

CITY OF CHEYENNE, WYOMING
FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2023

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS <i>(Required Supplementary Information)</i>	4-14
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	15-16
Statement of Activities	17-18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds	23-24
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26-27
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to Financial Statements	30-76
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Miscellaneous Federal Grants Fund	78
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios	79
Schedule of the City’s Proportionate Share of the Net Pension Liability	80-81
Schedule of the City’s Contributions	82-83
Notes to Required Supplementary Information	84-88
COMBINING AND OTHER INDIVIDUAL FUND AND OTHER SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds Summary	89-90
Combining Balance Sheet - Nonmajor Governmental Funds	91-93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	94-96
Nonmajor Proprietary Funds Summary	97
Combining Statement of Net Position - Nonmajor Proprietary Funds	98

Continued

TABLE OF CONTENTS, *Continued*

COMBINING AND OTHER INDIVIDUAL FUND AND OTHER SUPPLEMENTARY INFORMATION, <i>Continued</i>	
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds	99
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	100
Fiduciary Funds Summary	101
Combining Statement of Fiduciary Net Position	102
Combining Statement of Changes in Fiduciary Net Position	103
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	104-106
Notes to Schedule of Expenditures of Federal Awards	107
<hr/>	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	108-109
<hr/>	
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	110-112
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS	113
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	114
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 14, the budgetary comparison schedules on pages 77 and 78, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on page 79, the Schedule of the City's Proportionate Share of the Net Pension Liability on pages 80 and 81, the Schedule of the City's Contributions on pages 82 and 83, and the Notes to Required Supplementary Information on pages 84 through 88 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Combining Statements of Nonmajor Governmental Funds, the Combining Statements of Nonmajor Proprietary Funds, the Combining Statements of Fiduciary 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. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 22, 2023 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 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

The City of Cheyenne, Wyoming (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, 2023. 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 basic financial statements, which begin on page 15 of this report.

Financial Highlights

The City's total net position (governmental and business-type combined) increased by \$77.28 million (11.02%) from 2022 to 2023. The governmental net position increased by \$56.17 million (17.36%), including the effect of prior-period adjustments, which decreased net position by \$1.89 million. The business-type net position increased by \$21.11 million (5.59%), including the effect of one prior-period adjustment, which decreased net position by \$247,523.

- The General Fund, the City's primary operating fund, reported an increase in fund balance of \$9.2 million on a current financial resource basis. As of June 30, 2023, the unassigned fund balance for the General Fund was \$41.23 million or 259 days of total General Fund expenditures of \$58.19 million. The City Council has a requirement, by resolution, to maintain an unassigned fund balance of 120 days of operating expenditures in the General Fund.

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) the government-wide financial statements, (2) the fund financial statements, and (3) the 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. Therefore, 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.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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.

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 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 Specific-Purpose Option 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 these budgets.

The basic governmental fund financial statements can be found on pages 19 through 22 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 Center. Fleet maintenance is allocated based on other funds' usage on the proprietary fund Statement of Net Position and proprietary fund Statement of Activities.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

The proprietary fund financial statements 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 23 through 27 of this report.

Fiduciary funds: The fiduciary funds are used to account for resources held for the benefit of parties outside the government. The 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 the fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report, with combining statements found on pages 102 and 103.

Notes to the financial statements: The notes to the financial statements 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 30 through 76 of this report.

Other information: Required supplementary information regarding the budgetary comparisons, the total postemployment benefits other than pensions liability, and the net pension liability is included on pages 77 through 88. The combining statements referred to earlier, in connection with nonmajor governmental funds, nonmajor proprietary funds and fiduciary funds, are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 89 through 103 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, just under 80% 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 capital assets is reported net of related debt and accounts or retainage 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, 2023

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	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 167,101	\$ 146,582	\$ 99,237	\$ 85,856	\$ 266,338	\$ 232,438
Noncurrent assets	<u>300,514</u>	<u>281,542</u>	<u>375,421</u>	<u>376,289</u>	<u>675,935</u>	<u>657,831</u>
Total assets	<u>467,615</u>	<u>428,124</u>	<u>474,658</u>	<u>462,145</u>	<u>942,273</u>	<u>890,269</u>
Deferred outflows of resources	<u>21,416</u>	<u>23,301</u>	<u>3,194</u>	<u>1,765</u>	<u>24,610</u>	<u>25,066</u>
Current liabilities	<u>21,265</u>	<u>22,490</u>	<u>12,540</u>	<u>15,985</u>	<u>33,805</u>	<u>38,475</u>
Noncurrent liabilities	<u>68,825</u>	<u>66,552</u>	<u>65,828</u>	<u>63,414</u>	<u>134,653</u>	<u>129,966</u>
Total liabilities	<u>90,090</u>	<u>89,042</u>	<u>78,368</u>	<u>79,399</u>	<u>168,458</u>	<u>168,441</u>
Deferred inflows of resources	<u>19,296</u>	<u>37,016</u>	<u>541</u>	<u>6,433</u>	<u>19,837</u>	<u>43,449</u>
Net position:						
Net investment in capital assets	<u>285,574</u>	<u>273,616</u>	<u>329,754</u>	<u>325,461</u>	<u>615,328</u>	<u>599,077</u>
Restricted	<u>85,890</u>	<u>73,612</u>	<u>500</u>	<u>500</u>	<u>86,390</u>	<u>74,112</u>
Unrestricted	<u>8,182</u>	<u>(21,861)</u>	<u>68,691</u>	<u>52,117</u>	<u>76,873</u>	<u>30,256</u>
Total net position	<u>\$ 379,646</u>	<u>\$ 325,367</u>	<u>\$ 398,945</u>	<u>\$ 378,078</u>	<u>\$ 778,591</u>	<u>\$ 703,445</u>

A portion of the City's net position, 11.10%, represents resources that are subject to external restrictions on how they may be used. Currently in a surplus position, the remaining balance of unrestricted net position, \$76.87 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 \$56.17 million during fiscal year 2023. This was down from a prior-year increase of \$84.67 million. This change also incorporates a prior-period adjustment of \$496,976 due to the correction of an error and a prior-period reclassification adjustment of \$1,393,453 due to the creation of a new fiduciary fund. Further details can be found in Note 1 to the financial statements. Net position in the City's business-type activities increased by \$21.11 million during fiscal year 2023, compared to an increase of \$14.34 million in the prior year. This change also incorporates a prior-period adjustment of \$247,523 due to the correction of an error. Further details can be found in Note 1.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

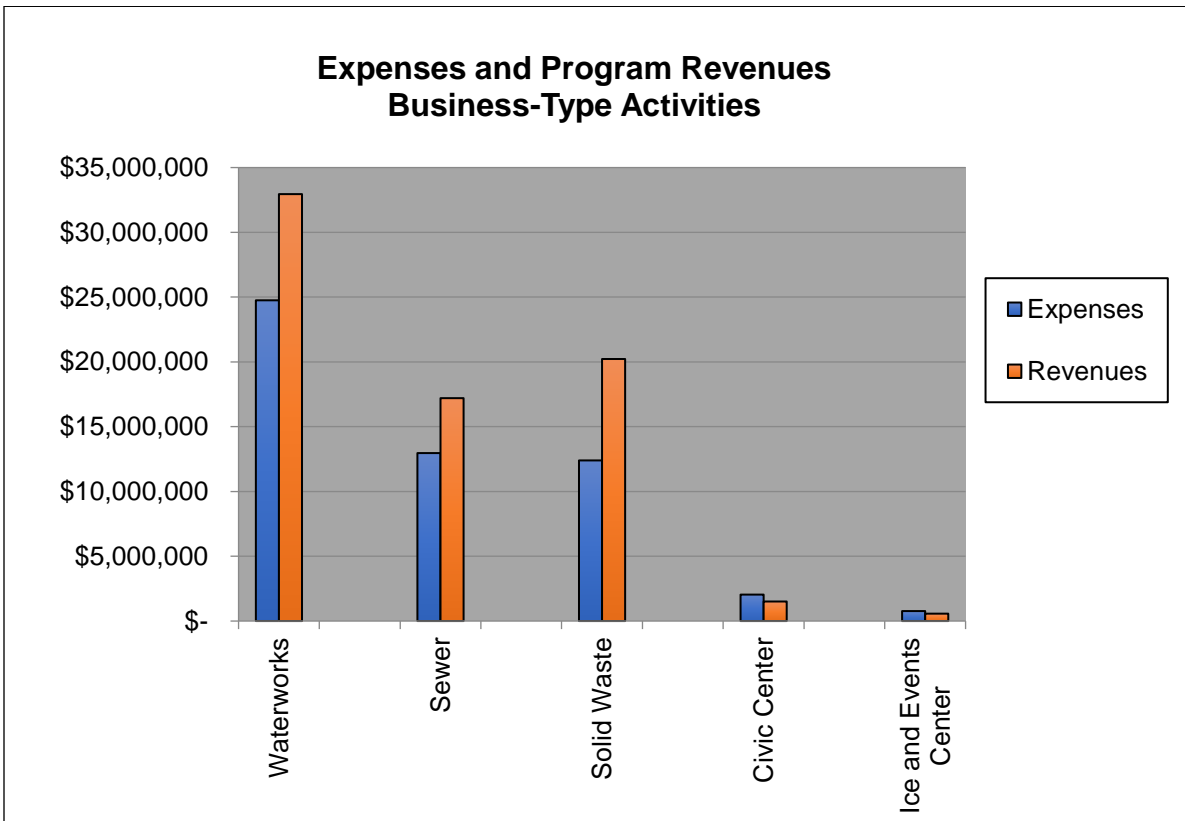
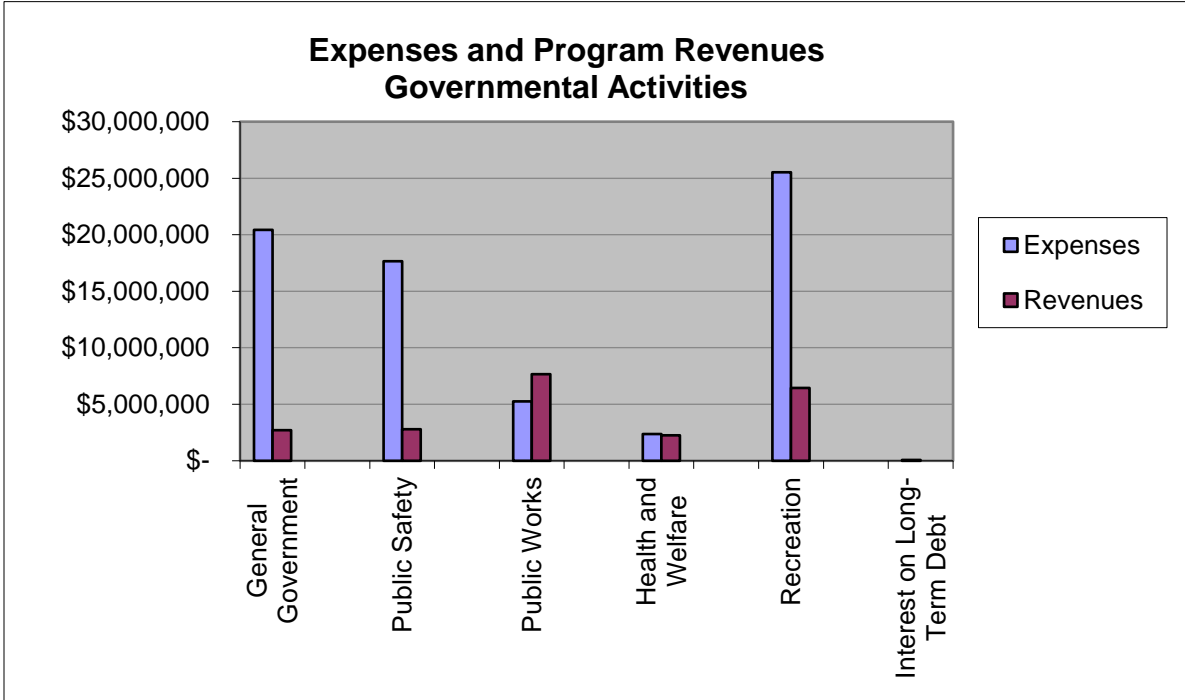
June 30, 2023

