service Fund is accounted for as a proprietary fund; therefore, it is not included in the governmental funds.	(127,064)
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Change in net position of governmental activities	\$ 19,777,557
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See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

June 30, 2021

	Business-Type Activities					
	Enterprise Funds				Totals	Internal Service Fund
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds		
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 2,970,320	\$ 1,825,545	\$ 2,115,690	\$ 3,908	\$ 6,915,463	\$ 97,859
Investments, at fair value	27,453,073	14,337,864	21,415,467	-	63,206,404	250,852
Restricted assets:						
Cash and cash equivalents	92,968	-	-	-	92,968	-
Due from other governments	291,668	-	-	-	291,668	3,897
City of Cheyenne sanitation account	2,169,318	-	-	-	2,169,318	-
Receivables:						
Accrued interest	5,754	3,873	170,349	-	179,976	-
Accounts, customers	867,530	760,685	93,938	34,869	1,757,022	-
Estimated unbilled usage	1,920,677	905,504	-	-	2,826,181	-
Due from other funds	-	-	2,262,286	-	2,262,286	12,826
Inventories	518,185	26,182	-	-	544,367	179,939
Prepaid expenses	334,358	111,256	-	-	445,614	1,000
Total current assets	36,623,851	17,970,909	26,057,730	38,777	80,691,267	546,373
Noncurrent Assets						
Capital assets:						
Land	4,610,384	545,002	6,512,000	346,861	12,014,247	312,500
Utility plant in service	424,620,935	159,869,730	1,477,356	-	585,968,021	-
Water rights	1,797,968	-	-	-	1,797,968	-
Machinery and equipment	516,515	170,845	6,897,176	826,112	8,410,648	449,336
Transportation equipment	2,660,831	867,881	11,564,540	50,241	15,143,493	464,486
Buildings and improvements	6,425,936	2,158,201	18,657,341	6,856,312	34,097,790	1,217,203
Office furniture and equipment	1,014,510	353,362	225,476	223,340	1,816,688	5,909
Construction in progress	8,234,297	4,240,526	4,863,498	3,000	17,341,321	-
Accumulated depreciation	(213,578,243)	(75,876,156)	(13,903,540)	(5,692,244)	(309,050,183)	(1,609,152)
Total noncurrent assets	236,303,133	92,329,391	36,293,847	2,613,622	367,539,993	840,282
Total assets	272,926,984	110,300,300	62,351,577	2,652,399	448,231,260	1,386,655
DEFERRED OUTFLOWS OF RESOURCES	726,309	170,450	311,544	-	1,208,303	-

Continued

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET POSITION – PROPRIETARY FUNDS, *Continued*
June 30, 2021

	Business-Type Activities					
	Enterprise Funds				Totals	Internal Service Fund
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds		
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 805,265	\$ 946,484	\$ 2,016,940	\$ 77,847	\$ 3,846,536	\$ 137,446
Accrued interest	181,027	238,483	-	-	419,510	-
Unearned revenue	-	-	75,113	33,064	108,177	-
Due to other funds	2,422,126	5,929	-	1,131,600	3,559,655	-
Unearned fees and deposits	741,234	139,806	-	-	881,040	-
Accrued salaries, including vacation and sick leave	286,108	193,765	356,955	39,429	876,257	86,844
Current portion of capital leases	-	-	747,082	-	747,082	-
Current portion of general obligation and loan debt	2,284,527	2,967,081	-	-	5,251,608	-
Total current liabilities	6,720,287	4,491,548	3,196,090	1,281,940	15,689,865	224,290
Noncurrent Liabilities						
Accrued compensated absences	584,002	391,695	-	3,810	979,507	30,610
Landfill closure and post-closure costs	-	-	9,001,450	-	9,001,450	-
Net pension liability	6,754,116	2,251,372	3,569,653	-	12,575,141	-
Capital leases, net of current portion	-	-	315,803	-	315,803	-
General obligation and loan debt, unamortized bond premium, net of current portion	20,591,842	24,019,654	-	-	44,611,496	-
Total noncurrent liabilities	27,929,960	26,662,721	12,886,906	3,810	67,483,397	30,610
Total liabilities	34,650,247	31,154,269	16,082,996	1,285,750	83,173,262	254,900
DEFERRED INFLOWS OF RESOURCES						
	1,636,165	545,388	1,039,020	-	3,220,573	-
NET POSITION						
Net Investment in Capital Assets	212,792,370	64,408,245	35,085,438	2,613,622	314,899,675	840,282
Restricted for Debt Service and Capital Improvements	500,000	-	-	-	500,000	-
Unrestricted	24,074,511	14,362,848	10,455,667	(1,246,973)	47,646,053	291,473
Total net position	\$ 237,366,881	\$ 78,771,093	\$ 45,541,105	\$ 1,366,649	363,045,728	\$ 1,131,755
Adjustment to report the portion of the internal balance for the net effect of the activity between the Internal Service Fund and the enterprise funds over time					690,371	
Net position of business-type activities					\$ 363,736,099	

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
 Year Ended June 30, 2021

	Business-Type Activities					Internal Service Fund
	Enterprise Funds				Totals	
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds		
Operating Revenues						
Sales and charges for services	\$ 19,973,521	\$ 12,944,938	\$ 17,863,444	\$ 425,025	\$ 51,206,928	\$ 3,533,066
Fees and miscellaneous	380,290	511,802	122,531	56,911	1,071,534	239
Total operating revenues	20,353,811	13,456,740	17,985,975	481,936	52,278,462	3,533,305
Operating Expenses						
Waterworks	12,149,429	-	-	-	12,149,429	-
Sewer	-	6,715,953	-	-	6,715,953	-
Sanitation collection	-	-	6,685,762	-	6,685,762	-
Recycling/compost	-	-	646,482	-	646,482	-
Landfill	-	-	1,821,954	-	1,821,954	-
Belvoir Ranch	-	-	205,760	-	205,760	-
Fleet maintenance	-	-	-	-	-	3,464,696
Culture and recreation	-	-	-	1,015,144	1,015,144	-
Depreciation	9,148,524	4,003,474	1,877,851	192,358	15,222,207	45,888
Total operating expenses	21,297,953	10,719,427	11,237,809	1,207,502	44,462,691	3,510,584
Operating (loss) income	(944,142)	2,737,313	6,748,166	(725,566)	7,815,771	22,721
Nonoperating (Expenses) Income						
(Loss) gain on sale of assets	-	-	(394,093)	-	(394,093)	155
Insurance proceeds	-	-	47,000	-	47,000	-
System development fees	3,633,892	892,863	-	-	4,526,755	-
Investment income:						
Interest income	129,517	61,111	788,241	-	978,869	901
Net (decrease) in fair value of investments	(116,042)	(59,779)	(540,299)	-	(716,120)	-
Interest expense	(600,046)	(726,841)	(53,580)	-	(1,380,467)	-
Total nonoperating income (expenses)	3,047,321	167,354	(152,731)	-	3,061,944	1,056
Income (loss) before contributions and transfers	2,103,179	2,904,667	6,595,435	(725,566)	10,877,715	23,777
Capital Grants	88,827	-	-	-	88,827	-
Donated Utilities and Other Assets	506,722	325,962	44,782	192,545	1,070,011	346,748
Transfers In	-	-	-	975,000	975,000	-
Transfers Out	-	-	(2,327,371)	-	(2,327,371)	-
Change in net position	2,698,728	3,230,629	4,312,846	441,979	10,684,182	370,525
Net Position, beginning of year	234,668,153	75,540,464	41,228,259	924,670		761,230
Net Position, end of year	\$ 237,366,881	\$ 78,771,093	\$ 45,541,105	\$ 1,366,649		\$ 1,131,755
Adjustment to report the portion of the internal balance for the net effect of the activity between the Internal Service Fund and the enterprise funds over time					226,020	
Adjustment to report the change in allocation from the previous period for the net effect of the activity between the Internal Service Fund and the enterprise funds					83,736	
Change in net position of business-type activities					\$ 10,993,938	

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2021**

	Business-Type Activities						Internal Service Fund
	Enterprise Funds				Totals		
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds			
Cash Flows from Operating Activities							
Cash received from customers	\$ 20,965,308	\$ 13,500,656	\$ 18,046,152	\$ 479,574	\$ 52,991,690	\$ 3,530,617	
Cash payments to suppliers	(4,954,984)	(2,562,098)	(1,704,192)	(322,412)	(9,543,686)	(2,405,292)	
Cash payments to employees	(7,906,077)	(4,423,141)	(5,342,759)	(630,865)	(18,302,842)	(1,088,120)	
Change in City sanitation account	(145,791)	-	-	-	(145,791)	-	
Net cash provided by (used in) operating activities	7,958,456	6,515,417	10,999,201	(473,703)	24,999,371	37,205	
Cash Flows from Noncapital Financing Activities							
Proceeds from amounts due to other funds	-	-	-	80,600	80,600	-	
Proceeds from amounts due from other funds	-	-	83,356	-	83,356	16,632	
Advances to other funds	-	-	-	(579,000)	(579,000)	-	
Transfers to other funds	-	-	(2,327,371)	-	(2,327,371)	-	
Transfers from other funds	-	-	-	975,000	975,000	-	
Net cash (used in) provided by noncapital financing activities	-	-	(2,244,015)	476,600	(1,767,415)	16,632	
Cash Flows from Capital and Related Financing Activities							
System development fees	2,699,284	672,221	-	-	3,371,505	-	
Proceeds from issuance of debt	73,998	-	-	-	73,998	-	
Acquisition and construction of capital assets	(5,416,751)	(4,070,041)	(6,862,620)	(2,999)	(16,352,411)	(7,404)	
Principal paid on revenue bonds and loan debt maturities	(2,229,875)	(2,894,913)	(1,154,327)	-	(6,279,115)	-	
Capital grants	88,827	-	-	-	88,827	-	
Proceeds from sale of capital assets	-	-	-	-	-	155	
Interest paid on debt	(567,029)	(742,878)	(53,580)	-	(1,363,487)	-	
Net cash (used in) capital and related financing activities	(5,351,546)	(7,035,611)	(8,070,527)	(2,999)	(20,460,683)	(7,249)	
Cash Flows from Investing Activities							
Interest on cash accounts and investments	25,902	9,019	658,786	-	693,707	901	
Redemption of investments	-	1,698,480	-	-	1,698,480	-	
Purchase of investments	(2,233,402)	-	(1,180,067)	-	(3,413,469)	(250,852)	
Insurance proceeds received	-	-	47,000	-	47,000	-	
Net cash (used in) investing activities	(2,207,500)	1,707,499	(474,281)	-	(974,282)	(249,951)	
Net increase (decrease) in cash and cash equivalents	399,410	1,187,305	210,378	(102)	1,796,991	(203,363)	
Cash and Cash Equivalents, beginning of year	2,663,878	638,240	1,905,312	4,010	5,211,440	301,222	
Cash and Cash Equivalents, end of year	\$ 3,063,288	\$ 1,825,545	\$ 2,115,690	\$ 3,908	\$ 7,008,431	\$ 97,859	

Continued

CITY OF CHEYENNE, WYOMING

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS, *Continued*
Year Ended June 30, 2021

	Business-Type Activities					Totals	Internal Service Fund
	Enterprise Funds						
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds			
Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used in)							
Operating Activities							
Operating (loss) income	\$ (944,142)	\$ 2,737,313	\$ 6,748,166	\$ (725,566)	\$ 7,815,771	\$ 22,721	
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:							
Depreciation	9,148,524	4,003,474	1,877,851	192,358	15,222,207	45,888	
Pension liability	(663,419)	(221,140)	(98,872)	-	(983,431)	-	
Deferred outflow - pension	188,419	62,806	98,896	-	350,121	-	
Deferred inflow - pension	392,744	130,915	411,775	-	935,434	-	
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities:							
Receivables	611,497	43,916	(14,936)	(34,869)	605,608	(2,688)	
Inventory	(78,211)	(1,845)	-	-	(80,056)	23,254	
Prepaid expenses	(333,767)	(111,256)	5,207	-	(439,816)	(1,000)	
Accounts payable	(162,850)	155,573	1,590,265	52,063	1,635,051	(50,702)	
Due to other funds	(22,706)	(263,333)	-	-	(286,039)	-	
Landfill closure and post-closure costs	-	-	310,488	-	310,488	-	
City sanitation account	(145,791)	-	-	-	(145,791)	-	
Accrued salaries, including vacation and sick leave	(31,842)	(21,006)	(4,752)	9,804	(47,796)	(268)	
Unearned revenue	-	-	75,113	32,507	107,620	-	
Net cash provided by (used in) operating activities	\$ 7,958,456	\$ 6,515,417	\$ 10,999,201	\$ (473,703)	\$ 24,999,371	\$ 37,205	
Noncash Investing, Capital and Noncapital Financing Activities							
Amortization of deferred refunding loss and debt premiums	\$ (44,688)	\$ -	\$ -	\$ -	(44,688)	\$ -	
Donated asset acquisitions	506,722	325,962	44,782	192,545	1,070,011	346,748	
Change in fair value of investments	(116,042)	(59,779)	-	-	(175,821)	-	
Purchase of capital assets in accounts payable	849,353	934,411	145,524	-	1,929,288	-	
Trade-in value received on disposal of capital assets	-	-	297,000	-	297,000	-	

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND
June 30, 2021

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 80,987
Total assets	<u>80,987</u>
LIABILITIES	
Due to Others	<u>526</u>
Total liabilities	<u>526</u>
NET POSITION	
Restricted for Organizations	<u>80,461</u>
Total net position	<u><u>\$ 80,461</u></u>

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUND**

Year Ended June 30, 2021

	Custodial Fund
Additions	
Miscellaneous	\$ 43,034
Total additions	<u>43,034</u>
Deductions	
Distributions to organizations	<u>1,240</u>
Total deductions	<u>1,240</u>
Change in fiduciary net position	<u>41,794</u>
Net Position, beginning of year	-
Prior-period adjustment (Note 17)	<u>38,667</u>
Net Position, beginning of year, restated	<u>38,667</u>
Net Position, end of year	<u>\$ 80,461</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies

Reporting entity: The City of Cheyenne, Wyoming (the City or the City of Cheyenne) is a municipal corporation governed by an elected mayor and nine elected City Council members. The accompanying financial statements present the government and its component unit. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the governmental activities and business-type activities relevant to the operations of the City. The accompanying financial statements of the City are to include those separately administered organizations for which the elected officials of the City are financially accountable or those that it would be misleading to exclude. Financial accountability is determined based on the appointment of a voting majority of the governing board and either the City's ability to impose its will or the presence of a potential financial benefit or burden to the City. The City of Cheyenne's Board of Public Utilities (the Board) is not a separate legal entity; as such, the Board's information is reported as proprietary funds of the City. The Board's finances are overseen by a finance department separate from the management of the City's other funds. The Board also issues standalone audited financial statements for the waterworks and sewer funds. Additional inquiries regarding the Board or its standalone audited financial statements may be directed to the Board of Public Utilities, Administration Manager, 2416 Snyder Avenue, Cheyenne, Wyoming 82001.

Discretely presented component unit: The Cheyenne Downtown Development Authority (the DDA) was established to account for all the revenues and those expenditures associated with the activities of developing the City's downtown area. The DDA primarily serves the citizens and businesses of the City of Cheyenne, and has historically been dependent upon revenue from property tax assessments and funding from the City of Cheyenne. Due to the nature and significance of its relationship with the City, the exclusion of the DDA would render the financial statements of the City incomplete or misleading. Additional inquiries regarding the DDA may be directed to the Cheyenne Downtown Development Authority, 109 W. 17th Street, Cheyenne, Wyoming 82001. No separate financial statements for the DDA are available.

Nature of operations: The City provides the following services as authorized by Wyoming State Statutes: public safety, street maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, solid waste disposal, and general administrative services.

The DDA plans and implements the restoration and improvement of property within the City's downtown boundaries.

The Board provides all water and sewer services for the City, F.E. Warren Air Force Base, and the South Cheyenne Water & Sewer District. These services include obtaining an adequate source of water supply, water treatment, wastewater collection, and water reclamation.

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 non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees and charges for support.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation: The City's government-wide financial statements are designed to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the City's financial outlook.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes are considered 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 and claims and judgments, are recorded only when payment is due.

Property, cigarette, and sales taxes; various grants; interest revenue; and charges for services associated with the current fiscal period are all susceptible to accrual and have been recognized as revenues in the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

- *Miscellaneous Federal Grants Fund:* The Miscellaneous Federal Grants Fund accounts for proceeds of federal grant revenue sources that are restricted externally by the respective awarding agencies in order to administer federal programs.
- *One-Percent Sales Tax Fund:* The One-Percent Sales Tax Fund accounts for the City's share of revenue received and expenditures made with the general-purpose optional 1% sales tax approved by the voters.
- *Capital Facilities Tax Fund:* The Capital Facilities Tax Fund accounts for the City's share of revenue received and expenditures made with the special-purpose option sales tax approved by the voters for specific capital projects.

The City reports the following major proprietary funds:

- *Waterworks Fund:* The Waterworks Fund accounts for the operation of the water distribution system, which produces and supplies the City and its inhabitants with water for domestic and industrial purposes, and for public use.
- *Sewer Fund:* The Sewer Fund accounts for operation of the water reclamation plant, sewage pumping stations, and the collection systems.
- *Solid Waste Fund:* The Solid Waste Fund accounts for the operation of all solid waste activities, including collection and disposal, as mandated by Federal and state regulations, and accumulates funds for the closure and post-closure costs of the landfill.

Additionally, the government reports the following fund types:

- *Special Revenue Funds:* The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- *Capital Projects Funds:* The Capital Projects Funds are used to account for and report financial resources that are restricted or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *Permanent Fund:* The Permanent Fund is used to account for resources legally restricted for use in the care and maintenance of the City's cemetery.
- *Other Proprietary Funds:* The Other Proprietary Funds are used to account for the operations of the Civic Center and the Ice and Events Center.
- *Internal Service Fund:* The Internal Service Fund accounts for fleet maintenance and management services provided to other departments, or to other governments, on a cost-reimbursement basis. Based on the usage of the Internal Service Fund, its activity is allocated 39% to governmental activities and 61% to business-type activities in the Statement of Net Position and the Statement of Activities.
- *Custodial Fund:* The Custodial Fund accounts for assets held by the City as an agent for private organizations. This fund is custodial in nature and the City does not have administrative or direct financial involvement. The Custodial Fund is accounted for using the accrual basis of accounting.

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

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

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

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 Waterworks, Sewer, Solid Waste, Civic Center, and Ice and Events Center enterprise funds, and the City's Internal Service Fund 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. Operating expenses for the enterprise funds and the Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. 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 government's policy to use restricted resources first, and then unrestricted resources as they are needed.

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 end of the fiscal year. For purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The City also has investments in the Wyoming Government Investment Fund (WGIF), which are reported as cash equivalents due to the City's ability to withdraw funds at any time without restriction. Interest earned is allocated among the various funds based on the average monthly outstanding balance in the consolidated bank account. Accrued interest is shown separately on the Statement of Net Position and Balance Sheet. The City uses consolidated bank accounts, which earn interest at variable interest rates. Occasionally, certain individual funds may reflect a deficiency in the cash balance per books. These deficit cash balances are reported as an interfund payable between the fund showing the deficit and the fund showing the related asset.

Investments, which consist of certificates of deposit, money market certificates, mortgage-backed securities, government securities and the State Treasurer's Investment Pools (WYO-STAR I and WYO-STAR II) (collectively, WYO-STAR) are reported at fair value at June 30, 2021. 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; and Level 3 inputs are significant unobservable inputs. As of June 30, 2021, the City had recurring fair value measurements of mortgage-backed securities and government securities in the amount of \$31,531,441, which are valued using a matrix pricing model and the market approach (Level 2 inputs). The City also had recurring fair value measurements of negotiable certificates of deposit in the amount of \$5,248,208, which are valued using a matrix pricing model and the market approach (Level 2 inputs).

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

A significant portion of the City's investment activity, except for funds that are required to maintain their investments separately, is conducted in the WYO-STAR pooled investment accounts with the Wyoming State Treasurer's office. WYO-STAR operates in accordance with appropriate state laws and regulations. The City considers fair value measurements as of June 30, 2021 for WYO-STAR to be completed by the pool using the matrix pricing model and the market approach (Level 2 inputs).

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."

Accounts receivable customers are shown on the Statement of Net Position, net of allowances for doubtful accounts of \$330,887 at June 30, 2021.

Property is annually valued and assessed on January 1. Taxes are levied on or about August 1 and are payable in two installments on September 1 and March 1, with delinquent dates of November 10 and May 10, respectively. If the first installment is not paid, the entire levy is delinquent on December 31; an enforceable lien is attached to the property on May 11. Laramie County bills and collects property taxes for all municipalities and political subdivisions within Laramie County, including the City of Cheyenne and the DDA.

The City is permitted by Wyoming State Statutes to levy up to eight mills of the assessed valuation, except for the payment of public debt and the interest thereon. The combined tax rate to finance general governmental services, other than the payment of principal and interest on long-term debt, for the year ended June 30, 2021 was eight mills, which means the City has no available tax margin and, accordingly, cannot raise any additional property taxes.

The estimated unbilled usage receivable represents the unbilled utility services that have been provided but not billed as of the end of the year.

Inventories: Inventories are stated at the lower of cost, determined by the weighted-average method, or market. All purchases of supplies are recorded as expenditures when used or issued to the user department (consumption method).

Restricted assets: By voter approval, restricted assets include cash, cash equivalents, and investments required to be set aside as specific-purpose sales and use taxes for the exclusive purpose of funding various projects. Assets held by the City in a bond reserve fund are deemed restricted. Assets held by the Board for the City's sanitation, as well as amounts due from the State of Wyoming on requested loan advances, are also deemed restricted. In addition, cash required to be set aside for the repair and maintenance of capital assets that were funded by the State of Wyoming loans are deemed restricted.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

Capital assets: Capital assets of governmental funds and the Solid Waste, Civic Center, Ice and Events Center, and Fleet Maintenance proprietary funds, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Statement of Net Position. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

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

Property, plant, and equipment of governmental funds and the Solid Waste, Civic Center, Ice and Events Center, and Fleet Maintenance activities are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30-50 years
Infrastructure	15-40 years
Improvements	20 years
Equipment	5-20 years

Sewer and Waterworks capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water and sewer lines), are reported in the applicable business-type activities columns in the Statement of Net Position. Capital assets are defined by the Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Assets such as land, buildings and improvements, equipment, and utility plant in service are reported at an estimated historical cost, as determined by an independent study as of June 30, 1973, plus additions since that time have been recorded at historical cost. Property and equipment donated by developers are recorded at their acquisition value at the date of donation.

Depreciation for the Waterworks and Sewer capital assets has been provided over the following estimated useful lives computed by the straight-line method:

Utility plant in service:	
Waterworks system	10-50 years
Sewer system	10-40 years
Machinery and equipment	5-10 years
Transportation equipment	5 years
Buildings and improvements	40 years
Office furniture and equipment	3-5 years

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

Impairments: The City evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The City will consider an asset impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. The City will recognize the impairment loss when the City considers a capital asset impaired, and will recognize the capital asset at the lower of the carrying value or fair value.

Compensated absences: City employees, other than employees of the Board, earn vacation leave at the following rates:

Months of Service	Vacation Hours Accrued per Month
0-60	8.67
61-120	10.67
121-180	12.67
181-240	14.67
Over 240	16.67

Employees may accumulate up to 240 hours of vacation. Accumulated vacation leave in excess of 240 hours shall be deemed forfeited at the end of the December pay period. Sick leave accrues at the rate of 10 hours per month and employees may accumulate unlimited hours of sick leave (unless hired after July 1, 2015 and are, therefore, entitled to accumulate 520 hours of sick leave) but, upon termination, are only paid up to one-half of the accrued sick leave, not to exceed 240 hours of sick leave. Nonexempt full-time employees of the City may earn up to 80 hours of compensatory time in lieu of overtime wages. Compensatory time is earned at one-and-one-half hours for time worked in excess of 40 hours in a workweek. Upon termination, an employee is paid for his or her accrued unused compensatory time. Payment is calculated using the rate of pay at the time of termination.

Nonexempt full-time and part-time employees of the Waterworks and Sewer departments are eligible to earn and use compensatory time upon employment. Compensatory time may be earned in lieu of overtime wages and call-back wages. Compensatory time is earned at one-and-one-half hours for time worked in excess of 40 hours in a workweek and for call-back hours. The maximum accumulation of compensatory time is 120 hours. A full-time or part-time exempt employee may earn administrative time at a rate of one-for-one for hours worked above 40 in a workweek, up to a maximum of 120 hours. Upon termination, an employee is paid for his or her accrued unused compensatory or administrative time, not to exceed 120 hours. Payment is calculated using the rate of pay at the time of termination.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

Employees of the Board earn vacation leave at the following rates:

Months of Service	Vacation Hours Accrued per Month
0-48	8.0
49-96	10.0
97-144	12.0
145-192	14.0
Over 192	16.0

Accumulated vacation leave in excess of 30 days shall be deemed forfeited at the end of the December pay period.

Employees of the Board accrue sick leave up to a maximum of 480 hours for a full-time employee and 240 hours for a part-time employee on the basis of the number of hours worked in the month at the following rates:

Hours Worked per Month	Sick Leave Hours Accrued per Month
160 or more	10.0
120-159	7.5
80-119	5.0
40-79	2.5
39 or less	No accrual

Vacation and sick leave shall be granted to permanent employees only. Probationary employees can accrue vacation and sick leave on the last day of the month following the date of hire and are eligible to use this leave as soon as it is earned. Unused vacation and sick leave of City personnel are accumulated during employment. 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). The liability for compensated absences is accrued as benefits are accumulated in the government-wide and proprietary fund financial statements. Upon termination of employment, an employee is paid for his or her other accrued unused vacation leave and one-half of his or her accrued unused sick leave up to 240 hours.

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 funds in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount (if any).

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses (if any). Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Bond issuance costs: Bond issuance costs are expensed in the period incurred.

Fund balance: The City reports the fund balance in the governmental fund financial statements in one of the following five categories.

1. *Nonspendable fund balance:* This classification reflects the portion of net resources that is inherently nonspendable because of its form or because it must be maintained intact, which for the City includes prepaid items, inventories, and the long-term portion of annexation loans in the General Fund.
2. *Restricted fund balance:* The portion of fund balance for which there are legally enforceable restrictions on use, either by limitations imposed (1) by creditors, grantors, contributors, or laws and regulations of other governments; or (2) by laws representing amounts constrained to a specific purpose by their providers, through constructional provisions, or by enabling legislation.
3. *Committed fund balance:* The portion of net resources for which there are self-imposed limitations enacted by the City Council that (1) require formal action at the same level to remove; and (2) are set in place prior to the end of the period. Commitments may be established, modified, or rescinded through motion action enacted by the City Council.
4. *Assigned fund balance:* This classification reflects the portion of fund balance for which there are limitations that result from intended use established by the City Council or the Mayor. The City's policy delegates to the City Treasurer the authority to assign unrestricted fund balance amounts.
5. *Unassigned fund balance:* The portion of net resources that is residual after nonspendable, restricted, committed, and assigned amounts have been determined.

The City's policy on the order in which unrestricted (committed, assigned, or unassigned) resources are to be used when any of these amounts are available for expenditure is to first apply the committed fund balance, then the assigned fund balance, and finally the unassigned fund balance.

Net position: Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and any related accounts payable balances. Net position is reported as restricted when there are limitations imposed on its use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

Unearned fees and deposits: The Board charges new customers a tap fee for water and sewer services. In addition, the Board assesses a system development fee for each service. These fees are paid in advance and recorded as unearned before the service is active. Once the new connections are inspected and service begins, the tap and system development fees become earned and recognized.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

Estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual amounts could differ from those estimates.

Encumbrances: Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Encumbrances are reflected as a restricted, committed, or assigned portion of the fund balance. The City's encumbrances have been included within the fund balance, as follows:

General Fund:		
Assigned	\$	248,613
One-Percent Sales Tax Fund:		
Restricted		1,376,255
Capital Facilities Tax Fund:		
Restricted		110,076
Other governmental funds:		
Restricted		283,726
Committed		20,706
		<hr/>
Total encumbrances	\$	2,039,376

Deferred outflows/inflows 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 position or fund balance that applies to a future period and, thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended. The Board also recognizes a deferred outflow of resources for the loss on refunding, which is amortized over the life of the related debt.

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 position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68 and GASB Statement No. 75, as well as unavailable property taxes. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Reporting Entity and Significant Accounting Policies, *Continued*

Pensions: The City and the Board participate in several pension plans, all cost-sharing, multiple-employer defined benefit pension plans administered by the Wyoming Retirement System (WRS). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment benefits other than pensions (OPEB): The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense associated with the City of Cheyenne Retiree Health Care Plan (the Plan) have been actuarially determined. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Note 2. Stewardship, Compliance, and Accountability

Fund deficit: The following funds had a deficit balance at June 30, 2021:

Fund:	<u>Deficit Balance</u>
Miscellaneous Federal Grants	\$ (176,581)
Civic Center	(545,685)

The fund deficit in Miscellaneous Federal Grants is due to retainage liabilities that do not qualify for reimbursement until the liability is actually paid in a future year.

The fund deficit for the Civic Center is due to the reorganization of the Civic Center. In fiscal year 2018, it moved from the Mayor's Department to the Community Recreation and Events (CRE) Department. Under previous Civic Center leadership, the facility played host to an average of eight performances per year, in addition to a few rentals from outside promoters and outside organizations. CRE developed a strategy to change the facility operations to diversify programming and audiences and offer a wider variety of events. This strategy was implemented in fiscal year 2019 but still resulted in a net loss. During the first six months of fiscal year 2020, the Civic Center saw an improvement with a net loss that was significantly less compared to the same period in fiscal year 2019. However, once the COVID-19 pandemic began and the facility closed in March 2020 for the remainder of the fiscal year, the net loss grew to a total of \$516,719 for fiscal year 2020. The governing body did approve a substantial General Fund transfer in the fiscal year 2021 budget in the amount of \$895,000. Therefore, this transfer decreased the fund deficit from \$1,091,859 as of June 30, 2020 to \$545,685 as of June 30, 2021.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance, and Accountability, *Continued*

Fund balance specific-purpose details: The following table outlines the specific-purpose details for governmental fund balances of the City:

	General	Special Revenue	Capital Projects	Permanent	Total
Fund balances:					
Nonspendable:					
Prepaid items	\$ 87,647	\$ 59,679	\$ 18,353	\$ -	\$ 165,679
Long-term notes receivable	6,069	-	-	-	6,069
Restricted:					
Bond ordinances	544,938	-	-	-	544,938
Weed and pest programs	-	638,307	-	-	638,307
Capital projects	-	-	67,887,766	-	67,887,766
Cemetery projects	-	-	-	800,131	800,131
Juvenile justice programs	-	210,410	-	-	210,410
Grants	-	728,320	-	-	728,320
Housing programs	-	300,356	-	-	300,356
Youth programs	-	75,062	-	-	75,062
Committed:					
Capital projects	883,333	569,818	1,593,483	-	3,046,634
Annexation improvements	-	250,000	-	-	250,000
Youth and recreation programs	-	1,245,359	-	-	1,245,359
Assigned:					
Future expenditures	617,605	-	-	-	617,605
Agency accounts	1,584,922	-	-	-	1,584,922
Fire Pension A	1,000,000	-	-	-	1,000,000
Data center	590,856	-	-	-	590,856
Annexation improvements	-	10,967	-	-	10,967
Youth programs	-	-	32,107	-	32,107
Unassigned	23,654,025	(180,731)	-	-	23,473,294
Total	\$ 28,969,395	\$ 3,907,547	\$ 69,531,709	\$ 800,131	\$ 103,208,782

Note 3. Cash, Cash Equivalents, and Investments

Investments authorized by the City’s investment policy: The City follows the guidelines set forth in Wyoming State Statute 9-4-831 as it relates to the investment of public funds. The City’s investment policy requires investments to comply with Wyoming State Statutes, which generally allow the City to invest in U.S., state, and local government securities and accounts of any bank or savings association that is Federally insured or secured by a pledge of assets, including bonds, debentures, and other securities in which the City may by law invest. All investments made during the year were made within these statutory limits.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash, Cash Equivalents, and Investments, *Continued*

Custodial credit risk: Custodial credit risk for deposits and non-negotiable certificates of deposit is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Wyoming State Statutes require that the City's and the Board's deposits in excess of the Federal depository insurance must be collateralized. In addition to the applicable Wyoming State Statutes, the City's and the Board's policies require all deposits to be collateralized at 105% of the amount invested, including accrued interest, to further reduce their exposure to custodial credit risk. As of June 30, 2021, the deposits of the City and the Board were fully insured and collateralized as required by Wyoming State Statutes and City/Board policies. The deposits of the component unit of the City were fully insured and collateralized at June 30, 2021.