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

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 10,301	\$ 11,440	\$ 56,203	\$ 55,175	\$ 66,504	\$ 66,615
Operating grants and contributions	6,884	76,308	7,748	5,065	14,632	81,373
Capital grants and contributions	4,683	4,409	8,506	3,960	13,189	8,369
General revenues:						
Property taxes and other taxes	18,429	16,950	-	-	18,429	16,950
Sales taxes	73,774	52,570	-	-	73,774	52,570
Intergovernmental	7,463	6,652	-	-	7,463	6,652
Other	5,874	(1,045)	1,648	(1,649)	7,522	(2,694)
Total revenues	127,408	167,284	74,105	62,551	201,513	229,835
Expenses:						
Civic Center	-	-	2,041	1,673	2,041	1,673
General government	20,430	19,242	-	-	20,430	19,242
Health and welfare	2,354	2,050	-	-	2,354	2,050
Interest on long-term debt	84	79	-	-	84	79
Public safety	17,662	30,661	-	-	17,662	30,661
Public works	5,251	18,179	-	-	5,251	18,179
Recreation	25,522	12,760	-	-	25,522	12,760
Sewer	-	-	12,964	11,883	12,964	11,883
Solid Waste	-	-	12,397	11,165	12,397	11,165
Waterworks	-	-	24,754	22,355	24,754	22,355
Ice and Events Center	-	-	770	772	770	772
Total expenses	71,303	82,971	52,926	47,848	124,229	130,819
Increase in net position before transfers	56,105	84,313	21,179	14,703	77,284	99,016
Transfers	64	361	(64)	(361)	-	-
Change in net position	56,169	84,674	21,115	14,342	77,284	99,016
Net position, beginning of year	325,367	240,693	378,078	363,736	703,445	604,429
Prior-period restatement	(1,890)	-	(248)	-	(2,138)	-
Net position, beginning of year, as restated	323,477	240,693	377,830	363,736	701,307	604,429
Net position, end of year	\$ 379,646	\$ 325,367	\$ 398,945	\$ 378,078	\$ 778,591	\$ 703,445

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023



CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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, the 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 \$141,324,298. Approximately 28% of this total amount, \$39,382,778, 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 \$41,226,644, while the total fund balance reached \$45,786,975. 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 70.85% of the total General Fund expenditures, while the total fund balance represents 78.69% of that same amount. This compares to 57.60% and 69.65%, 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 \$51,143,988, the Solid Waste Fund was \$17,528,644, and the Civic Center Fund and the Ice and Events Center Fund amounted to (\$216,197). 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 final amended budgeted expenditures were \$2,009,555. The major expenditure increases follow:

- \$43,965 in carryover projects.
- \$119,990 in encumbrances.
- \$29,531 for the new Youth Alternatives Clinical Supervisor to train for three months with the retiring Clinical Supervisor plus the vacation accrual payout.
- \$70,000 to pay for an American Disabilities Act Transition Plan for public rights of way.
- \$314,611 to provide a portion of the Community Recreation and Event Department's budget reversions to the Civic Center.
- \$5,258 to pay for Cheyenne LEADS Commercial Owner's Association dues for the Fire Training Facility.
- \$210,258 to pay for changes to the Fire Collective Labor Agreement.
- \$7,500 to contribute to the statewide municipal government marketing campaign for the passage of Constitutional Amendment A.
- \$26,040 to pay for a contract with the University of Wyoming to evaluate the economic impacts of providing municipal water to housing developments outside of the City limits.
- \$462,042 to provide a 2% to 6% raise to all eligible full-time employees starting on January 1, 2023.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

- \$25,427 to provide a pay increase to the minimum salary of each updated pay grade for eligible employees.
- \$90,400 to increase the public defender fees budget to cover increased costs.
- \$52,128 for salary and benefit expenses for the new City Public Defender and Senior Accountant positions from April 3 to June 30, 2023.
- \$41,432 for salary and benefit expenses for the new Downtown Development Authority (DDA) Administrator and Assistant from April 15 to June 30, 2023.
- \$50,000 to pay Arts Cheyenne for a Memorandum of Understanding approved by the Governing Body on February 27, 2023.
- \$20,745 for City Council health insurance coverage changes.
- \$57,572 for vacation accrual payouts for terminating employees.
- \$75,000 to increase the overtime budget in the Fire Department.
- \$131,323 for higher fleet fuel, labor and parts costs.
- \$36,993 for unbudgeted deductible and non-insured loss expenditures.
- \$93,700 for higher electric and natural gas utility costs.
- \$45,640 for unbudgeted vandalism expenditures.

Of this increase, \$1,968,122 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.

Capital Asset and Debt Administration

Capital assets: The City's investment in capital assets for its governmental and business-type activities amounted to \$673,708,724 (net of accumulated depreciation) as of June 30, 2023. This investment in capital assets included land, buildings, utility plant in service, 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 2.89%.

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 and quality-of-life projects, including the 17th Street Lighting Improvement Project, Kiwanis (East) Park improvements, the Cheyenne Cemetery Irrigation System Replacement Project, the CJL Ballfield Lighting Project, South Lions Park Pickleball Courts, and the Civic Center Lighting Upgrade.
- Construction of three new fire stations.
- Economic development projects, including the Reed Avenue Corridor Project and the Airport Fountain Restoration.
- A variety of drainage and street construction projects, including the Christensen Road Overpass Phase II project, Powderhouse and Carlson Road Project, the Prairie Avenue & Frontier Mall Drive Intersection Project, the Fifth Street bridge over Crow Creek, the Storey and Ridge Signal Project, the 26th Street Capitol Basin storm sewer extension, the HAWK Crosswalk Systems on Pershing/McCann and Western Hills Boulevard, and various traffic signal upgrades.
- Several greenway projects, including the Sun Valley Open Space to East Park Greenway Connector, the Carey Avenue Multi-Use Greenway Project, the US Highway 30 Greenway Project, the South Park Greenway Connector, and the Avenues Greenway Project.
- Re-roofing the Kiwanis Community House.
- Re-roofing the Transfer Station.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

- Landfill electrical improvements and tent building repairs, as well as the Transfer Station lift.
- 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	
	2023	2022	2023	2022	2023	2022
Land and water rights	\$ 17,383	\$ 15,086	\$ 14,028	\$ 14,028	\$ 31,411	\$ 29,114
Construction in progress	23,337	9,761	16,482	24,189	39,819	33,950
Buildings and improvements	147,299	138,723	46,282	38,275	193,581	176,998
Utility plant in service	-	-	609,897	596,612	609,897	596,612
Machinery and equipment	48,631	46,164	27,979	27,376	76,610	73,540
Infrastructure	268,332	264,609	-	-	268,332	264,609
Less accumulated depreciation	(206,443)	(195,520)	(339,497)	(324,533)	(545,940)	(520,053)
Total	\$ 298,539	\$ 278,823	\$ 375,171	\$ 375,947	\$ 673,710	\$ 654,770

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).

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Loans and finance/lease-purchases payable	\$ 6,664,789	\$ 7,756,343	\$ 42,221,649	\$ 46,132,475	\$ 48,886,438	\$ 53,888,818
Revenue bonds	4,295,000	4,895,000	2,358,551	3,270,000	6,653,551	8,165,000
Total	\$ 10,959,789	\$ 12,651,343	\$ 44,580,200	\$ 49,402,475	\$ 55,539,989	\$ 62,053,818

The City's total debt decreased by \$6,513,829 or 10.50% 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 for 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 2023 budget for the General Fund totaled \$60,058,526, compared to an original budget of \$53,893,219 in fiscal year 2022. This represented an 11.44% increase.

Fiscal year 2023 was very positive for the City. Revenues in almost every category exceeded expectations. Sales taxes are the City's largest revenue source, accounting for 38% of all General Fund revenue. In fiscal year 2023, the City saw an increase of \$1,407,608 in sales tax revenue compared to the previous fiscal year. One significant driver of this sales tax increase is persistent inflation. Additionally, robust demand for travel and tourism services, food services, retail goods and automobiles have been factors in this increase. Finally, continued rebounds of the oil and gas industry within Laramie County over the past year have been a significant contributor of higher sales tax collections.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

When preparing the fiscal year 2023 budget, the City utilized economic forecasts obtained from the Consensus Revenue Estimating Group; economic data from the State of Wyoming Economic Analysis Division; and a review of historical revenues and estimates from City departments, as well as national, state and local agencies, to facilitate decisions on projecting sales and use tax collections and other revenues.

Actual revenues received in fiscal year 2023 were much higher than the City's conservative revenue forecasts. The City received a total of \$66,491,066 in revenue, which was \$7,960,409 higher than the final approved budgeted revenues and \$5,171,889 higher than what was received in fiscal year 2022.

The significant revenue increases in fiscal year 2023 compared to the final approved budget is attributed, in part, to the following:

- \$1,407,608 more in state sales taxes.
- \$650,851 more in gas and electric franchise fees.
- \$923,288 increase in property taxes.
- \$538,967 higher historic horse racing revenues.
- \$323,824 more in lottery proceeds.
- \$447,884 more in the state distribution.
- \$575,959 for software financing revenue due to Governmental Accounting Standards Board Statement No. 96.
- \$141,062 for increased planning fees.
- \$115,956 more in the cost allocation charged to other City funds.

The City's total General Fund budget basis expenditures were \$57,902,848, which were \$4,165,233 less than the \$62,068,081 final approved budget. This is due to a combination of factors, but primarily was the result of various budgeted positions that were vacant. In comparison, during fiscal year 2022, the City had \$54,322,691 in budget basis expenditures. Therefore, in fiscal year 2023, the City expended \$3,580,157 more compared to fiscal year 2022.

With the City's continued growth, efforts must be made to regularly analyze the staffing required to meet the needs of its increasing population and the Governing Body's priorities. As a result of this population growth, a continual decrease of staff per capita has occurred. To address this, the Governing Body approved adding 23 full-time equivalent positions to the fiscal year 2023 budget.

The City was committed to increasing employee wages to assist with attracting and retaining quality staff. To accomplish this, in January 2023, the Governing Body approved a 2% to 6% wage increase for all full-time employees, except firefighters covered under a collective-bargaining agreement. Senior leadership positions received a 2% increase, mid-level employees received a 4% increase and entry-level positions in the first two pay ranges received a 6% increase. Similar increases were provided to firefighters in March 2023 through changes to the collective-bargaining agreement.

Other payroll increases in fiscal year 2023 included amendments being made to the fiscal year 2023 collective-bargaining agreement between the City and the Cheyenne International Association of Fire Fighters Local 279 to move away from Kelly days.

The City contracted with the Employer's Council to conduct a compensation market analysis in fiscal year 2023. As a result, 40 employees fell below the minimum of their pay range. The City's compensation philosophy focuses on ensuring that all employees are paid no lower than the minimum of the position's pay grade. To address this, a resolution was approved by the Governing Body in February 2023 to increase the 40 employees' wages to the new minimum pay range.

CITY OF CHEYENNE, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

The final payroll-related increase was the Wyoming Retirement System's required contribution rate for participants in Paid Firemen's Pension Plan B increasing 1% for the employer's share and 0.5% for each employee's share in fiscal year 2023.

Nonpayroll City expenditures, including supplies, insurance, fuel, parts and utilities, also continued to rise in fiscal year 2023. The surge in crude oil prices impacted the City's fiscal year 2023 budget. To address higher fuel costs, the City budgeted a 75% increase for fuel from what was budgeted in fiscal year 2022. Additionally, because of supply chain issues and inflationary pressures, the parts expense budget was increased 30%. Natural gas and electricity costs also increased in fiscal year 2023. Budget amendments were required for both fuel and parts as the budgeted amounts were not adequate.

The City, using estimates from Black Hills Energy, projected a 3% increase in natural gas and electricity costs. Actual fiscal year 2023 natural gas and electricity costs were even higher than projected, and a budget amendment was required to cover the shortfall. Finally, the City's liability insurance increased 6.8% and property insurance increased 7.3% compared to fiscal year 2022.

The original adopted General Fund fiscal year 2023 budget included \$747,566 to be used from the fund balance to pay for various expenditures, including \$175,000 for the City Council's goal of annexing county pockets. Additionally, the City received one-time building permit fees of approximately \$1.43 million from the new Microsoft datacenter in fiscal year 2021. Mayor Collins assigned a portion of these funds to pay for three new compliance employees at that time, including two inspectors and one plans reviewer, for fiscal years 2022 and 2023. Therefore, \$295,428 was budgeted to be used from the assigned fund balance in fiscal year 2023 for these employees. An additional \$34,000 was budgeted from the fund balance to conduct a market compensation study to assist the City with making informed decisions on employee compensation. Finally, in 2021, Mayor Collins assigned \$2 million of the fund balance to make Paid Firemen's Pension Plan A's annual payments of \$243,238 for eight years.

Requests for Information

The financial report is designed to provide a general overview of the City'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 Avenue, Room 309, Cheyenne, Wyoming 82001.

BASIC FINANCIAL STATEMENTS

CITY OF CHEYENNE, WYOMING

**STATEMENT OF NET POSITION
June 30, 2023**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 9,463,522	\$ 6,811,534	\$ 16,275,056
Investments, at fair value	46,236,455	82,479,193	128,715,648
Restricted assets:			
Cash and cash equivalents	6,405,515	522,067	6,927,582
Investments, at fair value	75,413,698	-	75,413,698
Due from other governments	606	255,260	255,866
Receivables:			
Accrued interest	195,294	78,478	273,772
Accounts, customers, net	945,501	1,763,327	2,708,828
Estimated unbilled usage	-	2,400,711	2,400,711
Sanitation receivable and unbilled usage	-	2,920,271	2,920,271
Property tax receivable	8,639,441	-	8,639,441
Internal balances	197,574	(197,574)	-
Intergovernmental receivable	14,301,698	-	14,301,698
Prepaid expenses	4,476,553	605,111	5,081,664
Inventories	80,425	1,508,471	1,588,896
Current portion of lease receivable	98,052	90,994	189,046
Current portion of finance/lease-sale receivable	646,261	-	646,261
Total current assets	167,100,595	99,237,843	266,338,438
Noncurrent Assets			
Capital assets not being depreciated:			
Land	17,383,170	12,230,233	29,613,403
Construction in progress	23,336,658	16,482,179	39,818,837
Water rights	-	1,797,968	1,797,968
Capital assets being depreciated:			
Utility plant in service	-	609,897,001	609,897,001
Machinery and equipment	18,523,072	9,672,462	28,195,534
Transportation equipment	25,205,771	16,604,111	41,809,882
Buildings and improvements	147,298,621	46,281,599	193,580,220
Office furniture and equipment	4,902,089	1,701,965	6,604,054
Infrastructure	268,332,161	-	268,332,161
Accumulated depreciation	(206,442,986)	(339,497,350)	(545,940,336)
Lease receivable, less current portion	1,049,804	250,703	1,300,507
Finance/lease-sale receivable, less current portion	925,818	-	925,818
Total noncurrent assets	300,514,178	375,420,871	675,935,049
Total assets	467,614,773	474,658,714	942,273,487
DEFERRED OUTFLOWS OF RESOURCES	21,416,275	3,194,361	24,610,636

Continued

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET POSITION, *Continued*
 June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 9,223,666	\$ 2,185,074	\$ 11,408,740
Accrued interest	12,205	352,925	365,130
Accrued salaries, including compensated absences and early retirement	3,952,857	1,011,936	4,964,793
Unearned fees and deposits	-	3,478,311	3,478,311
Unearned revenue	6,481,815	19,389	6,501,204
Current portion of finance/lease-purchases payable	98,333	-	98,333
Current portion of bonds and loans payable	1,495,650	5,491,866	6,987,516
Total current liabilities	21,264,526	12,539,501	33,804,027
Noncurrent Liabilities			
Landfill closure and post-closure costs	-	9,341,768	9,341,768
Net pension liability	52,826,623	16,348,332	69,174,955
Total postemployment benefits other than pensions (OPEB) liability	5,544,022	-	5,544,022
Accrued compensated absences	1,088,497	1,049,431	2,137,928
Bonds and loans payable, less current portion	9,365,836	39,088,334	48,454,170
Total noncurrent liabilities	68,824,978	65,827,865	134,652,843
Total liabilities	90,089,504	78,367,366	168,456,870
DEFERRED INFLOWS OF RESOURCES	19,295,760	540,543	19,836,303
NET POSITION			
Net Investment in Capital Assets	285,574,378	329,753,835	615,328,213
Restricted for:			
Debt service and capital improvements	548,804	500,000	1,048,804
Legal restrictions	2,683,261	-	2,683,261
Voter-approved tax projects	82,657,309	-	82,657,309
Unrestricted	8,182,032	68,691,331	76,873,363
Total net position	\$ 379,645,784	\$ 398,945,166	\$ 778,590,950

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 20,430,038	\$ 1,629,695	\$ 70,437	\$ 1,006,697
Public safety	17,662,194	703,188	1,334,830	752,603
Public works	5,250,903	3,604,174	3,018,041	1,041,182
Health and welfare	2,353,766	2,475	2,241,230	10,689
Recreation	25,521,853	4,361,102	219,512	1,871,866
Interest on long-term debt	84,159	-	-	-
Total governmental activities	71,302,913	10,300,634	6,884,050	4,683,037
Business-type activities:				
Waterworks	24,754,111	20,709,857	6,831,517	5,409,065
Sewer	12,964,081	13,213,688	916,935	3,072,295
Solid Waste	12,396,658	20,212,040	-	12,658
Civic Center	2,041,268	1,496,586	-	12,132
Ice and Events Center	769,828	570,544	-	-
Total business-type activities	52,925,946	56,202,715	7,748,452	8,506,150
Total primary government	\$ 124,228,859	\$ 66,503,349	\$ 14,632,502	\$ 13,189,187

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) gain on sale of capital assets	
Miscellaneous revenue	
Transfers	
Total general revenues and transfers	
Change in net position	

Net Position, beginning of year
 Prior-period restatement (Note 1)
 Net Position, beginning of year, as restated

Net Position, end of year

See Notes to Financial Statements.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (17,723,209)	\$ -	\$ (17,723,209)
(14,871,573)	-	(14,871,573)
2,412,494	-	2,412,494
(99,372)	-	(99,372)
(19,069,373)	-	(19,069,373)
(84,159)	-	(84,159)
<u>(49,435,192)</u>	<u>-</u>	<u>(49,435,192)</u>
-	8,196,328	8,196,328
-	4,238,837	4,238,837
-	7,828,040	7,828,040
-	(532,550)	(532,550)
-	(199,284)	(199,284)
<u>-</u>	<u>19,531,371</u>	<u>19,531,371</u>
<u>(49,435,192)</u>	<u>19,531,371</u>	<u>(29,903,821)</u>
10,636,339	-	10,636,339
73,774,060	-	73,774,060
6,153,968	-	6,153,968
1,639,008	-	1,639,008
7,462,911	-	7,462,911
2,380,482	1,543,065	3,923,547
156,815	81,148	237,963
(190,306)	23,724	(166,582)
3,526,932	-	3,526,932
64,619	(64,619)	-
<u>105,604,828</u>	<u>1,583,318</u>	<u>107,188,146</u>
<u>56,169,636</u>	<u>21,114,689</u>	<u>77,284,325</u>
325,366,577	378,078,000	703,444,577
(1,890,429)	(247,523)	(2,137,952)
<u>323,476,148</u>	<u>377,830,477</u>	<u>701,306,625</u>
<u>\$ 379,645,784</u>	<u>\$ 398,945,166</u>	<u>\$ 778,590,950</u>