For an investment, this is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City and the Board will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. Wyoming State Statutes limit the type of investments the City and the Board can use. Wyoming State Statutes limit investments primarily to U.S., state and local government securities and accounts of any bank or savings association that are Federally insured or secured by a pledge of assets, including bonds, debentures, and other securities in which the State Treasurer may by law invest, thereby reducing the City's and the Board's exposure to custodial credit risk for their investments. As of June 30, 2021, all investment securities were held by the City's and the Board's custodians and registered in the City's or the Board's name.

Concentration of credit risk: The City's investment policy states that, with the exception of U.S. Treasury securities, obligations, and securities issued by or guaranteed by any Federal government agency or instrumentality, certificates of deposit, or authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type. The City met this limitation as of June 30, 2021. The City held \$5,927,182 or 5.5% of its portfolio in Federal National Mortgage Association (FNMA) Pools and \$734,917 or 0.7% of its portfolio in FNMA as of June 30, 2021. The Board's policy does not allow more than 50% of the total investment portfolio to be invested in any one single security type or more than 5% in any one single obligor, with the exception of funds held in WYO-STAR. Therefore, no further disclosure regarding concentrations of credit risk is required.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investments are held in external pooled investment accounts, bank certificates of deposit, and accounts managed by an investment manager, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the City attempts to match its investment maturities to expected cash flow needs. Unless matched to a specified cash flow, the City's policy is to maintain a weighted-average life of less than seven years. The Board's investment portfolio shall have a minimum level of three months of budgeted operating expenditures in short-term investments to be maintained to provide sufficient liquidity for expected disbursements. At June 30, 2021, the Board's investments met this policy. With this investment focus, investments are expected to reach maturity with limited gains and losses.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash, Cash Equivalents, and Investments, *Continued*

The maturities and applicable interest rates of the City's and the Board's investments are displayed in the following interest rate risk table:

Investment type:	Fair Value	Interest Rate	Investment Maturities (in Years)			
			Less than 1	1-5	6-10	More than 10
Certificates of deposit	\$ 5,248,208	0.20%-2.80%	\$ 1,002,738	\$ 4,123,625	\$ 121,845	\$ -
U.S. government securities	22,286,867	0.13%-0.75%	-	21,722,875	451,428	112,564
U.S. agencies	9,244,574	0.32%-6.50%	-	257,167	788,482	8,198,925
State Treasurer's Investment Pool:						
WYO-STAR I	103,747,149	0.57%	103,747,149	-	-	-
WYO-STAR II	9,028,163	2.26%	9,028,163	-	-	-
WGIF	3,328	0.04%	3,328	-	-	-
Government mutual funds	24,778		24,778	-	-	-
	<u>\$ 149,583,067</u>		<u>\$ 113,806,156</u>	<u>\$ 26,103,667</u>	<u>\$ 1,361,755</u>	<u>\$ 8,311,489</u>

The City holds certain investments that are classified as "highly sensitive." These securities, because of their specific type and structure, are rate-sensitive as market conditions change. Step-up bonds are structured so that the bonds, at strategic times during their life, will step up to a higher interest rate if they are not called. The portfolio holds \$299,946 or 0.28% of the securities in step-up structured bonds.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's and the Board's investment policies do not contain any specific provisions intended to limit the City's or the Board's exposure to credit risk. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under investment agreements with WYO-STAR and WGIF, the City and the Board have invested monies at a variable and fixed contract rate of interest, respectively. There is no rating available for the WYO-STAR investments; however, under Wyoming State Statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized statistical rating organizations. The WGIF investment received a AAA rating by Standard & Poor's. State law does not allow governments to invest in corporate bonds, stocks, or mutual funds, and limits investments in commercial paper to short-term maturities (not greater than 270 days) and to top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard & Poor's). Obligations of the U.S. government and obligations specifically guaranteed are backed by the full faith and credit of the U.S. government. Of the investments in U.S. agencies, \$9,244,574 were not rated. The City's investments in the governmental mutual funds were not rated.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Governmental capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions and Transfers	Retirements and Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 11,849,660	\$ 2,884,999	\$ -	\$ 14,734,659
Construction in progress	34,235,354	11,681,215	(34,923,632)	10,992,937
Total capital assets not being depreciated	46,085,014	14,566,214	(34,923,632)	25,727,596
Capital assets being depreciated:				
Buildings and improvements	122,973,452	14,093,290	-	137,066,742
Machinery and equipment	16,006,145	1,945,571	(417,109)	17,534,607
Transportation equipment	23,036,660	2,491,419	(2,783,518)	22,744,561
Office furniture and equipment	3,924,652	508,549	(24,659)	4,408,542
Infrastructure	231,910,191	24,426,541	-	256,336,732
Total capital assets being depreciated	397,851,100	43,465,370	(3,225,286)	438,091,184
Less accumulated depreciation for:				
Buildings and improvements	42,085,157	3,988,506	-	46,073,663
Machinery and equipment	8,545,318	1,011,035	(405,369)	9,150,984
Transportation equipment	17,163,298	1,421,497	(2,690,420)	15,894,375
Office furniture and equipment	2,856,243	436,830	(24,659)	3,268,414
Infrastructure	104,791,059	4,520,060	-	109,311,119
Total accumulated depreciation	175,441,075	11,377,928	(3,120,448)	183,698,555
Total capital assets being depreciated, net	222,410,025	32,087,442	(104,838)	254,392,629
Governmental activities, capital assets, net	\$ 268,495,039	\$ 46,653,656	\$ (35,028,470)	\$ 280,120,225

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets, *Continued*

Business-type capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020 *	Additions and Transfers	Retirements and Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 12,044,867	\$ 160,005	\$ -	\$ 12,204,872
Water rights	1,797,968	-	-	1,797,968
Construction in progress	11,289,917	13,916,823	(7,865,419)	17,341,321
Total capital assets not being depreciated	25,132,752	14,076,828	(7,865,419)	31,344,161
Capital assets being depreciated:				
Utility plant in service	577,215,219	8,752,802	-	585,968,021
Machinery and equipment	9,653,928	84,556	(1,053,741)	8,684,743
Transportation equipment	13,141,860	2,686,366	(401,397)	15,426,829
Buildings and improvements	34,183,540	656,744	-	34,840,284
Office furniture and equipment	1,710,695	109,597	-	1,820,292
Total capital assets being depreciated	635,905,242	12,290,065	(1,455,138)	646,740,169
Less accumulated depreciation for:				
Utility plant in service	270,249,672	12,743,146	-	282,992,818
Machinery and equipment	4,764,669	412,717	(365,394)	4,811,992
Transportation equipment	7,573,142	1,237,480	(398,652)	8,411,970
Buildings and improvements	11,122,910	1,005,091	-	12,128,001
Office furniture and equipment	1,654,352	32,632	-	1,686,984
Total accumulated depreciation	295,364,745	15,431,066	(764,046)	310,031,765
Total capital assets being depreciated, net	340,540,497	(3,141,001)	(691,092)	336,708,404
Business-type activities, capital assets, net	\$ 365,673,249	\$ 10,935,827	\$ (8,556,511)	\$ 368,052,565

* Certain accumulated depreciation amounts for the year ended June 30, 2020 have been reclassified to be consistent with the classifications as presented in the Board's audited financial statements.

Depreciation expense was charged to functions/programs of the primary government, as follows:

Governmental activities:	
General government	\$ 1,174,927
Public safety	2,146,119
Public works	5,467,229
Recreation	<u>2,589,653</u>
Total depreciation expense, governmental activities	\$ <u>11,377,928</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables, Payables, and Transfers, *Continued*

A balance of \$2,262,286 due from the Waterworks and Sewer funds to the Solid Waste Fund resulted from the Board’s billing and collection of sanitation charges on behalf of the City. All other balances resulted from the time lag between dates that (1) interfund goods and services were provided or reimbursable expenses occurred; (2) transactions were recorded in the accounting systems; and (3) payments between funds were made.

Transfers for the year ended June 30, 2021 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ 3,138,084	\$ 1,113,833
Special Revenue Funds:		
Transportation Planning	39,022	-
Law Enforcement Block Grant	59,055	-
Recreation Programs	35,200	-
Federal Grants Fund	-	798,986
Belvoir Ranch Recreation	12,000	-
Annexation Improvements	23,278	-
Capital Projects Funds:		
One-Percent Sales Tax	-	39,022
Permanent Fund:		
Cemetery Perpetual Care	-	2,427
Total governmental activities	<u>3,306,639</u>	<u>1,954,268</u>
Business-type activities:		
Solid Waste	-	2,327,371
Civic Center	895,000	-
Ice and Events Center	80,000	-
Total business-type activities	<u>975,000</u>	<u>2,327,371</u>
Total primary government	<u>\$ 4,281,639</u>	<u>\$ 4,281,639</u>

During the year ended June 30, 2021, transfers were used to (1) move revenues from the fund that Wyoming State Statutes or the budget require expending them; and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The amounts presented in this note encompass only interfund activity between governmental funds and proprietary funds when applicable. Amounts due to and from, and transfers to and from, the fiduciary fund are not included.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 6. Leases

The City has entered into lease agreements as lessee for financing the acquisition of landfill and fire equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

Machinery and equipment/transportation equipment	\$ 7,375,441
Less accumulated depreciation	<u>(3,446,240)</u>
Total	<u>\$ 3,929,201</u>

The capital lease obligations payable as of June 30, 2021 were as follows:

Lease payable for landfill equipment, due in semi-annual installments of \$128,636, with interest at 2.61%, through December 2021, with a final purchase option payment in June 2022.	\$ 628,351
Lease payable for landfill equipment, due in semi-annual installments of \$64,651, with interest at 2.61%, through December 2022, with a final purchase option payment in June 2023.	434,534
Lease payable for fire equipment, due in annual installments of \$124,133, with interest at 4.65%, through February 2023.	231,964
Lease payable for fire equipment, due in annual installments of \$103,220, with interest at 4.97%, through November 2023.	<u>281,252</u>
	<u>\$ 1,576,101</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

	Governmental Activities	Business-Type Activities
Years ending June 30:		
2022	\$ 227,353	\$ 772,482
2023	227,353	323,256
2024	103,220	-
Total minimum lease payments	<u>557,926</u>	<u>1,095,738</u>
Less amount representing interest	<u>(44,710)</u>	<u>(32,853)</u>
Present value of minimum lease payments	<u>\$ 513,216</u>	<u>\$ 1,062,885</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 6. Leases, *Continued*

On May 2, 2014, the City entered into an agreement with the Wyoming Business Council (the Council) and Granite Peak Development (the Developer) for the funding of the Swan Ranch Rail Spur (the Rail Spur). In connection with the development of the Rail Spur, the City received a grant with recapture totaling \$2,000,000 and a loan totaling \$2,453,943 from the Council, for a total net investment in direct financing lease receivable of \$4,453,943 (see Note 7 for disclosures on the loan). After completion of the project, the City leased the Rail Spur to the Developer. General terms of the lease included no principal payments until November 1, 2019, with annual payments of principal and interest of \$661,982 after that. Upon the end of the lease, ownership of the Rail Spur will be transferred to the Developer.

During the year ended June 30, 2021, the City received monthly payments from the Developer totaling \$661,982.

The City anticipates receiving lease payments as follows: \$661,982 for fiscal years 2022 through 2025, and \$275,826 in fiscal year 2026; of that amount, \$78,285 is interest.

Note 7. Long-Term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Wyoming State Statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total assessed valuation. The current debt limitation for the City is \$32,910,392.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

General long-term debt currently outstanding is as follows:

	Balance June 30, 2021	Amount Due within One Year
Governmental activities:		
Refunding Revenue Bonds, Series 2021, original amount of \$5,455,000, due in annual installments of \$560,000 to \$1,575,000 through April 2028, plus interest from 0.3% to 1.03%. Secured by pledge of Federal mineral royalties and gross parking fee revenues received.	\$ 5,455,000	\$ 560,000
Due to the Council, original amount of \$4,453,943, with interest at 0.5%, due annually on November 1. Annual principal and interest payments beginning in fiscal year 2020 are \$661,982 through fiscal year 2026. Secured by the collateral assignment of a promissory note, mortgage and railroad easement, and track lease between the City and the Developer.	3,212,883	629,853
Total governmental activities	<u>8,667,883</u>	<u>1,189,853</u>
Business-type activities:		
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #133, advances on a \$7,400,000 loan for the construction of the Hydro-Electric Generation Project. Interest thereon is at 0.0% for a term of 20 years. Upon completion of the Project, loan shall be granted principal forgiveness in an amount not to exceed \$750,000. The payments are currently estimated at \$370,000 per year. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual payment.	1,048,748	-
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #143, original amount of \$875,000 for the Holliday Park Reuse Project, with interest at 0.0%. Principal amounts of \$37,500 are due annually in September through 2037. Secured by pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	600,000	37,500
Balance forward	<u>1,648,748</u>	<u>37,500</u>

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2021	Amount Due within One Year
Balance forwarded	\$ 1,648,748	\$ 37,500
 <i>Business-type activities, Continued:</i>		
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #144, original amount of \$1,300,000 for Southern Interceptor Main with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$83,391 through 2039. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,196,062	53,899
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #177, original amount of \$5,280,000 for the design and construction of Phase III of the Southern Water Transmission Main, with interest at 2.5%, due annually on March 1. This loan is also granted principal forgiveness up to 25% of the loan, not to exceed \$1,320,000. Annual principal and interest payments are \$186,808 per year through 2038. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual payment.	2,559,392	123,719
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #065, original amount of \$5,600,000 for the Southern Water Transmission Main Phase I Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$334,582 through 2029. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	2,400,060	275,343
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #120, original amount of \$7,494,828 for the design and construction of Phase II of the Southern Water Transmission Main, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$480,772 per year through 2034. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	5,280,506	348,762
Balance forward	13,084,768	839,223

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2021	Amount Due within One Year
Balance forwarded	\$ 13,084,768	\$ 839,223
 <i>Business-type activities, Continued:</i>		
2013 Refunding Revenue Water Note, original amount of \$8,740,000, due in annual principal installments ranging from \$215,000 to \$955,000 through December 2025; interest at 2.41%. Note originated to refinance the callable portion of 2007 Water Revenue Bonds. Secured by pledge of revenues from the City’s water system tap and user fees and system development fees, net of premiums.	4,160,000	891,750
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #159, advances on \$9,900,000 loan for the Southern Sewer Interceptor Main. Interest thereon is 2.5% for a term of 20 years. The payments are currently estimated at \$635,057 per year. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	9,108,466	410,464
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF #034, original amount of \$825,000, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$47,729 through 2025 for funding of the City’s Water Main Rehabilitation Project for fiscal year 2004. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	179,640	43,240
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF #084, original amount of \$375,000 loan for the planning phase of the Administration Building Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$24,055 through 2032. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	228,867	18,334
Balance forward	26,761,741	2,203,011

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2021	Amount Due within One Year
Balance forwarded	\$ 26,761,741	\$ 2,203,011
 <i>Business-type activities, Continued:</i>		
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #046, original amount of \$36,450,000, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$2,338,163 through 2026 for the Dry and Crow Creek Rehab Construction Project. Secured by pledge and assignment of revenues generated from the City’s wastewater user fees necessary to meet the annual loan payment.	10,865,086	2,066,595
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #081, original amount of \$1,280,000 for the extension of Cheyenne’s Recycled Water System Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$81,843 through 2030. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	652,684	65,731
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #056, original amount of \$1,300,000, with interest at 2.5%, due annually on March 1. Annual principal and interest payments are \$61,885 through 2028. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	393,054	52,062
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #060, original amount of \$2,900,000, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$174,898 through 2029. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,253,489	143,932
Balance forward	39,926,054	4,531,331

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2021	Amount Due within One Year
Balance forwarded	\$ 39,926,054	\$ 4,531,331
 <i>Business-type activities, Continued:</i>		
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #079, original amount of \$5,130,509 for the 30” Transmission Line Replacement Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$329,107 through 2031. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	3,116,844	250,828
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #106, original amount of \$3,500,000 for the construction phase of the Administration Building Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,513,360	121,228
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #115, original amount of \$3,500,000 for the construction phase of the Administration Building Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,513,360	121,228
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #133, advances on a \$5,000,000 loan for Crow Creek Plant Improvements Project, with interest at 2.5% annually on June 15. Annual principal and interest payments are \$320,736 through 2039. Secured by pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	3,749,736	226,993
Balance forward	49,819,354	5,251,608

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2021	Amount Due within One Year
Balance forwarded	\$ 49,819,354	\$ 5,251,608
Business-type activities, <i>Continued</i> :		
Due to the State of Wyoming, Office of State Land and Investments, DWSRF Loan #229, original amount of \$3,960,000 for the North City Zone Improvements Project. Interest thereon is at 2.5% for a term of 20 years. The payments are currently estimated at \$254,023 per year. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	43,750	-
Total business-type activities	<u>49,863,104</u>	<u>5,251,608</u>
Total long-term debt	<u>\$ 58,530,987</u>	<u>\$ 6,441,461</u>

The annual debt service requirements of the long-term debt and current principal maturities as of June 30, 2021 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Years ending June 30:				
2022	\$ 1,189,853	\$ 56,187	\$ 5,251,608	\$ 1,184,324
2023	1,236,152	51,247	5,382,568	1,054,882
2024	1,252,513	45,786	5,567,548	922,215
2025	1,308,938	39,645	5,700,759	786,230
2026	1,360,427	32,441	5,279,520	650,880
2027-2031	2,320,000	39,746	12,294,451	2,036,004
2032-2036	-	-	7,622,065	761,360
2037-2041	-	-	2,655,335	131,994
2042-2046	-	-	109,250	-
	<u>\$ 8,667,883</u>	<u>\$ 265,052</u>	<u>\$ 49,863,104</u>	<u>\$ 7,527,889</u>

In May 2014, the Board received approval of a \$1,206,000 grant from the Wyoming Water Development Commission for the design and construction of the Southern Water Transmission Main Phase III project. The grant provisions required the Board to maintain a capital additions and replacement reserve of \$500,000, which is included in restricted net position.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

The Board has pledged and assigned future water system and wastewater user fees to meet the annual debt requirements. Proceeds from the debt have been used to improve, expand, and replace the distribution system, source of supply, and treatment facilities. The proportion of pledged revenues to total revenues is not estimable because annual total fees fluctuate annually. Principal and interest paid for the current year totaled \$6,406,984. Net customer revenues totaled \$33,810,551 for the year. At year-end, pledged future revenues totaled \$57,390,993, which is the amount of the remaining principal and interest on outstanding debt.

The City has pledged and assigned future Federal mineral royalties and gross parking fee revenues to meet certain annual debt requirements of the Series 2021 Refunding Revenue Bonds. Proceeds from the original debt were used to construct a parking facility. The proportion of pledged revenues to total revenues is not estimable because annual total fees fluctuate annually. Principal and interest paid for the current year totaled \$687,488. Net mineral royalties totaled \$2,714,100 and gross parking fees totaled \$275,321 for the year. At year-end, pledged future revenues totaled \$5,671,539, which is the amount of the remaining principal and interest on the related outstanding debt.

Advance and current refundings: On December 21, 2007, the Board issued \$12,330,000 in Refunding Revenue Water Bonds with an average interest rate of 4.368% in order to refinance two Wyoming Water Development Commission loans totaling \$8,043,330 and one Permanent Mineral Trust fund loan for \$3,567,231 bearing substantially higher interest rates between 5.5% and 7.25%. The proceeds of the Series 2007 Bonds, together with other available monies of the Board, were used to: (i) refinance the above-referenced loans in the amount of \$11,610,561; (ii) pay expenses incurred in connection with the issuance of the Bonds in the amount of \$102,636; and (iii) establish a debt service reserve fund for the Bonds in the amount of \$989,594.

On December 27, 2013, the Board entered into an agreement with Colorado State Bank and Trust to authorize an advance refunding of a portion of the 2007 Refunding Revenue Water Bonds. The Board received an \$8,740,000 Refunding Revenue Water Note with an annual interest rate of 2.41%, with the proceeds to be deposited in a special fund and trust account to be used to refund, pay, discharge, and redeem the portion of the refunded bonds outstanding and maturing on or after December 1, 2016. The costs from the advance refunding include a deferred loss of \$525,305, which is being charged to operations through the year 2025 using the effective interest method. The Board completed the advance refunding to reduce its total debt service payments over the next 12 years by \$1,065,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$700,000. As of June 30, 2021, the deferred loss on refunding totaled \$214,959 and is classified as a deferred outflow of resources.

On June 12, 2012, the City issued \$9,455,000 in Refunding Revenue Bonds with an average interest rate of 2.537% to advance refund \$8,975,000 of outstanding 2003 Series Bonds with an average interest rate of 3.985%. The net proceeds of \$9,211,981 (after the payment of \$125,711 in underwriting fees and issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments to the 2003 Series Bonds that were defeased. As a result, the 2003 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position. The net proceeds also included a net discount on the bond issue of \$117,308, which was previously being charged to operations through the year 2028 using the effective interest method.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, Continued

On March 30, 2021, the City issued \$5,445,000 in Refunding Revenue Bonds with an average interest rate of 0.857% to advance refund \$5,800,000 of outstanding 2012 Series Bonds with an average interest rate of 2.537%. The net proceeds of \$5,365,000 (after the payment of \$80,000 in underwriting fees and issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments to the 2012 Series Bonds that were defeased. As a result, the 2012 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide Statement of Net Position. As of June 30, 2021, the outstanding in-substance defeased debt was \$5,455,000.

The following is a summary of long-term liability transactions for the City for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Revenue bonds	\$ 6,325,000	\$ 5,455,000	\$ (6,325,000)	\$ 5,455,000	\$ 560,000
Less: Discount on refunding	(64,580)	-	64,580	-	-
Note payable	4,108,603	-	(895,720)	3,212,883	629,853
Leases payable	621,528	-	(108,312)	513,216	202,588
Compensated absences	4,463,325	3,401,170	(3,238,030)	4,626,465	3,238,819
Governmental activities long-term liabilities	\$ 15,453,876	\$ 8,856,170	\$ (10,502,482)	\$ 13,807,564	\$ 4,631,260
Business-type activities:					
Refunding revenue bonds	\$ 5,030,000	\$ -	\$ (870,000)	\$ 4,160,000	\$ 891,750
Loans payable	49,661,558	296,334	(4,254,788)	45,703,104	4,359,858
Leases payable	2,217,212	-	(1,154,327)	1,062,885	747,082
Landfill closure and post-closure costs	8,690,962	310,488	-	9,001,450	-
Compensated absences and early retirement	1,948,142	1,120,143	(1,158,954)	1,909,331	911,152
Business-type activities long-term liabilities	\$ 67,547,874	\$ 1,726,965	\$ (7,438,069)	\$ 61,836,770	\$ 6,909,842

For governmental activities, revenue bonds and compensated absences are generally liquidated by the General Fund. The note payable is liquidated by the Local and State Grant Fund.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments

All eligible City employees are covered under one of the four following retirement plans. Below is a summary of the deferred inflows/outflows, net pension liabilities and pension expense for the defined benefit plans:

	Deferred Outflows - Pension Plans	Deferred Inflows - Pension Plans	Net Pension Liability	Pension Expense
Pension plans:				
Public Employee Pension Plan:				
City of Cheyenne	\$ 1,730,802	\$ (5,772,332)	\$ (19,831,406)	\$ 1,095,885
Board of Public Utilities	681,800	(2,181,553)	(9,005,488)	585,294
Paid Firemen’s Pension Plan A	-	(1,544,904)	(94,742,430)	18,642,817
Paid Firemen’s Pension Plan B	4,039,764	(8,889,651)	555,157	3,820
Law Enforcement Pension Plan	3,038,710	(5,306,947)	(3,153,265)	512,324
Total	\$ 9,491,076	\$ (23,695,387)	\$(126,177,432)	\$ 20,840,140

Public Employee Pension Plan:

Plan description: The City and the Board participate in the WRS’s statewide cost-sharing, multiple-employer defined benefit pension plan administered by the WRS Board. Substantially all City full-time employees not covered by the Law Enforcement Pension Plan, Paid Firemen’s Pension Plan A, or Paid Firemen’s Pension Plan B, and substantially all employees of the Board are eligible to participate. Participants who retire at age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and are allowed to select one of seven optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained the age of 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The WRS also provides death and disability benefits. Benefits are established by Wyoming State Statutes. The WRS issues a publicly available financial report, which includes audited financial statements and required supplementary information for the Public Employee Pension Plan. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002.

Benefits provided: The determination of retirement benefits is dependent upon the employee’s initial employment date.

Service Retirement Tier 1: If an employee made a contribution prior to September 1, 2012, the employee is in Tier 1. Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. The formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average salary over 15 years.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Service Retirement Tier 2: If an employee made his or her first contribution after September 1, 2012, the employee is in Tier 2. Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. The formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his or her duties. To qualify, the member must have at least 10 years of service and must be “in service” at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his or her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his or her service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor’s benefits: Certain surviving dependents receive benefits based on the deceased member’s compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2021, member contributions were required to be 9.00% of compensation and employer contributions were required to be 9.12% of compensation for both the City and the Board. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the Board and the City have elected to pay 6.50% and 5.00%, respectively, in addition to the employer’s contribution.

The City’s and the Board’s contributions to the WRS for the year ended June 30, 2021 totaled \$3,571,109, equal to the required contribution plus the City’s and the Board’s share of the required member contribution.

Paid Firemen’s Pension Plan A:

Plan description: The City formerly participated in the Wyoming Paid Firemen’s Plan A (Plan A), a statewide cost-sharing, multiple-employer defined benefit retirement plan covering paid firemen who were employed prior to July 1, 1981 and who elected to participate. Plan A issues a publicly available financial report, which includes audited financial statements and required supplementary information for Plan A. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002.

Benefits provided: Plan A statutorily provides retirement, disability, and death benefits according to a percentage of a Fireman First Class salary. Plan A also statutorily provides for an annual percentage increase in the benefit amounts beginning in the year following 12 months of payments, by at least 3%.

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his or her duties from an individual and specific act incurred while employed. To qualify for benefit, there is no age or service requirement. The member receives a monthly disability retirement benefit for the period based on maximum salary and years of service.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Survivor's benefit: Certain surviving beneficiaries receive benefits based on the maximum salary and years of service. Upon death, 100% of the benefit continues to be paid to the beneficiary.

Contributions: Plan A statutorily required participants to contribute 8% of their salary to a maximum not to exceed the salary of a Fireman First Class. Employers were required to contribute 21% of the salary. Effective April 1, 1997, required contributions were suspended as Plan A had been determined to be actuarially over-funded. Plan A is being reviewed by the WRS to determine the appropriate measures to take to ensure Plan A is adequately funded, as it is a closed plan.

Paid Firemen's Pension Plan B:

Plan description: The City participates in the Wyoming Paid Firemen's Retirement Fund (the Fund), a statewide cost-sharing, multiple-employer defined benefit pension plan administered by the WRS Board. Substantially all paid City firemen hired after July 1, 1981 are eligible to participate. The Fund provides retirement, disability, and death benefits according to predetermined formulas. Benefits are established by Wyoming State Statutes. The Fund issues a publicly available financial report, which includes audited financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002.

Benefits provided: The members of the Fund qualify for a retirement allowance if they are 50 years old and have at least 48 months of credited service. The basic monthly benefit for participants is based on a formula involving years of service, highest average salary, and age at retirement. The current benefit formula equals 2.8% times the three-year final average compensation for the first 25 years of service. The benefit is capped at 70% of the highest average salary. The highest average salary is calculated by averaging the 36 highest continuous months of acceptable salary as defined in the rules of the WRS Board.

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his or her duties from an individual and specific act incurred while employed. To qualify for benefits, there is no age or service requirement. The member receives a monthly disability retirement benefit equal to 50% of the final average salary.

Survivor benefits: The surviving spouse or other qualified dependents receive benefits based on 50% of the member's final actual salary. On the death of a member, inactive member, retired member, or survivor, the excess of the accumulated member contributions over all pension payments made are payable as a death benefit to the next qualified beneficiary.

Contributions: Individual members participating under this Fund are required to contribute 10.245% of their compensation and the City is required to contribute 14% of the compensation of covered members.

Legislation enacted in 1979 allows the employer to pay any or all of the members' contribution. The City currently pays 1.5% of the required members' contribution of 10.245%. The City's contribution to the Fund for the year ended June 30, 2021 was \$1,137,341, equal to the required contribution plus the City's share of the required members' contribution.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Law Enforcement Pension Plan:

Plan description: The City participates in the Wyoming Law Enforcement Pension Plan (the Police Plan), a statewide cost-sharing, multiple-employer defined benefit pension plan administered by the WRS Board. Employees who are sworn law enforcement officers are eligible for full retirement benefits after they either reach age 60 with at least 48 months of contributions to the Police Plan or at any age with 20 years of service. These same employees are eligible for early retirement with a reduced benefit after they reach age 50 with 48 months of contributions. Benefits are established by Wyoming State Statutes. The Police Plan issues a publicly available financial report, which includes audited financial statements and required supplementary information for the Police Plan. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002.

Benefits provided: Benefits are based on a formula involving years of service, highest average salary, and age at retirement. Currently, the benefit formula entitles retirees to 2.5% of the highest average salary for each year of service with a ceiling on the benefit at 75% of the highest average salary.

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his or her duties from an individual and specific act incurred while employed. To qualify for duty disability retirement, there is no age or service requirement, and the member receives a monthly disability retirement benefit for the period of his or her disability equal to 62.5% of final salary. To qualify for non-duty disability retirement, the member must have at least 10 years of service, and the member receives a monthly disability benefit for the period of his or her disability equal to 50% of final salary.

Survivor's benefit: The surviving spouse receives benefits dependent on if the member was on duty at time of death. Additional benefits are available for additional qualified dependents.