CITY OF CHEYENNE, WYOMING

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023**

	General Fund	Miscellaneous Federal Grants Fund	One-Percent Sales Tax Fund	Specific- Purpose Option Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,307,956	\$ 4,024,565	\$ -	\$ -	\$ 3,020,487	\$ 9,353,008
Investments, at fair value	38,708,660	1,781	-	-	7,487,727	46,198,168
Cash and Cash Equivalents, restricted	28,644	-	4,187,763	1,688,267	500,841	6,405,515
Investments, at fair value, restricted	520,160	-	59,208,037	15,271,590	413,911	75,413,698
Receivables						
Accrued interest	42,691	-	127,232	20,469	4,902	195,294
Property tax	8,639,441	-	-	-	-	8,639,441
Customers	797,989	-	-	-	147,512	945,501
Lease receivable	1,147,856	-	-	-	-	1,147,856
Due From Other Funds	609,574	-	1,875,980	-	-	2,485,554
Due From Other Governments	6,461,102	95,216	3,927,239	2,910,270	907,871	14,301,698
Prepaid Expenditures	386,154	1,079,573	9,318	2,976,731	19,178	4,470,954
Total assets	\$ 59,650,227	\$ 5,201,135	\$ 69,335,569	\$ 22,867,327	\$ 12,502,429	\$ 169,556,687
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 2,836,816	\$ 229,107	\$ 1,746,600	\$ 3,741,292	\$ 579,197	\$ 9,133,012
Retainage payable	-	-	-	-	27,614	27,614
Accrued interest	8,965	-	3,240	-	-	12,205
Accrued salaries, including vacation and sick leave	229,194	-	1,714	1,933	64,527	297,368
Due to other funds	-	-	-	1,875,980	412,000	2,287,980
Unearned revenue	884,715	5,053,424	-	-	632,509	6,570,648
Total liabilities	3,959,690	5,282,531	1,751,554	5,619,205	1,715,847	18,328,827
Deferred Inflows of Resources						
Lease revenue	1,126,888	-	-	-	-	1,126,888
Unavailable revenues	170,000	-	-	-	-	170,000
Unavailable property tax revenue	8,606,674	-	-	-	-	8,606,674
Total deferred inflows of resources	9,903,562	-	-	-	-	9,903,562
Fund Balances						
Nonspendable	390,573	1,079,573	9,318	2,976,731	19,178	4,475,373
Restricted	548,804	325,425	67,574,697	14,271,391	3,169,057	85,889,374
Committed	244,936	-	-	-	7,937,294	8,182,230
Assigned	3,376,018	-	-	-	18,525	3,394,543
Unassigned	41,226,644	(1,486,394)	-	-	(357,472)	39,382,778
Total fund balances	45,786,975	(81,396)	67,584,015	17,248,122	10,786,582	141,324,298
Total liabilities, deferred inflows of resources, and fund balances	\$ 59,650,227	\$ 5,201,135	\$ 69,335,569	\$ 22,867,327	\$ 12,502,429	\$ 169,556,687

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

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

June 30, 2023

Total fund balances - governmental funds	\$ 141,324,298
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.	298,538,556
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	430,679
Assets related to the finance/lease-sale receivable are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,572,079
Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(4,709,539)
Pension and OPEB plan accounts, such as deferred inflows/outflows of resources, the net pension liability, and the total OPEB liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(52,826,623)
Total OPEB liability	(5,544,022)
Deferred outflows of resources	21,416,275
Deferred inflows of resources	(9,291,023)
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	(1,946,878)
Bonds payable	(4,295,000)
Finance/lease-purchases payable	(98,333)
Paid Firemen's Pension Plan A loan	(4,619,608)
Deferred inflows of resources related to the public-public partnership are not reported in the funds.	(443,021)
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 37% to governmental activities based on usage in the Statement of Net Position.	137,944
	<hr/>
Net position of governmental activities	\$ 379,645,784
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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, 2023

	General Fund	Miscellaneous Federal Grants Fund	One-Percent Sales Tax Fund	Specific- Purpose Option Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes and special assessments	\$ 15,922,874	\$ -	\$ -	\$ -	\$ -	\$ 15,922,874
Licenses and permits	3,760,458	-	-	-	-	3,760,458
Intergovernmental	41,016,285	3,806,888	21,632,526	21,730,568	6,295,389	94,481,656
Charges for services	2,093,891	-	-	-	3,664,210	5,758,101
Fines and forfeitures	751,909	-	-	-	-	751,909
Investment income	714,234	4,955	1,024,675	454,345	182,273	2,380,482
Miscellaneous	2,896,063	116,091	-	-	1,202,566	4,214,720
Total revenues	67,155,714	3,927,934	22,657,201	22,184,913	11,344,438	127,270,200
Expenditures						
Current:						
General government	15,529,377	3,306,920	2,511	43,437	102,095	18,984,340
Public safety	28,031,106	106,657	170,151	-	1,099,484	29,407,398
Public works	4,404,043	-	1,954,016	3,021,716	3,286,499	12,666,274
Health and welfare	-	-	679,262	-	1,664,690	2,343,952
Recreation	8,516,439	-	266,625	11,258,461	2,561,057	22,602,582
Capital outlay	823,947	350,429	7,382,756	8,730,140	495,871	17,783,143
Debt service:						
Principal retirements	843,137	-	212,295	-	636,152	1,691,584
Interest payments	37,765	-	9,706	23,773	12,915	84,159
Total expenditures	58,185,814	3,764,006	10,677,322	23,077,527	9,858,763	105,563,432
Excess (deficiency) of revenues over expenditures	8,969,900	163,928	11,979,879	(892,614)	1,485,675	21,706,768
Other Financing Sources (Uses)						
Transfers in	770,612	-	-	-	241,544	1,012,156
Transfers out	(704,558)	(189,506)	(51,597)	-	(1,877)	(947,538)
Insurance proceeds	156,815	-	-	-	-	156,815
Proceeds from sales of assets	11,061	-	-	-	22,683	33,744
Total other financing sources (uses)	233,930	(189,506)	(51,597)	-	262,350	255,177
Net change in fund balances	9,203,830	(25,578)	11,928,282	(892,614)	1,748,025	21,961,945
Fund Balances						
Beginning of year, as previously stated	38,010,615	(55,818)	55,997,659	18,258,231	9,042,095	121,252,782
Prior-period restatement (Note 1)	(1,427,470)	-	(341,926)	(117,495)	(3,538)	(1,890,429)
Beginning of year, as restated	36,583,145	(55,818)	55,655,733	18,140,736	9,038,557	119,362,353
End of year	\$ 45,786,975	\$ (81,396)	\$ 67,584,015	\$ 17,248,122	\$ 10,786,582	\$ 141,324,298

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, 2023**

Net change in fund balances - total governmental funds	\$ 21,961,945
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	793,185
Capital outlay	32,059,182
Depreciation expense	(12,971,054)
Disposal of assets	(165,818)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(26,732)
Expenses for accrued compensated 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.	(15,256)
The change in the net pension and total 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.	13,368,343
The issuance of long-term debt (e.g., bonds, finance purchases, loans) provides current financial resources to governmental funds, while the repayment of debt consumes the current financial resources of governmental funds. However, neither transaction 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.	1,691,584
Receipts related to the finance/lease-sale receivable provide current financial resources to governmental funds. However, these receipts do not have an effect on net position.	(639,863)
Revenue related to the public-public partnership does not provide current financial resources and, therefore, is not included in the governmental funds.	44,635
The Internal Service Fund is accounted for as a proprietary fund and, therefore, is not included in the governmental funds.	69,485
	<hr/>
Change in net position of governmental activities	\$ 56,169,636
	<hr/>

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2023**

	Business-Type Activities					
	Enterprise Funds					Internal Service Fund
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds	Totals	
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 4,795,850	\$ 592,258	\$ 1,223,078	\$ 12,176	\$ 6,623,362	\$ 298,686
Investments, at fair value	40,442,217	15,469,842	26,501,943	-	82,414,002	103,478
Restricted assets:						
Cash and cash equivalents	522,067	-	-	-	522,067	-
Due from other governments	254,227	-	-	-	254,227	1,639
City sanitation account	2,920,271	-	-	-	2,920,271	-
Receivables:						
Accrued interest	-	-	78,478	-	78,478	-
Accounts, customers, net	832,135	827,834	99,128	4,230	1,763,327	-
Estimated unbilled usage	1,497,663	903,048	-	-	2,400,711	-
Current portion of lease receivable	54,498	-	55,070	-	109,568	-
Due from other funds	-	-	3,336,764	-	3,336,764	-
Inventories	1,319,194	52,336	-	-	1,371,530	217,366
Prepaid expenses	408,268	136,889	34,859	15,561	595,577	15,133
Total current assets	53,046,390	17,982,207	31,329,320	31,967	102,389,884	636,302
Noncurrent Assets						
Capital assets:						
Land	4,629,495	545,002	6,512,000	346,861	12,033,358	312,500
Utility plant in service	440,589,940	167,829,705	1,477,356	-	609,897,001	-
Water rights	1,797,968	-	-	-	1,797,968	-
Machinery and equipment	560,201	154,173	7,330,431	1,303,366	9,348,171	514,748
Transportation equipment	2,597,495	846,769	12,834,350	32,871	16,311,485	464,486
Buildings and improvements	6,482,770	2,177,146	29,720,497	7,077,535	45,457,948	1,307,383
Office furniture and equipment	1,012,345	352,640	21,519	311,738	1,698,242	5,909
Construction in progress	9,911,520	6,519,254	51,405	-	16,482,179	-
Accumulated depreciation	(231,339,784)	(84,024,067)	(16,996,560)	(6,051,234)	(338,411,645)	(1,723,341)
Total capital assets	236,241,950	94,400,622	40,950,998	3,021,137	374,614,707	881,685
Lease receivable, less current portion	232,129	-	-	-	232,129	-
Total noncurrent assets	236,474,079	94,400,622	40,950,998	3,021,137	374,846,836	881,685
Total assets	289,520,469	112,382,829	72,280,318	3,053,104	477,236,720	1,517,987
DEFERRED OUTFLOWS OF RESOURCES	1,811,958	563,223	819,180	-	3,194,361	-

Continued

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET POSITION - PROPRIETARY FUNDS, *Continued*
 June 30, 2023

	Business-Type Activities					
	Enterprise Funds					Internal Service Fund
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds	Totals	
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 962,722	\$ 561,361	\$ 495,370	\$ 58,281	\$ 2,077,734	\$ 170,379
Accrued interest	147,234	205,691	-	-	352,925	-
Unearned revenue	-	-	-	19,389	19,389	-
Due to other funds	3,442,338	-	-	92,000	3,534,338	-
Unearned fees and deposits	2,860,449	617,862	-	-	3,478,311	-
Accrued salaries, including vacation and sick leave	342,361	231,267	328,976	52,033	954,637	90,951
Current portion of finance/lease-purchases payable	-	-	-	-	-	-
Current portion of general obligation and loan debt	2,374,582	3,117,284	-	-	5,491,866	-
Total current liabilities	10,129,686	4,733,465	824,346	221,703	15,909,200	261,330
Noncurrent Liabilities						
Accrued compensated absences	584,002	391,695	45,937	26,461	1,048,095	2,121
Landfill closure and post-closure costs	-	-	9,341,768	-	9,341,768	-
Net pension liability	9,058,301	3,019,434	4,270,597	-	16,348,332	-
General obligation and loan debt, unamortized bond premium, net of current portion	21,227,012	17,861,322	-	-	39,088,334	-
Total noncurrent liabilities	30,869,315	21,272,451	13,658,302	26,461	65,826,529	2,121
Total liabilities	40,999,001	26,005,916	14,482,648	248,164	81,735,729	263,451
DEFERRED INFLOWS OF RESOURCES						
Lease Revenue	281,200	-	53,837	-	335,037	-
Pension Contributions	87,333	29,111	89,062	-	205,506	-
Total deferred inflows of resources	368,533	29,111	142,899	-	540,543	-
NET POSITION						
Net Investment in Capital Assets	212,241,480	72,990,450	40,945,307	3,021,137	329,198,374	881,685
Restricted for Debt Service and Capital Improvements	500,000	-	-	-	500,000	-
Unrestricted	37,223,413	13,920,575	17,528,644	(216,197)	68,456,435	372,851
Total net position	\$ 249,964,893	\$ 86,911,025	\$ 58,473,951	\$ 2,804,940	398,154,809	\$ 1,254,536
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					790,357	
Net position of business-type activities					\$ 398,945,166	