Contributions: The Police Plan is funded by amounts withheld from participating members' salaries and by contributions from the City. These contributions are determined by Wyoming State Statutes, and as of June 30, 2021, the percentages to be contributed on compensation were 8.6% by the members and 8.6% by the City.

The City's contribution to the Police Plan for the year ended June 30, 2021 was \$671,684, equal to the required contribution.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2021, the City and the Board reported a total liability of \$126,177,432 for their proportionate share of the net pension liability. The breakdown between plans is as follows:

	<u>Net Pension Liability (Asset)</u>
Pension plans:	
Public Employee Pension Plan:	
City of Cheyenne	\$ 19,831,406
Board of Public Utilities	9,005,488
Paid Firemen's Pension Plan A	94,742,430
Paid Firemen's Pension Plan B	(555,157)
Law Enforcement Pension Plan	<u>3,153,265</u>
Total net pension liability	<u>\$ 126,177,432</u>

The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

At December 31, 2020, the City's and the Board's proportionate shares were as follows:

	<u>Proportion of the Net Pension Liability</u>		
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>(Decrease)</u>
Pension plans:			
Public Employee Pension Plan:			
City of Cheyenne	0.9125	0.9757	(0.0632)
Board of Public Utilities	0.4144	0.4209	(0.0065)
Paid Firemen's Pension Plan A	29.2606	29.2792	(0.0186)
Paid Firemen's Pension Plan B	23.8262	24.9421	(1.1159)
Law Enforcement Pension Plan	4.6288	4.9682	(0.3394)

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

For the year ended June 30, 2021, the City and the Board recognized pension expense and reported deferred outflows of resources and deferred inflows of resources related to pensions as follows and from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Public Employee Pension Plan:		
Governmental activities:		
Differences between expected and actual experience	\$ 309,024	\$ (141,404)
Changes of assumptions	100,994	-
Net difference between projected and actual earnings on pension plan investments	-	(3,565,220)
Changes in proportionate share of contributions	398,808	(1,026,687)
Contributions subsequent to the measurement date	610,432	-
	<u>\$ 1,419,258</u>	<u>\$ (4,733,311)</u>
Business-type activities:		
City:		
Differences between expected and actual experience	\$ 67,834	\$ (31,041)
Changes of assumptions	22,170	-
Net difference between projected and actual earnings on pension plan investments	-	(782,609)
Changes in proportionate share of contributions	87,543	(225,370)
Contributions subsequent to the measurement date	133,997	-
	<u>\$ 311,544</u>	<u>\$ (1,039,020)</u>
Board:		
Differences between expected and actual experience	\$ 171,132	\$ (78,307)
Changes of assumptions	55,929	-
Net difference between projected and actual earnings on pension plan investments	-	(1,974,359)
Changes in proportionate share of contributions	108,314	(128,887)
Contributions subsequent to the measurement date	346,425	-
	<u>\$ 681,800</u>	<u>\$ (2,181,553)</u>

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Paid Firemen's Pension Plan A:		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (1,544,904)
Paid Firemen's Pension Plan B:		
Differences between expected and actual experience	\$ 79,552	\$ (1,838,322)
Changes of assumptions	3,314,914	(4,356,268)
Net difference between projected and actual earnings on pension plan investments	-	(2,466,064)
Changes in proportionate share of contributions	138,331	(228,997)
Contributions subsequent to the measurement date	506,967	-
	<u>\$ 4,039,764</u>	<u>\$ (8,889,651)</u>
Law Enforcement Pension Plan:		
Differences between expected and actual experience	\$ 778,655	\$ (164,409)
Changes of assumptions	1,863,177	(2,807,936)
Net difference between projected and actual earnings on pension plan investments	-	(2,015,265)
Changes in proportionate share of contributions	69,361	(319,337)
Contributions subsequent to the measurement date	327,517	-
	<u>\$ 3,038,710</u>	<u>\$ (5,306,947)</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, as follows:

	Governmental Activities					Business-Type Activities		
	Public Employee Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B	Law Enforcement Pension Plan	Total	Public Employee Pension Plan		
						Board	City	Total
Years ending June 30:								
2022	\$ (1,166,866)	\$ (553,235)	\$ (1,060,119)	\$ (355,460)	\$ (3,135,680)	\$ (542,214)	\$ (256,141)	\$ (798,355)
2023	(552,305)	(101,758)	(637,121)	(736,025)	(2,027,209)	(218,750)	(121,238)	(339,988)
2024	(1,799,845)	(757,311)	(1,733,615)	(1,262,660)	(5,553,431)	(860,671)	(395,088)	(1,255,759)
2025	(405,469)	(132,600)	(1,216,330)	(241,609)	(1,996,008)	(224,543)	(89,006)	(313,549)
2026	-	-	(587,967)	-	(587,967)	-	-	-
Thereafter	-	-	(121,702)	-	(121,702)	-	-	-
	<u>\$ (3,924,485)</u>	<u>\$ (1,544,904)</u>	<u>\$ (5,356,854)</u>	<u>\$ (2,595,754)</u>	<u>\$ (13,421,997)</u>	<u>\$ (1,846,178)</u>	<u>\$ (861,473)</u>	<u>\$ (2,707,651)</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Actuarial assumptions: The total pension liability in the January 1, 2020 valuation was determined using the following actuarial assumptions adopted by the WRS Board effective August 23, 2017 and applied to all periods included in the measurement:

	Public Employee Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B	Law Enforcement Pension Plan
Actuarial assumption:				
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases	2.50%-6.50%	4.50%	4.50%-7.50%	4.75%-8.75%
Investment rate of return	7.00%	1.00%	7.00%	7.00%
Payroll growth rate	2.50%	0.00%	2.50%	2.50%
Cost-of-living adjustment	0.00%	3.00%	0.00%	0.00%

Post-retirement mortality: Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

Pre-retirement mortality: Mortality rates were based on the RP-2014 Employee Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Each major asset class is included in the pension plan's target asset allocation as of January 1, 2020. These best estimates are summarized in the following table:

Asset class:	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private markets	9.50%	4.53%	5.82%
	<u>100.00%</u>		

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Experience analysis: An experience study was conducted on behalf of all WRS plans covering the five-year period ended December 31, 2016. The study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return, and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination, and disability) and proposed assumptions consistent with the findings.

Discount rate: The discount rate used to measure the total pension liability was 7.00% for the Public Employee Pension Plan, 7.00% for the Law Enforcement Pension Plan, 1.95% for the Paid Firemen’s Pension Plan A, and 7.00% for the Paid Firemen’s Pension Plan B. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on these assumptions, the WRS’s fiduciary net position 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 investment was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s and the Board’s proportionate share of the net pension liability to changes in the discount rate: The table below presents the net pension liability calculated using the discount rate previously disclosed, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current rate:

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Public Employee Pension Plan:			
City of Cheyenne	\$ 31,073,555	\$ 19,831,406	\$ 10,449,733
Board of Public Utilities	14,110,574	9,005,488	4,745,248
Paid Firemen’s Pension Plan A	114,810,152	94,742,430	78,824,116
Paid Firemen’s Pension Plan B	5,469,232	(555,157)	(5,554,468)
Law Enforcement Pension Plan	8,334,888	3,153,265	(1,082,544)

Pension plan fiduciary net position: Detailed information about the pension plans’ fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002 or by accessing the WRS website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Defined contribution plans: Board and City employees have the option to participate in one of two defined contribution plans. The defined contribution plans include the Wyoming Deferred Compensation Program (commonly referred to as the 457 Plan) administered by the WRS and a defined contribution plan administered by VALIC Financial Advisors. Employees are allowed to contribute the maximum amount per Internal Revenue Service guidelines. Beginning July 1, 2008, the Board and the City elected to match an employee’s contribution up to \$25 per month. The City’s match ended on January 31, 2010. The Board continues to provide a match. The total matching contributions for the year ended June 30, 2021 were \$33,150.

CITY OF CHEYENNE, WYOMING

NOTES TO 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.

The City is a member of the Wyoming Association of Risk Management (WARM), which is a separate legal agency created under Wyoming State Statutes for the purpose of establishing a shared risk pool and/or jointly purchasing insurance coverage. The premiums required by the participating entities are calculated annually and are based upon actuarially sound and recognized pooling practices. The pool is responsible for determining the amounts of the premiums charged to the entities and is also responsible for managing the pool's assets. The entities have the right to submit claims for losses incurred. The pool has the right to collect premiums and admit or terminate members for nonpayment of premiums. The City management considers the assets of WARM to be sufficient to cover any claims that may be incurred by its members. The City has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The City has had no significant reductions in insurance coverage from coverage in the prior year.

The City pays into the State Worker's Compensation System (the Act). All employers within the State of Wyoming are participants in this Act unless the employer elects not to be covered under the Act. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the City. The City makes monthly payments to the State of Wyoming Department of Employment. These payments are based on salaries and a split rate between hazardous and non-hazardous positions.

Note 10. Compensated Absences

Compensated absences have been accrued in the financial statements of the City and consist of the following at June 30, 2021:

	Vacation Leave	Sick Leave	Compensatory/ Administrative Time	Early Retirement Obligation	Total
Governmental activities	\$ 2,372,032	\$ 1,690,333	\$ 564,100	\$ -	\$ 4,626,465
Business-type activities:					
Waterworks Fund	399,218	289,475	79,738	101,679	870,110
Sewer Fund	271,532	192,983	53,159	67,786	585,460
Solid Waste Fund	199,383	143,564	6,570	-	349,517
Fleet Maintenance Fund	39,648	28,528	2,596	-	70,772
Civic Center Fund	15,101	-	3,732	-	18,833
Ice and Events Center Fund	11,903	1,877	859	-	14,639
Total business-type activities	936,785	656,427	146,654	169,465	1,909,331
Total all funds	\$ 3,308,817	\$ 2,346,760	\$ 710,754	\$ 169,465	\$ 6,535,796

The amounts reported above for governmental and business-type activities include current and long-term portions.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 11. Industrial Revenue Bonds and Subsequent Event

The City has participated in several issuances of industrial revenue bonds for constructing privately operated manufacturing and other related facilities in the City. These bonds are not direct or contingent liabilities of the City. As of June 30, 2021, there was one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$6,067,778. Subsequent to year-end, this bond was paid off in full.

Note 12. Closure and Post-Closure Care Liability

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports the estimated liability for these closure and post-closure costs in the government-wide financial statements based on landfill capacity used as of each Statement of Net Position date. The current operating costs of the landfill are accounted for within the Solid Waste Fund of the City using the accrual basis of accounting. The \$9,001,450 reported as landfill closure and post-closure care liability at June 30, 2021 represents the cumulative liability estimated to date based on the use of 49.89% of the estimated capacity of the site. The City will recognize the remaining estimated cost of closure and post-closure care of \$9,041,339 as the remaining estimated capacity is filled. The calculation of the estimated liability has been based on what it would cost to perform all closure and post-closure care in 2021. The City expects the landfill site to be at full capacity in approximately 66 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Note 13. Deferred Outflows/Inflows of Resources

The detail of the deferred outflows/inflows of resources for the City in its Statement of Net Position as of June 30, 2021 is as follows:

	Governmental Activities	Business-Type Activities
Deferred outflows of resources:		
Deferred loss on refunding	\$ -	\$ 214,959
Deferred outflows, pension liability	8,497,732	993,344
Deferred outflows, OPEB liability	442,013	-
	<u>\$ 8,939,745</u>	<u>\$ 1,208,303</u>
Total deferred outflows of resources	\$ 8,939,745	\$ 1,208,303
Deferred inflows of resources:		
Unavailable property taxes	\$ 6,582,078	\$ -
Deferred inflows, pension liability	20,474,814	3,220,573
Deferred inflows, OPEB liability	929,990	-
	<u>\$ 27,986,882</u>	<u>\$ 3,220,573</u>
Total deferred inflows of resources	\$ 27,986,882	\$ 3,220,573

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 14. Commitments

As of June 30, 2021, the City has entered into several construction/engineering contracts resulting in commitments for future capital expenditures. The major projects are listed below. Although portions of the projects may have been completed and capitalized during 2021, the amounts below represent the activity pertaining to the contract as a whole:

	Expended to Date at June 30, 2021	Total Contract	Commitment at June 30, 2021
Governmental activities:			
Evers Boulevard Reconstruction	\$ 7,577,906	\$ 7,613,669	\$ 35,763
Christensen Railroad and Overpass Corridor Prairie Avenue & Frontier Mall Drive Intersection	11,138,741	11,191,828	53,087
24th Street Mill and Overlay	1,589,741	1,883,685	293,944
Happy Jack Landfill Front Entrance & Scale House	218,629	1,166,112	947,483
Capitol Basin - 26th Street Interceptor Storm Sewer	1,050,310	2,537,363	1,487,053
City Overlay	308,363	2,908,843	2,600,480
Construction & Excavation Earthworks	511,054	3,434,669	2,923,615
Miscellaneous Governmental	3,010,772	5,590,551	2,579,779
Total governmental activities	<u>976,059</u>	<u>2,869,717</u>	<u>1,893,658</u>
	26,381,575	39,196,437	12,814,862
Business-type activities:			
FY21 Water Rehabs	111,421	2,759,822	2,648,401
FY20 Water Rehabs	4,128,755	4,630,000	501,245
FY19 Water Main Rehabs	3,129,575	3,362,300	232,725
FY19 Sewer Rehabs	3,017,376	3,088,715	71,339
FY20 Sewer Rehabs	1,430,835	2,149,000	718,165
North City Zone	172,627	12,000,000	11,827,373
Hydro-Electric Generator	1,225,313	7,400,000	6,174,687
Miscellaneous water projects	4,257,350	8,193,934	3,936,584
Miscellaneous sewer projects	3,291,534	5,047,687	1,756,153
Total business-type activities	<u>20,764,786</u>	<u>48,631,458</u>	<u>27,866,672</u>
Total primary government	<u>\$ 47,146,361</u>	<u>\$ 87,827,895</u>	<u>\$ 40,681,534</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment

On July 1, 2017, the City implemented GASB Statement No. 75, which recognizes a long-term obligation for OPEB benefits. The accounting change was adopted to conform to the provisions of GASB Statement No. 75.

General information about the OPEB plan:

Plan description: The City participates in a single-employer defined benefit postemployment healthcare plan, the City of Cheyenne Retiree Health Care Plan. The City Council has the authority for establishing and amending the Plan. The Plan does not issue a separate report and is not administered in trust.

Benefits provided: Under the Plan, the City offers retiring firefighters who were hired prior to July 1, 2013 a \$300 monthly offset to postretirement medical premiums. To be eligible for the coverage, an active firefighter must be at least age 50 and have a minimum of four years of service upon retirement. City employees, police officers, and firefighters not meeting the previous criteria must pay the full subsidized premium. Some current retirees have retired under differing offset provisions and disabled firefighters are also included in current retiree costs. All benefits end at age 65.

Funding policy: The City finances this program on a “pay-as-you-go” basis and has no assets held in trust. The City Council has the authority for establishing and amending the funding policy.