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS

Year Ended June 30, 2023

	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	\$ 20,421,118	\$ 12,710,185	\$ 19,965,244	\$ 1,954,522	\$ 55,051,069	\$ 4,869,587
Fees and miscellaneous	288,739	503,503	246,796	112,608	1,151,646	190
Total operating revenues	<u>20,709,857</u>	<u>13,213,688</u>	<u>20,212,040</u>	<u>2,067,130</u>	<u>56,202,715</u>	<u>4,869,777</u>
Operating Expenses						
Waterworks	14,799,860	-	-	-	14,799,860	-
Sewer	-	8,148,039	-	-	8,148,039	-
Sanitation collection	-	-	7,187,390	-	7,187,390	-
Recycling/compost	-	-	839,986	-	839,986	-
Landfill	-	-	1,792,331	-	1,792,331	-
Belvoir Ranch	-	-	191,081	-	191,081	-
Fleet maintenance	-	-	-	-	-	4,669,839
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	2,581,072	2,581,072	-
Depreciation	9,465,896	4,235,600	2,523,245	230,024	16,454,825	59,579
Total operating expenses	<u>24,265,756</u>	<u>12,383,699</u>	<u>12,534,033</u>	<u>2,811,096</u>	<u>51,994,584</u>	<u>4,729,418</u>
Operating (loss) income	<u>(3,555,899)</u>	<u>829,989</u>	<u>7,678,007</u>	<u>(743,966)</u>	<u>4,208,131</u>	<u>140,359</u>
Nonoperating Income (Expenses)						
Gain on sale of assets	8,377	1,739	13,608	-	23,724	727
Insurance proceeds	-	-	81,148	-	81,148	-
System development fees	6,831,517	916,935	-	-	7,748,452	-
Investment income (loss):						
Interest income	1,169,908	421,284	251,441	13	1,842,646	3,804
Net (decrease) in fair value of investments	(168,711)	(65,610)	(65,260)	-	(299,581)	-
Interest expense	(488,354)	(580,382)	(7,453)	-	(1,076,189)	-
Total nonoperating income	<u>7,352,737</u>	<u>693,966</u>	<u>273,484</u>	<u>13</u>	<u>8,320,200</u>	<u>4,531</u>
Income (loss) before contributions and transfers	<u>3,796,838</u>	<u>1,523,955</u>	<u>7,951,491</u>	<u>(743,953)</u>	<u>12,528,331</u>	<u>144,890</u>
Capital Grants	184,670	-	-	-	184,670	-
Donated Utilities and Other Assets	5,224,395	3,072,295	12,658	12,132	8,321,480	84,995
Transfers In	-	-	-	704,117	704,117	-
Transfers Out	-	-	(768,736)	-	(768,736)	-
Change in net position	<u>9,205,903</u>	<u>4,596,250</u>	<u>7,195,413</u>	<u>(27,704)</u>	<u>20,969,862</u>	<u>229,885</u>
Net Position						
Beginning of year, as previously stated	240,758,990	82,314,775	51,526,061	2,832,644		1,024,651
Prior-period restatement (Note 1)	-	-	(247,523)	-		-
Beginning of year, as restated	<u>240,758,990</u>	<u>82,314,775</u>	<u>51,278,538</u>	<u>2,832,644</u>		<u>1,024,651</u>
End of year	<u>\$ 249,964,893</u>	<u>\$ 86,911,025</u>	<u>\$ 58,473,951</u>	<u>\$ 2,804,940</u>		<u>\$ 1,254,536</u>
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					144,827	
Change in net position of business-type activities					<u>\$ 21,114,689</u>	

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-Type Activities					
	Enterprise Funds					Internal Service Fund
	Waterworks Fund	Sewer Fund	Solid Waste Fund	Other Proprietary Funds	Totals	
Cash Flows From Operating Activities						
Cash received from customers	\$ 21,828,034	\$ 13,094,095	\$ 20,236,513	\$ 2,071,411	\$ 57,230,053	\$ 4,870,827
Cash payments to suppliers	(6,694,753)	(3,056,142)	(4,921,531)	(1,751,908)	(16,424,334)	(3,612,888)
Cash payments to employees	(8,928,508)	(5,050,069)	(5,577,463)	(841,406)	(20,397,446)	(1,114,020)
Change in City sanitation account	(246,892)	-	-	-	(246,892)	-
Net cash provided by (used in) operating activities	5,957,881	4,987,884	9,737,519	(521,903)	20,161,381	143,919
Cash Flows From Noncapital Financing Activities						
Proceeds from amounts due to other funds	-	-	-	92,000	92,000	-
(Payments on) proceeds from amounts due from other funds	-	-	(412,418)	-	(412,418)	23,267
Advances to other funds	-	-	-	-	-	-
Transfers to other funds	-	-	(768,736)	-	(768,736)	-
Transfers from other funds	-	-	-	704,117	704,117	-
Net cash (used in) provided by noncapital financing activities	-	-	(1,181,154)	796,117	(385,037)	23,267
Cash Flows From Capital and Related Financing Activities						
System development fees	3,841,400	945,711	-	-	4,787,111	-
Proceeds from issuance of debt	699,175	-	-	-	699,175	-
Acquisition and construction of capital assets	(5,444,634)	(323,361)	(1,399,528)	(459,821)	(7,627,344)	-
Principal paid on revenue bonds and loan debt maturities	(2,341,501)	(3,041,049)	(315,803)	-	(5,698,353)	-
Capital grants	184,670	-	-	-	184,670	-
Proceeds from sale of capital assets	8,377	1,739	-	-	10,116	727
Interest paid on debt	(458,017)	(596,741)	(7,453)	-	(1,062,211)	-
Net cash (used in) provided by capital and related financing activities	(3,510,530)	(3,013,701)	(1,722,784)	(459,821)	(8,706,836)	727
Cash Flows From Investing Activities						
Interest on cash accounts and investments	1,022,045	363,988	194,840	13	1,580,886	3,804
Redemption of investments	-	(1,863,988)	-	-	(1,863,988)	-
Purchase of investments	(3,522,045)	-	(7,074,461)	-	(10,596,506)	(3,579)
Insurance proceeds received	-	-	81,148	-	81,148	-
Net cash (used in) provided by investing activities	(2,500,000)	(1,500,000)	(6,798,473)	13	(10,798,460)	225
Net (decrease) increase in cash and cash equivalents	(52,649)	474,183	35,108	(185,594)	271,048	168,138
Cash and Cash Equivalents, beginning of year	5,370,566	118,075	1,187,970	197,770	6,874,381	130,548
Cash and Cash Equivalents, end of year	\$ 5,317,917	\$ 592,258	\$ 1,223,078	\$ 12,176	\$ 7,145,429	\$ 298,686

Continued

CITY OF CHEYENNE, WYOMING

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS, *Continued*
 Year Ended June 30, 2023

	Business-Type Activities					
	Enterprise Funds				Totals	Internal Service Fund
	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	\$ (3,555,899)	\$ 829,989	\$ 7,678,007	\$ (743,966)	\$ 4,208,131	\$ 140,359
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:						
Depreciation	9,465,896	4,235,660	2,523,245	230,024	16,454,825	59,579
Pension liability	4,224,384	1,408,128	2,033,993	-	7,666,505	-
Deferred outflows - pension	(793,309)	(264,436)	(418,663)	-	(1,476,408)	-
Deferred inflows - pension	(3,196,655)	(1,065,552)	(1,532,283)	-	(5,794,490)	-
Deferred inflows - leases	(61,353)	-	(35,892)	-	(97,245)	-
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities:						
Receivables	1,179,533	(119,593)	60,365	(4,218)	1,116,087	1,050
Inventories	(849,166)	(13,589)	-	-	(862,755)	37,158
Prepaid expenses	(305,228)	(102,542)	158,147	(12,054)	(261,677)	22,500
Accounts payable	73,297	51,690	(41,193)	(21,385)	62,409	(98,203)
Due to other funds	(29,846)	(7,283)	-	-	(37,129)	-
Landfill closure and post-closure costs	-	-	(704,506)	-	(704,506)	-
City sanitation account	(246,892)	-	-	-	(246,892)	-
Accrued salaries, including vacation and sick leave	53,119	35,412	16,299	21,197	126,027	(18,524)
Unearned revenue	-	-	-	8,499	8,499	-
Net cash provided by (used in) operating activities	\$ 5,957,881	\$ 4,987,884	\$ 9,737,519	\$ (521,903)	\$ 20,161,381	\$ 143,919
Noncash Investing, Capital and Noncapital Financing Activities						
Amortization of deferred refunding loss and debt premiums	\$ (46,892)	\$ -	\$ -	\$ -	\$ (46,892)	\$ -
Donated asset acquisitions	5,224,395	3,072,295	12,658	12,132	8,321,480	84,995
Change in fair value of investments	(168,711)	(65,610)	-	-	(234,321)	-
Purchase of capital assets in accounts payable	521,166	431,566	5,691	-	958,423	-
Trade-in value received on disposal of capital assets	-	-	155,784	-	155,784	-

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

ASSETS

Cash and Cash Equivalents	\$ 146,554
Investments, at fair value	2,928,757
Due From Other Governments	12,657
Receivables	
Accounts, customers	156,889
Stop loss	134,243
Total assets	<u>3,379,100</u>

LIABILITIES

Accounts Payable	51,153
Accrued Liabilities	750,000
Due to Others	7,673
Total liabilities	<u>808,826</u>

NET POSITION

Restricted for Organizations	39,195
Restricted for Health Benefits	2,531,079
Total net position	<u>\$ 2,570,274</u>

See Notes to Financial Statements.

CITY OF CHEYENNE, WYOMING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

Additions	
Contributions	\$ 10,852,975
Miscellaneous	11,330
Property taxes	12,657
Earnings on investments	73,132
Total additions	<u>10,950,094</u>
Deductions	
Distributions to organizations	27,175
Benefits to plan members	9,715,495
Professional services	72,961
Total deductions	<u>9,815,631</u>
Change in net position	<u>1,134,463</u>
Net Position, beginning of year	42,358
Prior-period reclassification (Note 1)	1,393,453
Net Position, beginning of year, as restated	<u>1,435,811</u>
Net Position, end of year	<u>\$ 2,570,274</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 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 stand-alone audited financial statements for the Waterworks and Sewer Funds. Additional inquiries regarding the Board or its stand-alone audited financial statements may be directed to the Board of Public Utilities, Administration Manager, 2416 Snyder Avenue, Cheyenne, Wyoming 82001.

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 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.

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 in program revenues are instead reported as general revenues.

Separate fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental funds, major individual enterprise funds, and Internal Service Funds 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 provide the user with more managerial analysis regarding the financial results and the City's financial outlook.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

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 they are earned, while expenses are recognized in the period 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 are generally 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.
- *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.
- *Specific-Purpose Option Tax Fund:* The Specific-Purpose Option Tax Fund accounts for the City's share of revenue received and expenditures made with the specific-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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

- *Sewer Fund:* The Sewer Fund accounts for the 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 Fleet Maintenance Center Fund, its activity is allocated 37% to governmental activities and 63% to business-type activities in the Statement of Net Position and the Statement of Activities.
- *Fiduciary funds:*
 - *Other Employee Benefit Trust Fund (Self-Insurance Fund)* accounts for assets held by the City, as trustee, for the Cheyenne Healthcare Plan. The Self-Insurance Fund is accounted for using the accrual basis of accounting.
 - *Custodial Funds (Custodial Fund)* account for the assets the City holds on behalf of others as an agent. 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. The 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 Fleet Maintenance Center 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 Fleet Maintenance Center 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 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. 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

Investments, which consist of negotiable certificates of deposit, money market certificates, mortgage-backed securities, government securities and the Wyoming State Treasurer's Investment Pools (WYO-STAR I and WYO-STAR II) (collectively, WYO-STAR) are reported at fair value at June 30, 2023. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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, 2023, the City had recurring fair value measurements of mortgage-backed securities and government securities in the amount of \$50,185,732, 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 \$7,572,718, which are valued using a matrix pricing model and the market approach (Level 2 inputs). The City also has investments in the Wyoming Government Investment Fund (WGIF) and the Wyoming Cooperative Liquid Assets Securities System (Wyoming CLASS). These investments are reported at net asset value, which approximates fair value.

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, 2023 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 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 \$500,222 at June 30, 2023.

Property is annually valued and assessed on January 1. Taxes are levied on or about August 1 and 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.

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, 2023 was eight mills, which means that 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

Inventories: Inventories are stated at the lower of cost, determined by the weighted-average method, or net realizable value. 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 and 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.

Capital assets: Capital assets of governmental funds and the Solid Waste, Civic Center, Ice and Events Center, and Fleet Maintenance Center 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 \$7,500 and an estimated useful life in excess of five 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 on the date of donation.

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

Property, plant, and equipment of governmental funds and the Solid Waste, Civic Center, Ice and Events Center, and Fleet Maintenance Center 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 estimated historical cost, as determined by an independent study as of June 30, 1973, plus additions since that time that have been recorded at historical cost. Property and equipment donated by developers are recorded at their acquisition values on the date of donation.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

Depreciation for the Waterworks and Sewer capital assets has been provided for 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

Impairment: 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, the 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 it 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:

<u>Months of Service</u>	<u>Vacation Hours Accrued per Month</u>
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. At the end of each calendar year, employees may roll over 240 hours of vacation to the beginning of the next calendar year. Accumulated vacation leave in excess of 240 hours shall be deemed forfeited at the end of the January pay period. Sick leave accrues at a 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. Non-exempt 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 1½ 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

Non-exempt 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 callback wages. Compensatory time is earned at 1½ hours for time worked in excess of 40 hours in a workweek and for callback 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.

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

<u>Months of Service</u>	<u>Vacation Hours Accrued per Month</u>
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 full-time employees and 240 hours for part-time employees on the basis of the number of hours worked in the month at the following rates:

<u>Hours Worked per Month</u>	<u>Sick Leave Hours Accrued per Month</u>
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. 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 the 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

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).

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 balances: The City reports the fund balances 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

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.

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	\$ 670,191
One-Percent Sales Tax Fund:	
Restricted	4,096,218
Capital Facilities Tax Fund:	
Restricted	1,527,308
Other governmental funds:	
Restricted	949,261
Committed	154,228
	<hr/>
Total encumbrances	\$ 7,397,206

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

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 balances that applies to a future period and, therefore, 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 the presentation requirements of 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 balances that applies to a future period and, therefore, 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 the presentation requirements of GASB Statement No. 68, GASB Statement No. 75, and GASB Statement No. 87, *Leases*, 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 the amounts become available.

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, 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.

Restatement and reclassification of prior year: Fund balance has been restated by \$744,499 to correct an error in the accrued interest receivable balance as of June 30, 2022. The error resulted in a restatement in beginning fund balances for the General Fund (\$34,017), the One-Percent Sales Tax Fund (\$341,926), the Specific-Purpose Option Tax Fund (\$117,495), the Solid Waste Fund (\$247,523), the Development Impact Fees Fund (\$2,777), and the Cemetery Perpetual Care Fund (\$761).

Additionally, the City reclassified \$1,393,453 in fund balance related to the Self-Insurance Fund. For the year ended June 30, 2022, this fund was presented within the General Fund, and for the year ended June 30, 2023, this balance was reported as the Self-Insurance Fund, which is a Fiduciary Fund (see Note 8).

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

Prior to the restatement, total net position at June 30, 2022 was \$703,444,577. Subsequent to the restatement amount listed above, the June 30, 2022 net position was \$701,306,625.

Note 2. Stewardship, Compliance, and Accountability

Fund deficit: The following funds had a deficit balance at June 30, 2023:

Fund:	<u>Deficit Balance</u>
Miscellaneous Federal Grants	\$ (81,396)
Urban Mass Transportation Administration (UMTA) Transit Grant	(3,720)

The fund deficit in the Miscellaneous Federal Grants Fund is due to retainage liabilities that do not qualify for reimbursement until the liability is paid in a future year. The fund deficit in the UMTA Transit Grant Fund is due to a receivable not received within the 90-day modified accrual period of June 30, 2023 and was recorded as a deferred inflow.

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 expenditures	\$ 386,154	\$ 1,098,751	\$ 2,986,049	\$ -	\$ 4,470,954
Long-term notes receivable	4,419	-	-	-	4,419
Restricted:					
Bond ordinances	548,804	-	-	-	548,804
Weed and pest programs	-	811,221	-	-	811,221
Capital projects	-	-	81,846,088	-	81,846,088
Cemetery projects	-	-	-	833,941	833,941
Juvenile justice programs	-	225,097	-	-	225,097
Grants	-	1,174,007	-	-	1,174,007
Housing programs	-	352,181	-	-	352,181
Youth programs	-	98,035	-	-	98,035
Committed:					
Capital projects	244,936	588,142	3,881,748	-	4,714,826
Annexation improvements	-	172,269	-	-	172,269
Youth and recreation programs	-	3,295,135	-	-	3,295,135
Assigned:					
Future expenditures	325,139	-	-	-	325,139
Agency accounts	998,589	-	-	-	998,589
Paid Firemen's Pension					
Plan A (Plan A)	1,756,862	-	-	-	1,756,862
Data Center	295,428	-	-	-	295,428
Youth programs	-	-	18,525	-	18,525
Unassigned	41,226,644	(1,843,866)	-	-	39,382,778
Total	\$ 45,786,975	\$ 5,970,972	\$ 88,732,410	\$ 833,941	\$ 141,324,298

Note 3. Cash and 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 and 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 its 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 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, 2023, the deposits of the City and the Board were fully insured and collateralized, as required by Wyoming State Statutes and the City's and the Board's policies.

For investments, 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 their 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 is Federally insured or secured by a pledge of assets, including bonds, debentures, and other securities in which the Wyoming 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, 2023, 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 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 any one single obligor. The City met this limitation as of June 30, 2023. The City held \$10,789,542 or 7.10% of its portfolio in Federal National Mortgage Association (FNMA) Pools and \$306,242 or 0.20% of its portfolio in FNMA as of June 30, 2023. 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 concentration 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. With this investment focus, investments are expected to reach maturity with limited gains and losses. At June 30, 2023, the Board's investments met this policy.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and 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	\$ 7,572,718	0.20%-4.90%	\$ 3,739,482	\$ 3,734,488	\$ 98,748	\$ -
U.S. government securities	35,047,542	0.125%-4.125%	-	32,946,870	2,100,672	-
U.S. agencies	15,138,190	2.00%-6.50%	-	666,018	-	14,472,172
WYO-STAR:						
WYO-STAR I	86,045,212	2.04%	86,045,212	-	-	-
WYO-STAR II	4,001,168	1.63%	4,001,168	-	-	-
Wyoming CLASS	27,860,260	5.06%	27,860,260	-	-	-
WGIF	31,393,013	4.99%	31,393,013	-	-	-
	<u>\$ 207,058,103</u>		<u>\$ 153,039,135</u>	<u>\$ 37,347,376</u>	<u>\$ 2,199,420</u>	<u>\$ 14,472,172</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 lives, will step up to a higher interest rate if they are not called. The portfolio holds \$270,843 or 0.18% 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, Wyoming CLASS 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 and Wyoming CLASS investments 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 (no greater than 270 days) and 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, \$15,138,190 were not rated. The City’s investments in government 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, 2023 was as follows:

	Balance July 1, 2022	Additions and Transfers	Retirements and Transfers	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 15,085,858	\$ 2,340,812	\$ (43,500)	\$ 17,383,170
Construction in progress	9,760,600	24,466,807	(10,890,749)	23,336,658
Total capital assets not being depreciated	24,846,458	26,807,619	(10,934,249)	40,719,828
Capital assets being depreciated:				
Buildings and improvements	138,723,016	9,074,005	(498,400)	147,298,621
Machinery and equipment	17,542,896	2,111,096	(1,130,920)	18,523,072
Transportation equipment	23,889,531	1,907,397	(591,157)	25,205,771
Office furniture and equipment	4,731,524	178,827	(8,262)	4,902,089
Infrastructure	264,608,594	3,723,567	-	268,332,161
Total capital assets being depreciated	449,495,561	16,994,892	(2,228,739)	464,261,714
Less accumulated depreciation for:				
Buildings and improvements	50,186,179	4,276,005	(410,593)	54,051,591
Machinery and equipment	9,963,420	1,094,258	(1,039,829)	10,017,849
Transportation equipment	17,339,157	1,869,234	(591,157)	18,617,234
Office furniture and equipment	3,614,067	381,716	(6,610)	3,989,173
Infrastructure	114,417,298	5,349,841	-	119,767,139
Total accumulated depreciation	195,520,121	12,971,054	(2,048,189)	206,442,986
Total capital assets being depreciated, net	253,975,440	4,023,838	(180,550)	257,818,728
Governmental activities, capital assets, net	\$ 278,821,898	\$ 30,831,457	\$ (11,114,799)	\$ 298,538,556