Employees covered by the benefit terms: As of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Plan members or beneficiaries currently receiving benefits	17
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	<u>430</u>
Total Plan members	<u>447</u>

Rollforward disclosure: The actuarial valuation was performed as of June 30, 2020. Updated procedures were used to roll forward the total OPEB liability to June 30, 2021.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2021, the City reported a total OPEB liability of \$6,056,980. The total OPEB liability was measured as of June 30, 2021 and determined by an actuarial valuation as of June 30, 2020.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, Continued

Changes in the total OPEB liability:

Total OPEB liability:		
Service cost	\$	271,802
Interest on the total OPEB liability		138,428
Changes in benefit terms		-
Difference between expected and actual experience		-
Changes of assumptions		273,516
Benefit payments		<u>(281,995)</u>
Net change in total OPEB liability		401,751
Total OPEB liability, beginning		<u>5,655,229</u>
Total OPEB liability, ending	\$	<u><u>6,056,980</u></u>

For the year ended June 30, 2021, the City recognized OPEB expense of \$345,136. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ -	\$ (694,891)
Changes of assumptions or other inputs	442,013	<u>(235,099)</u>
	<u>\$ 442,013</u>	<u>\$ (929,990)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the City's OPEB expense, as follows:

Years ending June 30:	
2022	\$ (65,094)
2023	(65,094)
2024	(65,094)
2025	(65,094)
2026	(65,094)
Thereafter	<u>(162,507)</u>
	<u>\$ (487,977)</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, *Continued*

Actuarial methods and assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the June 30, 2021 measurement date using the following actuarial assumptions, which were applied to all periods included in the measurement unless otherwise specified:

Actuarial Valuation Date	June 30, 2020
Actuarial Cost Method	Individual entry age
Discount Rate	1.92% as of June 30, 2021
Inflation	2.25%
Salary Increases	2.50%-6.50%, including wage inflation of 2.50%
Demographic Assumptions	This report has used the same demographic assumptions used to value the WRS defined benefit retirement plan in which the members participate in the actuarial valuation as of January 1, 2020.
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 100% and female rates multiplied by 88%. Those rates are projected on a fully generational basis, based on Scale MP-2017.
Healthcare Cost Trend Rates	Initial rate of 7.00%, declining to an ultimate rate of 4.15% after 15 years.
Participation Rates	75% of participants eligible to receive an explicit subsidy are assumed to elect coverage with the City. Coverage is for the employee only. 17% of participants eligible for any explicit subsidy are assumed to elect coverage. It is assumed that 35% of participants elect two-person coverage and that, upon participant death, coverage will continue to the beneficiary.

Discount rate: The discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. The discount rate is based on the Fidelity “20-Year Municipal GO AA Index.”

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 15. OPEB Commitment, *Continued*

Sensitivity of the City's total OPEB liability to changes in the discount rate: The table below presents the City's total OPEB liability calculated using a discount rate of 1.92%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (0.92%) or 1% higher (2.92%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 6,604,166	\$ 6,056,980	\$ 5,550,285

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates: The table below presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$ 5,316,400	\$ 6,056,980	\$ 6,932,035

Note 16. Contingencies

At various times, claims and lawsuits are pending against the City. The City is of the opinion that the liability, if any, arising from such claims will not have a materially adverse effect on its financial statements. Under the terms of Federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, would not be significant to the City's financial statements.

Note 17. Recent Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 enhances the consistency and comparability of fiduciary activity reporting. This statement is effective for years beginning after December 15, 2019. Management has adopted this statement for the year ended June 30, 2021. The adopted accounting changes conform to the provisions of this statement and were applied beginning in the year ended June 30, 2021. As a result of this adoption, certain funds that had previously been reported in the General Fund were reclassified as a Custodial Fund. GASB Statement No. 84 was retroactively adopted by restating the beginning net position and beginning fund balance by \$38,667. The assets within the Custodial Fund are for the benefit of various organizations and the City does not have administrative or financial involvement with the assets.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 18. Subsequent Event

Effective July 1, 2021, the DDA, a component unit of the City, merged with Visit Cheyenne on a trial basis. As DDA has been historically dependent on funding from the City of Cheyenne, the City is currently assessing the impact of the merger with Visit Cheyenne on component unit presentation in subsequent periods.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) –
GENERAL FUND
Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 12,753,000	\$ 12,773,000	\$ 12,882,361	\$ 109,361
Licenses and permits	2,484,290	2,484,290	4,388,198	1,903,908
Intergovernmental	27,241,317	27,346,172	35,442,632	8,096,460
Charges for services	1,643,250	1,643,250	1,851,571	208,321
Fines and forfeitures	1,048,000	1,048,000	781,558	(266,442)
Investment income	117,000	153,000	86,992	(66,008)
Miscellaneous	1,859,167	7,314,167	1,700,428	(5,613,739)
Total revenues	47,146,024	52,761,879	57,133,740	4,371,861
Expenditures				
General government:				
City Council	256,195	260,352	253,017	7,335
Mayor	3,841,816	3,891,385	3,845,137	46,248
Engineering	1,074,190	1,125,558	935,813	189,745
Miscellaneous	6,584,313	13,780,276	6,153,562	7,626,714
City Treasurer	679,499	679,499	670,313	9,186
City Clerk	1,930,833	1,947,284	1,770,195	177,089
Planning and development	783,406	785,657	704,799	80,858
Public works	3,761,759	3,819,484	3,693,856	125,628
Public safety:				
Fire	11,105,826	11,234,218	11,186,743	47,475
Police	14,039,467	14,055,119	13,358,599	696,520
Recreation:				
Community recreation and events	6,595,176	6,725,952	6,470,281	255,671
Total expenditures	50,652,480	58,304,784	49,042,315	9,262,469
(Deficiency) excess of revenues over expenditures	(3,506,456)	(5,542,905)	8,091,425	13,634,330
Other Financing (Uses) Sources				
Transfers out	-	-	(1,113,833)	1,113,833
Transfers in	2,333,371	2,333,371	3,138,084	804,713
Proceeds from sales of assets	-	-	3,063	3,063
Payment to refunded bonds escrow agent	-	-	(5,880,000)	(5,880,000)
Proceeds from capital financing	-	-	5,455,000	5,455,000
Total other financing sources	2,333,371	2,333,371	1,602,314	1,496,609
Net change in fund balance	\$ (1,173,085)	\$ (3,209,534)	\$ 9,693,739	\$ 15,130,939

See Notes to Required Supplementary Information.

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) –
MISCELLANEOUS FEDERAL GRANTS FUND
Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 8,303,980	\$ 4,458,011	\$ (3,845,969)
Investment income	-	-	12,546	12,546
Total revenues	-	8,303,980	4,470,557	(3,833,423)
Expenditures				
General government	-	3,280,828	1,684,108	1,596,720
Public safety	-	220,421	89,648	130,773
Recreation	-	10,000	-	10,000
Capital outlay	-	3,993,744	2,070,944	1,922,800
Total expenditures	-	7,504,993	3,844,700	3,660,293
Excess (deficiency) of revenues over expenditures	-	798,987	625,857	(173,130)
Other Financing (Uses)				
Transfers out	-	(798,987)	(798,986)	(1)
Total other financing (uses)	-	(798,987)	(798,986)	(1)
Net change in fund balance	\$ -	\$ -	\$ (173,129)	\$ (173,131)

See Notes to Required Supplementary Information.

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

Last Four Fiscal Years*

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 271,802	\$ 267,460	\$ 243,371	\$ 270,144
Interest on the total OPEB liability	138,428	201,417	220,105	224,371
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	-	(860,067)	-	-
Changes of assumptions	273,516	(59,703)	275,378	(306,502)
Benefit payments	(281,995)	(390,389)	(401,826)	(392,021)
Net change in total OPEB liability	401,751	(841,282)	337,028	(204,008)
Total OPEB Liability, beginning	5,655,229	6,496,511	6,159,483	6,363,491
Total OPEB Liability, ending	\$ 6,056,980	\$ 5,655,229	\$ 6,496,511	\$ 6,159,483
Covered-Employee Payroll	\$ 24,832,831	\$ 24,227,152	\$ 26,908,871	\$ 26,252,557
Total OPEB Liability as a Percentage of Covered-Employee Payroll	24.39%	23.34%	24.14%	23.46%

* This schedule is to be built prospectively until it contains 10 years of data.

See Notes to Required Supplementary Information.

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Eight Fiscal Years***

	For the Years Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Public Employee Pension Plan								
City of Cheyenne:								
City's proportion of the net pension liability (asset)	0.9125%	0.9757%	0.9450%	0.9312%	0.9045%	0.8842%	0.8850%	0.8686%
City's proportionate share of the net pension liability (asset)	\$ 19,831,406	\$ 22,928,084	\$ 28,778,132	\$ 21,224,141	\$ 21,868,666	\$ 20,595,553	\$ 15,618,025	\$ 13,205,851
City's covered payroll	16,629,106	17,353,726	16,446,362	16,362,135	16,333,427	15,933,164	15,449,954	14,962,498
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	119.26%	132.12%	174.98%	129.71%	133.89%	129.26%	101.09%	88.26%
Plan fiduciary net position as a percentage of the total pension liability	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	81.10%
Board of Public Utilities:								
Board's proportion of the net pension liability (asset)	0.4144%	0.4209%	0.4178%	0.4072%	0.3979%	0.3838%	0.3621%	0.3772%
Board's proportionate share of the net pension liability (asset)	\$ 9,005,488	\$ 9,890,047	\$ 12,722,850	\$ 9,280,567	\$ 9,619,011	\$ 8,940,291	\$ 6,390,668	\$ 5,735,039
Board's covered payroll	7,636,289	7,604,611	7,409,311	7,177,501	7,127,606	6,855,922	6,307,367	6,463,729
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	117.93%	130.05%	171.71%	129.30%	134.95%	130.40%	101.32%	88.73%
Plan fiduciary net position as a percentage of the total pension liability	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	81.10%
Paid Firemen's Pension Plan A								
City's proportion of the net pension liability (asset)	29.2606%	29.2792%	30.1135%	29.9816%	30.1332%	29.1245%	29.8597%	29.2907%
City's proportionate share of the net pension liability (asset)	\$ 94,742,430	\$ 76,294,294	\$ 68,357,664	\$ 67,077,510	\$ 55,286,196	\$ 54,012,637	\$ 49,145,415	\$ 17,188,483
City's covered payroll	-	-	-	-	-	-	-	-
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	21.77%	27.32%	29.99%	34.28%	38.91%	40.05%	45.95%	71.55%
Paid Firemen's Pension Plan B								
City's proportion of the net pension liability (asset)	23.8262%	24.9421%	24.5705%	24.3574%	23.4759%	23.5543%	24.4894%	25.0324%
City's proportionate share of the net pension liability (asset)	\$ (555,157)	\$ 1,772,750	\$ 5,155,687	\$ 10,043,721	\$ 7,409,315	\$ 7,201,639	\$ (275,411)	\$ (902,906)
City's covered payroll	7,188,555	7,006,469	6,891,466	6,552,239	6,603,344	6,432,467	6,532,467	6,303,806
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-7.72%	25.30%	74.81%	153.29%	112.21%	111.96%	-4.22%	-14.32%
Plan fiduciary net position as a percentage of the total pension liability	101.27%	95.93%	87.07%	77.98%	80.16%	79.33%	100.98%	103.45%

Continued

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF NET PENSION LIABILITY, *Continued*
Last Eight Fiscal Years***

	For the Years Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Law Enforcement Pension Plan								
City’s proportion of the net pension liability (asset)	4.6288%	4.9682%	4.9257%	4.7984%	4.5225%	4.4224%	4.4884%	4.4436%
City’s proportionate share of the net pension liability (asset)	\$ 3,153,265	\$ 4,282,566	\$ 11,923,758	\$ 4,128,778	\$ 3,414,154	\$ 3,322,120	\$ 1,322,464	\$ 810,003
City’s covered payroll	7,971,757	8,687,750	7,735,333	7,450,974	7,077,700	6,933,372	6,936,457	6,707,023
City’s proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.56%	49.29%	154.15%	55.41%	48.24%	47.91%	19.07%	12.08%
Plan fiduciary net position as a percentage of the total pension liability	91.82%	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%	96.53%

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

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years for which information is available.

See Notes to Required Supplementary Information.

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
Last Eight Fiscal Years**

	For the Years Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Public Employee Pension Plan								
City of Cheyenne:								
Statutorily required contribution	\$ 1,487,050	\$ 1,523,725	\$ 1,453,409	\$ 1,370,762	\$ 1,427,569	\$ 1,372,651	\$ 1,203,890	\$ 1,078,803
Contribution in relation to the statutorily required contribution	1,487,050	1,523,725	1,453,409	1,370,762	1,427,569	1,372,651	1,203,890	1,078,803
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 16,305,375	\$ 17,178,405	\$ 16,940,902	\$ 16,377,083	\$ 16,694,692	\$ 16,220,390	\$ 15,660,040	\$ 15,194,542
Contributions as a percentage of covered-employee payroll	9.12%	8.87%	8.58%	8.37%	8.55%	8.46%	7.69%	7.10%
Board of Public Utilities:								
Statutorily required contribution	\$ 694,066	\$ 678,924	\$ 645,547	\$ 608,519	\$ 602,689	\$ 586,407	\$ 512,031	\$ 465,964
Contribution in relation to the statutorily required contribution	694,066	678,924	645,547	608,519	602,689	586,407	512,031	465,964
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 7,610,377	\$ 7,654,160	\$ 7,524,834	\$ 7,270,239	\$ 7,200,585	\$ 7,006,054	\$ 6,719,564	\$ 6,544,388
Contributions as a percentage of covered-employee payroll	9.12%	8.87%	8.58%	8.37%	8.37%	8.37%	7.62%	7.12%
Paid Firemen's Pension Plan A								
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the statutorily required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Paid Firemen's Pension Plan B								
Statutorily required contribution	\$ 1,007,536	\$ 945,164	\$ 836,796	\$ 802,935	\$ 785,180	\$ 772,527	\$ 783,023	\$ 779,804
Contribution in relation to the statutorily required contribution	1,007,536	945,164	836,796	802,935	785,180	772,527	783,023	779,804
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 7,196,688	\$ 7,270,489	\$ 6,973,302	\$ 6,691,128	\$ 6,543,169	\$ 6,437,727	\$ 6,525,189	\$ 6,498,364
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

Continued

CITY OF CHEYENNE, WYOMING

SCHEDULE OF THE CITY’S CONTRIBUTIONS, *Continued*
Last Eight Fiscal Years

	For the Years Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Law Enforcement Pension Plan								
Statutorily required contribution	\$ 671,684	\$ 681,867	\$ 688,842	\$ 652,267	\$ 618,944	\$ 605,058	\$ 591,129	\$ 595,430
Contribution in relation to the statutorily required contribution	671,684	681,867	688,842	652,267	618,944	605,058	591,129	595,430
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City’s covered-employee payroll	\$ 7,810,280	\$ 7,928,697	\$ 8,009,795	\$ 7,584,494	\$ 7,197,025	\$ 7,035,554	\$ 6,873,586	\$ 6,923,605
Contributions as a percentage of covered-employee payroll	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years for which information is available.

See Notes to Required Supplementary Information.

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budget Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (U.S. GAAP) for all governmental funds, with the exception of certain pass-through funds not reported on the budgetary basis. All annual appropriations lapse at fiscal year-end.

Prior to May 15, the City Treasurer submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted not prior to the second Tuesday nor later than the third Tuesday in June to obtain public comments. Within 24 hours of the public hearing, the governing body adopts the budget.

At the request of the City Treasurer, or upon its own motion after publication of notice, the City Council may, by resolution, transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department, or account to another. No officer or employee of the City shall make any expenditure or encumbrance in excess of the total appropriation for any department. Management may amend the budget within the department level without the approval of the governing body. Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Proprietary Funds, and the Permanent Fund. The amounts reported as the original budgeted amounts in the budgetary schedules reflect appropriation in the first appropriated budget. The amounts reported as the final budgeted amounts in the schedules of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Note 2. Explanation of Differences between Budgetary Basis and U.S. GAAP Basis Revenues and Expenditures

	<u>General Fund</u>
Revenues:	
Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 57,133,740
Differences, budget to U.S. GAAP:	
Adjustments to include various pass-through funds included in the General Fund on the U.S. GAAP basis	<u>758,985</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 57,892,725</u>
Expenditures:	
Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 49,042,315
Differences, budget to U.S. GAAP:	
Adjustments to include various pass-through funds included in the General Fund on the U.S. GAAP basis	<u>520,552</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 49,562,867</u>

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 3. Explanation of Changes in Retirement Commitment – Wyoming Retirement System (WRS)

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2020 measurement date.