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets, *Continued*

Business-type capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions and Transfers	Retirements and Transfers	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 12,230,233	\$ -	\$ -	\$ 12,230,233
Water rights	1,797,968	-	-	1,797,968
Construction in progress	24,188,656	5,485,693	(13,192,170)	16,482,179
Total capital assets not being depreciated	38,216,857	5,485,693	(13,192,170)	30,510,380
Capital assets being depreciated:				
Buildings and improvements	38,275,094	8,008,465	(1,960)	46,281,599
Utility plant in service	596,612,314	14,042,373	(757,686)	609,897,001
Machinery and equipment	9,309,422	488,353	(125,313)	9,672,462
Transportation equipment	16,352,884	1,029,996	(778,769)	16,604,111
Office furniture and equipment	1,714,322	13,627	(25,984)	1,701,965
Total capital assets being depreciated	662,264,036	23,582,814	(1,689,712)	684,157,138
Less accumulated depreciation for:				
Buildings and improvements	13,072,854	1,028,511	(1,616)	14,099,749
Utility plant in service	295,899,922	13,343,551	(765,727)	308,477,746
Machinery and equipment	4,435,292	473,520	(109,389)	4,799,423
Transportation equipment	9,610,540	1,602,482	(625,298)	10,587,724
Office furniture and equipment	1,514,396	44,296	(25,984)	1,532,708
Total accumulated depreciation	324,533,004	16,492,360	(1,528,014)	339,497,350
Total capital assets being depreciated, net	337,731,032	7,090,454	(161,698)	344,659,788
Business-type activities, capital assets, net	\$ 375,947,889	\$ 12,576,147	\$ (13,353,868)	\$ 375,170,168

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets, *Continued*

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

Governmental activities:	
Fleet	\$ 22,044
General government	1,284,758
Public safety	2,073,210
Public works	6,807,949
Recreation	<u>2,783,093</u>
Total depreciation expense, governmental activities	<u><u>\$ 12,971,054</u></u>
Business-type activities:	
Waterworks	\$ 9,465,896
Sewer	4,235,660
Solid Waste	2,523,245
Civic Center	92,892
Ice and Events Center	137,132
Fleet Maintenance Center	<u>37,535</u>
Total depreciation expense, business-type activities	<u><u>\$ 16,492,360</u></u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables as of June 30, 2023 is as follows:

	Fund-Level Financial Statements	
	Due From/to Other Funds	
	Receivable	Payable
Governmental activities:		
General Fund	\$ 609,574	\$ -
Special Revenue Funds:		
Community Development Block Grant	-	4,000
Transportation Planning	-	136,000
UMTA Transit Grant	-	272,000
Capital Projects Funds:		
One-Percent Sales Tax Fund	1,875,980	-
Special-Purpose Option Sales Tax	-	1,875,980
Business-type activities:		
Waterworks Fund	-	3,442,338
Solid Waste Fund	3,336,764	-
Civic Center Fund	-	92,000
	<u>\$ 5,822,318</u>	<u>\$ 5,822,318</u>

A balance of \$3,336,764 due from the Waterworks Fund 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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

Transfers for the year ended June 30, 2023 were as follows:

	Transfers In	Transfers Out
Governmental activities:		
General Fund	\$ 770,612	\$ 704,558
Special Revenue Funds:		
Transportation Planning	51,597	-
Law Enforcement Block Grant	145,447	-
Recreation Programs	44,500	-
Miscellaneous Federal Grants	-	189,506
Capital Projects Funds:		
One-Percent Sales Tax	-	51,597
Permanent Fund:		
Cemetery Perpetual Care	-	1,876
Total governmental activities	1,012,156	947,537
Business-type activities:		
Solid Waste Fund	-	768,736
Civic Center Fund	624,117	-
Ice and Events Center Fund	80,000	-
Total business-type activities	704,117	768,736
Total primary government	\$ 1,716,273	\$ 1,716,273

During the year ended June 30, 2023, transfers were used to (1) move revenues from the fund that Wyoming State Statutes or the budget require expending them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) transfer the City’s share of the grant match from the One-Percent Sales Tax Fund to the Transportation Planning Fund, (4) transfer American Rescue Plan revenue recovery funds to the Civic Center Fund, (5) transfer funds from the Solid Waste Fund to the General Fund per City Council resolution, and (6) transfer Federal forfeiture funds from the Agency Fund to the Law Enforcement Grants Fund for easier tracking purposes.

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. Finance Leases and Other Leases

Finance/lease-purchases: The City has entered into a finance/lease-purchase agreement for financing the acquisition of fire equipment. This agreement has been recorded at the present value of its future minimum lease payments as of the inception date. The assets acquired through the agreement are as follows:

Machinery and equipment	\$ 446,890
Less accumulated depreciation	<u>(178,756)</u>
Total	<u>\$ 268,134</u>

The obligation payable as of June 30, 2023 was a payable for fire equipment due in annual installments of \$103,220, with interest of 4.97%, through November 2023. Of the remaining lease obligation of \$103,220, \$4,887 represents interest for a present value of future minimum lease payments of \$98,333.

Finance/lease-sale: 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 a finance/lease-sale receivable of \$4,453,943 (see Note 7 for disclosures on the loan). After the completion of the project, the City leased the Rail Spur to the Developer. General terms of the agreement included no principal payments until November 1, 2019, followed by annual payments of principal and interest of \$661,982. Upon the end of the agreement, the ownership of the Rail Spur will be transferred to the Developer.

During the year ended June 30, 2023, the City received monthly payments from the Developer totaling \$661,982.

The City anticipates receiving payments as follows: \$661,981 for fiscal years 2024 and 2025, and \$275,827 for fiscal year 2026; of that amount, \$27,710 is interest.

Lessor leases: The City, acting as a lessor, leases facilities, land, rights of way, and easements that expire at various dates through 2119, inclusive of any options to renew that are expected to be exercised.

The City recognizes long-term lessor leases in accordance with GASB Statement No. 87. At the commencement of the lease term for a long-term lease (i.e., leases with lease terms greater than 12 months), the City recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 6. Finance Leases and Other Leases, *Continued*

Total future minimum lease payments to be received under the lessor lease agreements are as follows:

	Governmental Activities		
	Principal	Interest	Total
Years ending June 30:			
2024	\$ 98,052	\$ 24,771	\$ 122,823
2025	83,582	22,735	106,317
2026	85,474	20,843	106,317
2027	87,408	18,909	106,317
2028	77,687	17,039	94,726
Thereafter	715,653	188,094	903,747
	<u>\$ 1,147,856</u>	<u>\$ 292,391</u>	<u>\$ 1,440,247</u>
	Business-Type Activities		
	Principal	Interest	Total
Years ending June 30:			
2024	\$ 90,994	\$ 7,609	\$ 98,603
2025	74,450	5,405	79,855
2026	57,290	3,818	61,108
2027	58,738	2,369	61,107
2028	60,225	884	61,109
	<u>\$ 341,697</u>	<u>\$ 20,085</u>	<u>\$ 361,782</u>

Note 7. Long-Term Debt

The City can issue 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 \$42,266,453.

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, 2023	Amount Due Within One Year
Governmental activities:		
Series 2021 Refunding Revenue Bonds, original amount of \$5,455,000, due in annual installments ranging from \$560,000 to \$1,575,000, plus interest ranging from 0.3% to 1.03%, through April 2028. Secured by a pledge of Federal mineral royalties and gross parking fee revenues received.	\$ 4,295,000	\$ 610,000
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, a mortgage and railroad easement, and a track lease between the City and the Developer.	1,946,848	642,513
Due to the Wyoming State Treasurer’s office, original amount of \$4,862,745, with 0% interest, due in annual installments of \$243,137 from fiscal years 2023 through 2042.	4,619,608	243,137
Total governmental activities	10,861,456	1,495,650
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 the 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 a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual payment.	6,187,095	-
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 a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	525,000	37,500
Balance forward	6,712,095	37,500

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2023	Amount Due Within One Year
Balance forwarded	\$ 6,712,095	\$ 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 the Southern Sewer Interceptor Main, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$83,391 through 2039. Secured by a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,086,915	56,590
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 through 2038. Secured by pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual payment.	2,308,861	129,895
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #065, original amount of \$5,600,000 for Phase I of the Southern Water Transmission Main, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$334,582 through 2029. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	1,842,494	289,088
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 through 2034. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	4,570,869	344,939
Balance forward	16,521,234	858,012

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2023	Amount Due Within One Year
Balance forwarded	\$ 16,521,234	\$ 858,012
 <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, plus interest at 2.41%, through December 2025. Note originated to refinance the callable portion of the 2007 Refunding Revenue Water Bonds. Secured by a pledge of revenues from the City’s water system tap, user fees and system development fees, net of premiums.	2,358,551	935,000
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #159, original amount of \$9,900,000 for the Southern Sewer Interceptor Main. Interest thereon is at 2.5% for a term of 20 years. Annual principal and interest payments are \$635,057 through 2039. Secured by a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	8,277,276	430,956
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #034, original amount of \$825,000 for the funding of the City’s Water Main Rehabilitation Project for fiscal year 2004, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$47,429 through 2025. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	92,079	45,429
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #084, original amount of \$375,000 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 a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	191,741	19,261
Balance forward	27,440,881	2,288,658

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2023	Amount Due Within One Year
Balance forwarded	\$ 27,440,881	\$ 2,288,658
 <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 for the Dry Creek and Crow Creek Rehabilitation Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$2,338,163 through 2026. Secured by a pledge and assignment of revenues generated from the City’s wastewater user fees necessary to meet the annual loan payment.	6,680,440	2,171,640
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 the City’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 a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	519,579	69,013
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #056, original amount of \$1,300,000 for the Western Hills Project, with interest at 2.5%, due annually on March 1. Annual principal and interest payments are \$61,885 through 2028. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	287,627	54,698
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #060, original amount of \$2,900,000 for the F.E. Warren Air Force Base - Parsley Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$174,898 through 2029. Secured by a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	962,029	151,116
Balance forward	35,890,556	4,735,125

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2023	Amount Due Within One Year
Balance forwarded	\$ 35,890,556	\$ 4,735,125
 <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 a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	2,608,919	263,526
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 a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,267,873	127,365
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 a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	1,267,873	127,365
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #133, original amount of \$5,000,000 for the Crow Creek Plant Improvements Project, with interest at 2.5%, due annually on June 15. Annual principal and interest payments are \$320,736 through 2039. Secured by a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	3,290,075	238,485
Balance forward	44,325,296	5,491,866

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt, *Continued*

	Balance June 30, 2023	Amount Due Within One Year
Balance forwarded	\$ 44,325,296	\$ 5,491,866
 Business-type activities, <i>Continued</i> :		
Due to the State of Wyoming, Office of State Lands 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. Payments are currently estimated at \$254,023 per year. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	254,904	-
Total business-type activities	<u>44,580,200</u>	<u>5,491,866</u>
 Total long-term debt	 <u>\$ 55,441,656</u>	 <u>\$ 6,987,516</u>

The annual debt service requirements of the long-term debt and current principal maturities as of June 30, 2023 are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Years ending June 30:				
2024	\$ 1,495,650	\$ 45,786	\$ 5,491,866	\$ 922,215
2025	1,552,076	39,645	5,968,234	786,316
2026	1,603,564	32,441	5,552,082	653,262
2027	988,137	23,524	2,860,839	530,019
2028	1,818,137	16,223	2,923,073	467,903
2029-2033	1,215,686	-	12,219,056	1,451,013
2034-2038	1,215,686	-	6,989,143	423,492
2039-2043	972,520	-	2,253,807	15,866
2044-2046	-	-	322,100	-
	<u>\$ 10,861,456</u>	<u>\$ 157,619</u>	<u>\$ 44,580,200</u>	<u>\$ 5,250,086</u>

In May 2014, the Board received approval for a \$1,206,000 grant from the Wyoming Water Development Commission for the design and construction of Phase III of the Southern Water Transmission Main. 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*

In May 2020, the Board received approval for an \$8,281,200 grant from the Wyoming Water Development Commission for the design, construction and operation of the Cheyenne Transmission, Pump Station and Tank 2020 Project.