Changes in assumptions: Healthcare trend rates were updated along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the WRS December 31, 2016 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2020 measurement date, as indicated in the tables below:

Pension Plan Discount Rate				
Measurement Date (WRS Year Ended)	Public Employee Pension Plan	Law Enforcement Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B
2014	7.75%	7.75%	4.47%	7.75%
2015	7.75%	7.75%	4.25%	6.52%
2016	7.75%	7.75%	4.38%	6.59%
2017	7.00%	7.00%	3.75%	5.65%
2018	7.00%	5.92%	4.01%	7.00%
2019	7.00%	7.00%	3.09%	7.00%
2020	7.00%	7.00%	1.95%	7.00%

Pension Plan Investment Rate of Return				
Measurement Date (WRS Year Ended)	Public Employee Pension Plan	Law Enforcement Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B
2014	7.75%	7.75%	7.75%	7.75%
2015	7.75%	7.75%	7.75%	7.75%
2016	7.75%	7.75%	4.38%	6.59%
2017	7.75%	7.75%	7.75%	7.75%
2018	7.00%	7.00%	7.00%	7.00%
2019	7.00%	7.00%	7.00%	7.00%
2020	7.00%	7.00%	1.00%	7.00%

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 3. Explanation of Changes in Retirement Commitment – Wyoming Retirement System (WRS), *Continued*

Pension Plan Inflation Rates				
Measurement Date (WRS Year Ended)	Public Employee Pension Plan	Law Enforcement Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B
2014	3.25%	3.25%	3.25%	3.25%
2015	3.25%	3.25%	3.25%	3.25%
2016	3.25%	3.25%	3.25%	3.25%
2017	3.25%	3.25%	3.25%	3.25%
2018	2.25%	2.25%	2.25%	2.25%
2019	2.25%	2.25%	2.25%	2.25%
2020	2.25%	2.25%	2.25%	2.25%

Pension Plan Salary Increases (Includes Inflation)				
Measurement Date (WRS Year Ended)	Public Employee Pension Plan	Law Enforcement Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B
2014	4.25%-6.00%	4.75%-8.00%	4.25%	4.25%-7.00%
2015	4.25%-6.00%	4.75%-8.00%	4.25%	4.25%-7.00%
2016	4.25%-6.00%	4.75%-8.00%	4.25%	4.25%-7.00%
2017	4.25%-6.00%	4.75%-8.00%	4.25%	4.25%-7.00%
2018	2.50%-6.50%	4.75%-8.75%	4.50%	4.50%-7.50%
2019	2.50%-6.50%	4.75%-8.75%	4.50%	4.50%-7.50%
2020	2.50%-6.50%	4.75%-8.75%	4.50%	4.50%-7.50%

Pension Plan Payroll Growth Rate				
Measurement Date (WRS Year Ended)	Public Employee Pension Plan	Law Enforcement Pension Plan	Paid Firemen's Pension Plan A	Paid Firemen's Pension Plan B
2014	4.25%	4.25%	0.00%	4.25%
2015	4.25%	4.25%	0.00%	4.25%
2016	4.25%	4.25%	0.00%	4.25%
2017	4.25%	4.25%	0.00%	4.25%
2018	2.50%	2.50%	0.00%	2.50%
2019	2.50%	2.50%	0.00%	2.50%
2020	2.50%	2.50%	0.00%	2.50%

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 4. Explanation of Changes in the Other Postemployment Benefits (OPEB) Commitment

The City of Cheyenne Retiree Health Care Plan administered by the City does not have assets accumulated in trust.

Following are changes in the OPEB liability valuation:

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date and the June 30, 2021 measurement date.

Changes in assumptions: With the exception of the discount rate, there have been no changes in assumptions between the initial measurement date and the June 30, 2021 measurement date. The discount rate by each measurement date is as follows:

2018	3.62%
2019	3.13%
2020	2.45%
2021	1.92%

**COMBINING AND OTHER INDIVIDUAL FUND
AND OTHER SUPPLEMENTARY INFORMATION**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue resources that are legally restricted or committed to expenditure for particular purposes.

Weed and Pest Control: Accounts for monies received by the City of Cheyenne (the City) from a general county tax levy to administer a program of weed and pest control.

Youth Alternative Grants: Accounts for monies received by the City from various agencies to administer a program for youth.

Juvenile Justice: Accounts for a program that assists youth in trouble.

Special Friends: Accounts for a program that brings adults together with young people.

Community Development Block Grant: Accounts for funds given to various entities that assist low-income individuals.

Law Enforcement Block Grant: Accounts for funds received by the police department to administer various programs.

Transportation Planning: Accounts for funds used for the planning of streets and other transportation projects.

Urban Mass Transportation Administration (UMTA) Transit Grant: Accounts for funds used to provide public transportation.

Local and State Grants: Accounts for revenue received from various agencies to administer local and state programs.

Recreation Programs: Accounts for monies received by the City from various recreation programs to administer recreation programs.

Annexation Improvements: Accounts for monies from individuals who have prepaid for annexation improvements in areas not yet annexed by the City.

Housing Loans: Accounts for monies collected from rehabilitation loans made to low-income owners through the Neighborhood Housing Service. When the agency closed, the loans were turned over to the City. Money collected from homeowners who received low-interest rehabilitation loans through the Cheyenne Redevelopment Agency is also in this fund.

Revolving Real Property: Accounts for proceeds received from the sale of any surplus real property to be used only for the acquisition or construction of new real property for the City.

Belvoir Ranch Recreation: Accounts for monies collected from the wind energy lease with NextEra Energy to be used for planning, developing, and maintaining recreation facilities and opportunities at the Belvoir Ranch and Big Hole properties.

NONMAJOR GOVERNMENTAL FUNDS, *Continued*

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Youth Alternatives: Accounts for the construction of youth alternatives projects.

Athletic Facilities: Accounts for improvements to City parks and recreation facilities.

Parks Facilities: Accounts for capital improvements to parks facilities funded by the sales proceeds of property designated for parks facilities.

Development Impact Fees: Accounts for fees received by the City to administer specific functions required of the City.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Cemetery Perpetual Care: This trust fund was set up for perpetual care of the Cheyenne cemetery. The fund receives \$400 each time a cemetery lot is purchased. The fund is managed by a local bank.

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Special Revenue Funds							
	Weed and Pest Control	Youth Alternative Grants	Juvenile Justice	Special Friends	Community Development Block Grant	Law Enforcement Block Grant	Transportation Planning	
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 145,621	\$ 62,157	\$ 75,304	\$ 16	\$ 3	\$ 4	
Investments, at fair value	-	338,333	146,262	-	-	-	-	
Receivables								
Customers	-	-	-	-	-	-	-	
Due from Other Funds	-	-	-	-	-	-	-	
Due from Other Governments	-	72,748	2,200	-	62,842	68,375	116,591	
Prepaid Items	-	-	-	-	-	-	1,375	
Cash and Cash Equivalents, restricted	160,879	-	-	-	-	-	-	
Investments, restricted	501,729	-	-	-	-	-	-	
Total assets	\$ 662,608	\$ 556,702	\$ 210,619	\$ 75,304	\$ 62,858	\$ 68,378	\$ 117,970	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 24,301	\$ 14,230	\$ 41	\$ 242	\$ 19,060	\$ 3,717	\$ 33,628	
Accrued salaries	-	2,546	168	-	-	-	-	
Due to other funds	-	-	-	-	41,700	40,500	77,245	
Unearned revenue	-	-	-	-	-	-	-	
Total liabilities	24,301	16,776	209	242	60,760	44,217	110,873	
Deferred Inflows of Resources	-	-	-	-	-	-	-	
Fund Balances								
Nonspendable	-	-	-	-	-	-	1,375	
Restricted	638,307	-	210,410	75,062	2,098	24,161	5,722	
Committed	-	539,926	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	
Total fund balances	638,307	539,926	210,410	75,062	2,098	24,161	7,097	
Total liabilities, deferred inflows of resources, and fund balances	\$ 662,608	\$ 556,702	\$ 210,619	\$ 75,304	\$ 62,858	\$ 68,378	\$ 117,970	

Continued

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS, *Continued*
 June 30, 2021

	Special Revenue Funds							
	UMTA Transit Grant	Local and State Grants	Recreation Programs	Annexation Improvements	Housing Loans	Revolving Real Property	Belvoir Ranch Recreation	
ASSETS								
Cash and Cash Equivalents	\$ 250	\$ 378,112	\$ 182,258	\$ 8,486	\$ 2,311	\$ 46	\$ 1	
Investments, at fair value	-	-	601,901	352,461	300,927	569,772	12,035	
Receivables								
Customers	-	57,907	42,371	-	87,738	-	-	
Due from Other Funds	-	151,193	-	-	-	-	-	
Due from Other Governments	254,787	108,797	-	-	-	-	-	
Prepaid Items	-	-	54,154	-	-	-	-	
Cash and Cash Equivalents, restricted	-	-	-	-	-	-	-	
Investments, restricted	-	-	-	-	-	-	-	
Total assets	\$ 255,037	\$ 696,009	\$ 880,684	\$ 360,947	\$ 390,976	\$ 569,818	\$ 12,036	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 4,737	\$ 229,630	\$ 77,416	\$ 99,980	\$ 2,882	\$ -	\$ -	
Accrued salaries	6,480	-	24,534	-	-	-	-	
Due to other funds	13,860	-	-	-	-	-	-	
Unearned revenue	-	-	31,183	-	-	-	-	
Total liabilities	25,077	229,630	133,133	99,980	2,882	-	-	
Deferred Inflows of Resources	-	-	-	-	87,738	-	-	
Fund Balances								
Nonspendable	-	-	54,154	-	-	-	-	
Restricted	229,960	466,379	-	-	300,356	-	-	
Committed	-	-	693,397	250,000	-	569,818	12,036	
Assigned	-	-	-	10,967	-	-	-	
Total fund balances	229,960	466,379	747,551	260,967	300,356	569,818	12,036	
Total liabilities, deferred inflows of resources, and fund balances	\$ 255,037	\$ 696,009	\$ 880,684	\$ 360,947	\$ 390,976	\$ 569,818	\$ 12,036	

Continued

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS, *Continued*
 June 30, 2021

	Capital Projects Funds				Permanent Fund	Total Nonmajor Governmental Funds
	Youth Alternatives	Athletic Facilities	Parks Facilities	Development Impact Fees	Cemetery Perpetual Care	
ASSETS						
Cash and Cash Equivalents	\$ 32,107	\$ 178,537	\$ -	\$ 225	\$ 693	\$ 1,066,131
Investments, at fair value	-	435,683	-	846,452	799,248	4,403,074
Receivables						
Customers	-	-	-	284,010	190	472,216
Due from Other Funds	-	-	-	-	-	151,193
Due from Other Governments	-	-	-	-	-	686,340
Prepaid Items	-	-	-	-	-	55,529
Cash and Cash Equivalents, restricted	-	-	-	-	-	160,879
Investments, restricted	-	-	-	-	-	501,729
Total assets	\$ 32,107	\$ 614,220	\$ -	\$ 1,130,687	\$ 800,131	\$ 7,497,091
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 83	\$ -	\$ 59,341	\$ -	\$ 569,288
Accrued salaries	-	-	-	-	-	33,728
Due to other funds	-	-	-	92,000	-	265,305
Unearned revenue	-	-	-	-	-	31,183
Total liabilities	-	83	-	151,341	-	899,504
Deferred Inflows of Resources	-	-	-	-	-	87,738
Fund Balances						
Nonspendable	-	-	-	-	-	55,529
Restricted	-	-	-	-	800,131	2,752,586
Committed	-	614,137	-	979,346	-	3,658,660
Assigned	32,107	-	-	-	-	43,074
Total fund balances	32,107	614,137	-	979,346	800,131	6,509,849
Total liabilities, deferred inflows of resources, and fund balances	\$ 32,107	\$ 614,220	\$ -	\$ 1,130,687	\$ 800,131	\$ 7,497,091

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2021**

	Special Revenue Funds						
	Weed and Pest Control	Youth Alternative Grants	Juvenile Justice	Special Friends	Community Development Block Grant	Law Enforcement Block Grant	Transportation Planning
Revenues							
Intergovernmental	\$ 586,406	\$ 813,802	\$ 73,200	\$ 51,000	\$ 473,291	\$ 436,676	\$ 781,207
Charges for services	-	-	-	-	-	-	-
Investment income (loss)	1,797	(28)	(7)	27	-	-	-
Miscellaneous	-	41,573	1,407	2,532	-	-	-
Total revenues	588,203	855,347	74,600	53,559	473,291	436,676	781,207
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	497,904	55,666	-	-	494,829	-
Public works	-	-	-	-	-	-	820,129
Health and welfare	515,825	238,020	-	68,587	473,112	-	-
Recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal retirements	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-
Total expenditures	515,825	735,924	55,666	68,587	473,112	494,829	820,129
Revenues over (under) expenditures	72,378	119,423	18,934	(15,028)	179	(58,153)	(38,922)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	59,055	39,022
Transfers out	-	-	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	59,055	39,022
Net change in fund balances	72,378	119,423	18,934	(15,028)	179	902	100
Fund Balances, beginning of year	565,929	420,503	191,476	90,090	1,919	23,259	6,997
Fund Balances, end of year	\$ 638,307	\$ 539,926	\$ 210,410	\$ 75,062	\$ 2,098	\$ 24,161	\$ 7,097

Continued

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS, *Continued*
Year Ended June 30, 2021

	Special Revenue Funds						
	UMTA Transit Grant	Local and State Grants	Recreation Programs	Annexation Improvements	Housing Loans	Revolving Real Property	Belvoir Ranch Recreation
Revenues							
Intergovernmental	\$ 1,895,879	\$ 368,103	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	145	-	1,465,105	-	-	-	-
Investment income (loss)	15	-	1,979	15	1,982	1,869	36
Miscellaneous	386	661,982	27,945	1,040	19,231	-	-
Total revenues	1,896,425	1,030,085	1,495,029	1,055	21,213	1,869	36
Expenditures							
Current:							
General government	-	129,988	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	1,813,208	-	-	-	-	-	-
Health and welfare	-	-	-	-	10,219	-	-
Recreation	-	-	1,152,867	-	-	-	-
Capital outlay	1,749	226,780	18,172	-	-	-	-
Debt service:							
Principal retirements	-	623,617	-	-	-	-	-
Interest payments	-	19,183	-	4,241	-	-	-
Total expenditures	1,814,957	999,568	1,171,039	4,241	10,219	-	-
Revenues over (under) expenditures	81,468	30,517	323,990	(3,186)	10,994	1,869	36
Other Financing Sources (Uses)							
Transfers in	-	-	35,200	23,278	-	-	12,000
Transfers out	-	-	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	35,200	23,278	-	-	12,000
Net change in fund balances	81,468	30,517	359,190	20,092	10,994	1,869	12,036
Fund Balances, beginning of year	148,492	435,862	388,361	240,875	289,362	567,949	-
Fund Balances, end of year	\$ 229,960	\$ 466,379	\$ 747,551	\$ 260,967	\$ 300,356	\$ 569,818	\$ 12,036

Continued

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS, *Continued*
Year Ended June 30, 2021

	Capital Projects Funds				Permanent Fund	Total Nonmajor Governmental Funds
	Youth Alternatives	Athletic Facilities	Parks Facilities	Development Impact Fees	Cemetery Perpetual Care	
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,479,564
Charges for services	-	242,263	-	520,358	-	2,227,871
Investment income (loss)	10	199	-	313	101	8,308
Miscellaneous	2,251	5,000	-	-	11,295	774,642
Total revenues	2,261	247,462	-	520,671	11,396	8,490,385
Expenditures						
Current:						
General government	-	-	-	-	-	129,988
Public safety	5,367	-	-	-	-	1,053,766
Public works	-	-	-	-	-	2,633,337
Health and welfare	-	-	-	-	-	1,305,763
Recreation	-	11,702	68	10,084	-	1,174,721
Capital outlay	-	115,563	1,910	131,307	-	495,481
Debt service:						
Principal retirements	-	-	-	-	-	623,617
Interest payments	-	-	-	-	-	23,424
Total expenditures	5,367	127,265	1,978	141,391	-	7,440,097
Revenues over (under) expenditures	(3,106)	120,197	(1,978)	379,280	11,396	1,050,288
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	168,555
Transfers out	-	-	-	-	(2,427)	(2,427)
Proceeds from sales of assets	-	5,300	-	-	-	5,300
Total other financing sources (uses)	-	5,300	-	-	(2,427)	171,428
Net change in fund balances	(3,106)	125,497	(1,978)	379,280	8,969	1,221,716
Fund Balances, beginning of year	35,213	488,640	1,978	600,066	791,162	5,288,133
Fund Balances, end of year	\$ 32,107	\$ 614,137	\$ -	\$ 979,346	\$ 800,131	\$ 6,509,849

NONMAJOR PROPRIETARY FUNDS

Business-Type Activities

Proprietary funds are used to account for business-type activities that rely to a significant extent on fees and charges for support.

Civic Center: Accounts for monies received by the City from the operation of the Civic Center.

Ice and Events Center: Accounts for monies received by the City from the operation of the Ice and Events Center.

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF NET POSITION – NONMAJOR
 PROPRIETARY FUNDS

June 30, 2021

	Civic Center Fund	Ice and Events Center Fund	Nonmajor Proprietary Funds Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,201	\$ 2,707	\$ 3,908
Receivables:			
Accounts - customers	34,769	100	34,869
Total current assets	<u>35,970</u>	<u>2,807</u>	<u>38,777</u>
Noncurrent Assets			
Capital assets being depreciated:			
Land	-	346,861	346,861
Machinery and equipment	445,512	380,600	826,112
Transportation equipment	-	50,241	50,241
Buildings and improvements	3,874,089	2,982,223	6,856,312
Office furniture and equipment	185,628	37,712	223,340
Accumulated depreciation	(4,082,109)	(1,610,135)	(5,692,244)
Construction in progress	3,000	-	3,000
Total noncurrent assets	<u>426,120</u>	<u>2,187,502</u>	<u>2,613,622</u>
Total assets	<u>462,090</u>	<u>2,190,309</u>	<u>2,652,399</u>
LIABILITIES			
Current Liabilities			
Accounts payable	57,753	20,094	77,847
Unearned revenue	33,064	-	33,064
Due to other funds	891,000	240,600	1,131,600
Accrued salaries, including vacation and sick leave	25,958	13,471	39,429
Total current liabilities	<u>1,007,775</u>	<u>274,165</u>	<u>1,281,940</u>
Noncurrent Liabilities			
Accrued compensated absences	-	3,810	3,810
Total noncurrent liabilities	<u>-</u>	<u>3,810</u>	<u>3,810</u>
Total liabilities	<u>1,007,775</u>	<u>277,975</u>	<u>1,285,750</u>
NET POSITION			
Net Investment in Capital Assets	426,120	2,187,502	2,613,622
Unrestricted (Deficit)	(971,805)	(275,168)	(1,246,973)
Total net position	<u>\$ (545,685)</u>	<u>\$ 1,912,334</u>	<u>\$ 1,366,649</u>

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – NONMAJOR PROPRIETARY FUNDS

Year Ended June 30, 2021

	Civic Center Fund	Ice and Events Center Fund	Nonmajor Proprietary Funds Totals
Operating Revenues			
Sales and charges for services	\$ 102,209	\$ 322,816	\$ 425,025
Fees and miscellaneous	56,911	-	56,911
Total operating revenues	<u>159,120</u>	<u>322,816</u>	<u>481,936</u>
Operating Expenses			
Administrative and general	500,826	475,348	976,174
Depreciation	64,058	128,300	192,358
Parts and supplies	9,514	17,554	27,068
Intra-city charges	8,000	3,902	11,902
Total operating expenses	<u>582,398</u>	<u>625,104</u>	<u>1,207,502</u>
Operating (loss)	<u>(423,278)</u>	<u>(302,288)</u>	<u>(725,566)</u>
Nonoperating Income			
Donated assets	74,452	118,093	192,545
Total nonoperating income	<u>74,452</u>	<u>118,093</u>	<u>192,545</u>
(Loss) before transfers	<u>(348,826)</u>	<u>(184,195)</u>	<u>(533,021)</u>
Transfers In	895,000	80,000	975,000
Change in net position	<u>546,174</u>	<u>(104,195)</u>	<u>441,979</u>
Net Position, beginning of year	<u>(1,091,859)</u>	<u>2,016,529</u>	<u>924,670</u>
Net Position, end of year	<u>\$ (545,685)</u>	<u>\$ 1,912,334</u>	<u>\$ 1,366,649</u>

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS

Year Ended June 30, 2021

	Civic Center Fund	Ice and Events Center Fund	Nonmajor Proprietary Funds Totals
Cash Flows from Operating Activities			
Cash received from customers	\$ 156,858	\$ 322,716	\$ 479,574
Cash payments to suppliers	(145,669)	(176,743)	(322,412)
Cash payments to employees	(323,633)	(307,232)	(630,865)
Net cash (used in) operating activities	(312,444)	(161,259)	(473,703)
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	895,000	80,000	975,000
Advances to other funds	(579,000)	-	(579,000)
Proceeds from amounts due to other funds	-	80,600	80,600
Net cash provided by noncapital financing activities	316,000	160,600	476,600
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(2,999)	-	(2,999)
Net cash (used in) capital and related financing activities	(2,999)	-	(2,999)
Net increase (decrease) in cash and cash equivalents	557	(659)	(102)
Cash and Cash Equivalents, beginning of year	644	3,366	4,010
Cash and Cash Equivalents, end of year	\$ 1,201	\$ 2,707	\$ 3,908
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities			
Operating (loss)	\$ (423,278)	\$ (302,288)	\$ (725,566)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation	64,058	128,300	192,358
(Decrease) increase in cash and cash equivalents resulting from changes in operating assets and liabilities:			
Receivables	(34,769)	(100)	(34,869)
Accounts payable	40,896	11,167	52,063
Accrued salaries, including vacation and sick leave	8,142	1,662	9,804
Unearned revenue	32,507	-	32,507
Net cash (used in) operating activities	\$ (312,444)	\$ (161,259)	\$ (473,703)
Noncash Investing, Capital and Noncapital Financing Activities			
Donated asset acquisitions	\$ 74,452	\$ 118,093	\$ 192,545

SINGLE AUDIT SECTION

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development Direct Program:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 369,921	\$ 469,635
U.S. Department of the Interior:				
Pass-through program from Wyoming Department of State Parks and Cultural Resources:				
Historic Preservation Fund Grants-In-Aid	15.904	56-20-06	-	2,830
Historic Preservation Fund Grants-In-Aid	15.904	56-21-08	-	935
Subtotal Historic Preservation Fund Grants-In-Aid			-	3,765
Outdoor Recreation Acquisition, Development, and Planning	15.916	56-00923	-	239,482
Total U.S. Department of the Interior			-	243,247
U.S. Department of Justice:				
U.S. Department of Justice Direct Programs:				
COVID-19: Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1276	-	93,051
Bulletproof Vest Partnership Program	16.607	FY 2019	-	14,382
Total U.S. Department of Justice Direct Programs			-	107,433
U.S. Department of Justice Pass-Through Programs:				
Pass-through from Wyoming Division of Victim Services:				
Crime Victim Assistance	16.575	2019-V2-GX-0002	-	191,177
Pass-through from Laramie County, Wyoming:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0912	-	13,147
Pass-through from Memorial Hospital of Laramie County:				
Comprehensive Opioid Abuse Site-Based Program	16.838	2019-AR-BX-K082	-	59,961
Total U.S. Department of Justice Pass-Through Programs			-	264,285
Total U.S. Department of Justice			-	371,718
U.S. Department of Transportation:				
U.S. Department of Transportation Direct Program:				
Federal Transit Cluster:				
Federal Transit Formula Grant	20.507	90-X062-00	-	533
Federal Transit Formula Grant	20.507	90-X063-00	-	840
COVID-19: Federal Transit Formula Grant	20.507	90-X067-00	-	284,548
COVID-19: Federal Transit Formula Grant	20.507	90-X068-00	-	920,725
COVID-19: Federal Transit Formula Grant	20.507	90-X070-00	-	267,949
Subtotal Federal Transit Cluster			-	1,474,595
Total U.S. Department of Transportation Direct Program			-	1,474,595
U.S. Department of Transportation Pass-Through Programs:				
Highway Planning and Construction Cluster:				
Pass-through from Wyoming Department of Transportation:				
Highway Planning and Construction (Prairie & Frontier)	20.205	STPU-CH 0.00 B171028	-	1,335,674
Highway Planning and Construction (Allison & Cribbon)	20.205	CD18101	-	247,816
Highway Planning and Construction (Carey Ave. Multi-Use Path)	20.205	CD20101	-	15,118
Subtotal Highway Planning and Construction Cluster			-	1,598,608
Pass-through from Wyoming Department of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	N/A	-	742,111
Pass-through from Wyoming Association of Sheriffs and Chiefs of Police:				
Alcohol Open Container Requirements	20.607	154AL-2021-FA-AL-01	-	10,857

Continued

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation, <i>Continued</i> :				
U.S. Department of Transportation Pass-Through Programs, <i>Continued</i> :				
State and Community Highway Safety Cluster:				
Pass-through from Wyoming Association of Sheriffs and Chiefs of Police:				
State and Community Highway Safety	20.600	AL-2020-FA-AL-02	\$ -	\$ 2,721
State and Community Highway Safety	20.600	OP-2020-FA-OP-02	-	4,287
Subtotal State and Community Highway Safety			-	7,008
National Priority Safety Program	20.616	OP HVE-405B-20.616	-	6,163
National Priority Safety Program	20.616	154AL-2020-FA-AL-08	-	28,667
Subtotal National Priority Safety Program			-	34,830
Subtotal State and Community Highway Safety Cluster			-	41,838
Total U.S. Department of Transportation Pass-Through Programs			-	2,393,414
Total U.S. Department of Transportation			-	3,868,009
U.S. Department of Treasury:				
Pass-through from State of Wyoming Land and Investment Board:				
COVID-19 Coronavirus Relief Fund	21.019	CRF-021	-	762,194
COVID-19 Coronavirus Relief Fund	21.019	CRF-075	-	178,085
COVID-19 Coronavirus Relief Fund	21.019	CRF-086	-	192,547
COVID-19 Coronavirus Relief Fund	21.019	CRF-162	-	317,120
COVID-19 Coronavirus Relief Fund	21.019	CRF-179	37,154	37,154
COVID-19 Coronavirus Relief Fund	21.019	CRF-208	-	605,496
COVID-19 Coronavirus Relief Fund	21.019	CRF-222	-	94,473
COVID-19 Coronavirus Relief Fund	21.019	CRF-254	-	64,342
COVID-19 Coronavirus Relief Fund	21.019	CRF-239	-	16,618
COVID-19 Coronavirus Relief Fund	21.019	CRF-255	-	136,403
COVID-19 Coronavirus Relief Fund	21.019	CRF-312	-	71,632
Total U.S. Department of Treasury			37,154	2,476,064
National Endowment for the Arts:				
Pass-through from Wyoming Arts Council:				
Promotion of the Arts Partnership Agreements	45.025	N/A	-	650
Promotion of the Arts Partnership Agreements	45.025	N/A	-	896
Total National Endowment for the Arts			-	1,546
U.S. Environmental Protection Agency:				
U.S. Environmental Protection Agency Direct Programs:				
Brownfields Training, Research and Technical Assistance Grants and Cooperative Agreements	66.814	96826401	-	43,632
U.S. Environmental Protection Agency Pass-Through Programs:				
Pass-through from Wyoming State Land and Investment Board and administered by City of Cheyenne Board of Public Utilities:				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DWSRF-133GR	-	71,934
Total U.S. Environmental Protection Agency			-	115,566
U.S. Department of Energy:				
Pass-through from Wyoming Business Council:				
State Energy Program	81.041	N/A	-	25,000

Continued

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education:				
Pass-through from Laramie County Community Partnership:				
Twenty-First Century Community Learning Centers	84.287	Cohort 11	\$ -	\$ 96,523
Twenty-First Century Community Learning Centers	84.287	Cohort 12	-	115,081
Total U.S. Department of Education			-	211,604
U.S. Department of Health and Human Services:				
Pass-through from Wyoming Department of Health:				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N/A	-	64,471
Corporation for National and Community Service Direct Program:				
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	20SFPWY001	-	238,497
U.S. Department of Homeland Security:				
Pass-through from Wyoming Office of Homeland Security:				
Homeland Security Grant Program	97.067	18-SHSP-RR7-RR-HRT18	-	1,346
Homeland Security Grant Program	97.067	19-SHSP-RR7-RR-HRT19	-	78,914
Homeland Security Grant Program	97.067	20-SHSP-CHE-HRT20	-	10,937
Homeland Security Grant Program	97.067	EMW-2019-SS-00065	-	232,854
Total U.S. Department of Homeland Security			-	324,051
Total expenditures of Federal awards			\$ 407,075	\$ 8,409,408

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

CITY OF CHEYENNE, WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the accompanying City of Cheyenne, Wyoming (the City) Schedule of Expenditures of Federal Awards (the Schedule) are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. All programs are administered by the City unless otherwise noted.

Note 2. Indirect Cost Rate

The City did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Basis of Presentation

The Schedule includes the Federal award activity of the City under programs of the Federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 4. Timing of Expenditures

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, among other provisions, provide emergency assistance for state and local governments affected by the coronavirus pandemic. Subsequent to June 30, 2020, the Wyoming State Loan and Investment Board authorized \$4.3 million in CARES Act funds for the City based on an application submitted to the State of Wyoming. However, due to the time of authorization of the funds, expenditures incurred prior to June 30, 2020 were not included on the Schedule for the year ended June 30, 2020. As a result, the Schedule for the year ended June 30, 2021 includes expenditures for the CARES Act incurred between March 27, 2020 and June 30, 2020.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cheyenne, Wyoming (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 10, 2021.

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 the 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.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Cheyenne, Wyoming
December 10, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Cheyenne, Wyoming's (the City) compliance with the types of compliance requirements described in the *Office of Management and Budget Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended June 30, 2021. The City's major Federal programs are identified in the summary of independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 10, 2021

CITY OF CHEYENNE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

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

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes No

Identification of major Federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
Cluster	Federal Transit Cluster
Cluster	Highway Planning and Construction Cluster
COVID-19 21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

II. FINANCIAL STATEMENT FINDINGS

None.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CITY OF CHEYENNE, WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

FINDING	STATUS
2020-001: Audit Adjustments (Board of Public Utilities)	
<i>Condition/context:</i> Various audit adjustments were proposed and recorded. The most significant of those adjustments include, but are not limited to, the following:	As a result of the Corrective Action Plan put in place by the Board of Public Utilities (the Board) subsequent to the fiscal year 2020 audit, the Board has completed monthly reconciliations on all funds, which has allowed for appropriate and timely accruals.
<ul style="list-style-type: none">• To properly state property, plant, and equipment, including construction in progress• To properly roll forward equity accounts from the prior year• To properly recognize loan principal reduction• To record revenues received in the form of donated utilities	<i>Auditor's comment:</i> Per work performed in the current year on the Board's audit, the Board implemented its Corrective Action Plan. Finding 2020-001 is considered to be resolved.