The Board has pledged and assigned future water system and wastewater user fees to meet the annual debt service requirements. Proceeds from the debt have been used to improve, expand, and replace the distribution system, the 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 \$6,404,394. Net customer revenues totaled \$33,923,545 for the year. At year-end, pledged future revenues totaled \$49,830,286, 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 and subsequent refundings were used to construct parking 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 \$638,332. Net mineral royalties totaled \$2,707,835 and gross parking fees totaled \$252,360 for the year. At year-end, pledged future revenues totaled \$4,433,085, which is the amount of the remaining principal and interest on the related outstanding debt.

Advance and current refunding: 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 2007 Refunding Revenue Water 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 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 obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$700,000. As of June 30, 2023, the deferred loss on refunding totaled \$122,290 and is classified as a deferred outflow of resources.

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 Series 2012 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 Series 2012 Bonds that were defeased. As a result, the Series 2012 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, 2023, the outstanding in-substance defeased debt was \$4,295,000.

As discussed in Note 8, during fiscal year 2022, it was determined that Plan A was actuarially underfunded. As a result, the City has a loan with the State of Wyoming, by and through the Wyoming State Treasurer, for the City’s portion of the liability. The Fire Pension Plan A Legislative Reserve Account loan has a face value of \$4,862,745 and is expected to be repaid over 20 years, with 0% interest. As of June 30, 2023, the outstanding debt was \$4,619,608.

The following is a summary of long-term liability transactions for the City for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 4,895,000	\$ -	\$ (600,000)	\$ 4,295,000	\$ 610,000
Note payable	2,583,000	-	(636,152)	1,946,848	642,513
Loan payable - Plan A	4,862,745	-	(243,137)	4,619,608	243,137
Finance/lease-purchases payable	310,628	-	(212,295)	98,333	98,333
Compensated absences	4,728,730	3,671,198	(3,655,942)	4,743,986	3,655,417
Governmental activities long-term liabilities	\$ 17,380,103	\$ 3,671,198	\$ (5,347,526)	\$ 15,703,775	\$ 5,249,400
Business-type activities:					
Refunding revenue bonds	\$ 3,270,000	\$ -	\$ (911,449)	\$ 2,358,551	\$ 935,000
Loans payable	45,816,672	876,078	(4,471,101)	42,221,649	4,556,866
Finance/lease-purchases payable	315,803	-	(315,803)	-	-
Landfill closure and post-closure costs	10,046,274	-	(704,506)	9,341,768	-
Compensated absences and early retirement	1,930,455	842,674	(731,773)	2,041,356	991,926
Business-type activities long-term liabilities	\$ 61,379,204	\$ 1,718,752	\$ (7,134,632)	\$ 55,963,324	\$ 6,483,792

For governmental activities, revenue bonds, the Loan Payable - Plan A, and compensated absences are generally liquidated by the General Fund. The note payable is liquidated by the Local and State Grants 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	\$ 5,119,877	\$ (556,636)	\$ (26,691,230)	\$ 2,343,450
Board of Public Utilities	2,252,891	(116,444)	(12,077,735)	1,139,180
Paid Firemen's Pension Plan A	2,564,984	-	(10,728,086)	1,470,581
Paid Firemen's Pension Plan B	4,518,995	(3,826,665)	(2,539,061)	669,619
Law Enforcement Pension Plan	9,554,201	(3,313,090)	(17,138,843)	3,384,312
Total	\$ 24,010,948	\$ (7,812,835)	\$ (69,174,955)	\$ 9,007,142

Public Employee Pension Plan:

Plan description: The City and the Board participate in the WRS's statewide cost-sharing, multiple-employer defined benefit contributory retirement plan administered by the WRS Board. Substantially all full-time employees of the City 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 that the employee has completed four years of service and reached age 50, but will result in a reduction of benefits based on the length of time remaining to the 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 that includes audited financial statements and required supplementary information for the Public Employee Pension Plan. The report may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: The determination of retirement benefits is dependent upon each 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 after 15 years.

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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

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 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 Titles 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2023, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively, for both the City and the Board. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the City and the Board have elected to pay 5.25% and 6.75%, 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, 2023 totaled \$4,266,625, equal to the required contribution plus the City’s and the Board’s share of the required member contributions.

Paid Firemen’s Pension Plan A:

Plan description: The City formerly participated in Plan A, a statewide cost-sharing, multiple-employer defined benefit contributory retirement plan covering paid firemen who were employed prior to July 1, 1981 and elected to participate. Plan A issues a publicly available financial report that includes audited financial statements and required supplementary information. The report may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: Plan A statutorily provides retirement, disability, and death benefits according to a percentage of a Fireman First Class salary.

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

Survivor’s benefits: 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

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.

During fiscal year 2022, it was determined that Plan A was actuarially underfunded. As such, on or about March 7, 2022, the Wyoming State Legislature passed Senate File No. 39, which eliminated the annual cost-of-living percentage increase to the benefit amount and obligated \$75 million toward the stabilization of the plan; of this amount, \$55 million was obligated from the State of Wyoming. The remaining \$20 million was to be repaid by the nine legacy employers that still had employees participating in the plan. To determine the liability to each of the legacy employers, the Wyoming Retirement Board made an assessment based on the number of retired pensioners receiving benefits from each of the legacy employers as of April 1, 2022. See the further discussion of the City's portion of the liability in Note 7.

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 contributory retirement 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 that includes audited financial statements and required supplementary information. The report may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

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 each participant's 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, from an individual and specific act incurred while employed and cannot continue in the performance of his or her duties. There is no age or service requirement to qualify for benefits. The member receives a monthly disability retirement benefit equal to 50% of his or her final average salary.

Survivor's benefits: The surviving spouse or other qualified dependents receive benefits based on 50% of the member's final actual salary. Upon 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 11.245% of their compensation, and the City is required to contribute 16% of the compensation of covered members.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

Legislation enacted in 1979 allows the employer to pay any or all of the member contributions. The City currently pays 1.5% of the required member contributions of 11.245%. The City's contribution to the Fund for the year ended June 30, 2023 was \$1,415,379, equal to the required contribution plus the City's share of the required member contributions.

Law Enforcement Pension Plan (the Police Plan):

Plan description: The City participates in the Police Plan, a statewide cost-sharing, multiple-employer defined benefit contributory retirement plan administered by the WRS Board. Employees who are sworn law enforcement officers are eligible for full retirement benefits either after they 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 that includes audited financial statements and required supplementary information. The report may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: Benefits are based on a formula involving each participant's 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, from an individual and specific act incurred while employed and cannot continue in the performance of his or her duties. There is no age or service requirement to qualify for duty disability retirement, and the member receives a monthly disability retirement benefit for the period of his or her disability equal to 62.5% of his or her 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 his or her final salary.

Survivor's benefits: The surviving spouse receives benefits dependent on if the member was on duty at the 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, 2023, the percentages to be contributed on compensation were 8.60% by the members and the City.

The City's contribution to the Police Plan for the year ended June 30, 2023 was \$745,045, 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, 2023, the City and the Board reported a total liability of \$69,174,955 for their proportionate share of the net pension liability. The breakdown between plans is as follows:

	<u>Net Pension Liability</u>
Pension plans:	
Public Employee Pension Plan:	
City of Cheyenne	\$ 26,691,230
Board of Public Utilities	12,077,735
Paid Firemen’s Pension Plan A	10,728,086
Paid Firemen’s Pension Plan B	2,539,061
Law Enforcement Pension Plan	<u>17,138,843</u>
Total net pension liability	<u>\$ 69,174,955</u>

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

At December 31, 2022, the City’s and the Board’s proportionate shares were as follows:

	<u>Proportion of the Net Pension Liability</u>		
	December 31, 2022	December 31, 2021	Increase (Decrease)
Pension plans:			
Public Employee Pension Plan:			
City of Cheyenne	0.9767	0.9168	0.0599
Board of Public Utilities	0.4420	0.4427	(0.0007)
Paid Firemen’s Pension Plan A	29.0116	28.8783	0.1333
Paid Firemen’s Pension Plan B	23.1454	23.9001	(0.7547)
Law Enforcement Pension Plan	5.0311	4.7314	0.2997

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

For the year ended June 30, 2023, 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	\$ 112,437	\$ (142,127)
Changes in assumptions	601,716	-
Net difference between projected and actual earnings on pension plan investments	1,929,976	-
Changes in proportionate share of contributions	881,931	(325,447)
Contributions subsequent to the measurement date	774,637	-
	<u>\$ 4,300,697</u>	<u>\$ (467,574)</u>
Business-type activities:		
City:		
Differences between expected and actual experience	\$ 21,416	\$ (27,072)
Changes in assumptions	114,612	-
Net difference between projected and actual earnings on pension plan investments	367,615	-
Changes in proportionate share of contributions	167,987	(61,990)
Contributions subsequent to the measurement date	147,550	-
	<u>\$ 819,180</u>	<u>\$ (89,062)</u>
Board:		
Differences between expected and actual experience	\$ 60,568	\$ (76,562)
Changes in assumptions	324,137	-
Net difference between projected and actual earnings on pension plan investments	1,039,656	-
Changes in proportionate share of contributions	414,276	(39,882)
Contributions subsequent to the measurement date	414,254	-
	<u>\$ 2,252,891</u>	<u>\$ (116,444)</u>

Continued

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Paid Firemen’s Pension Plan A:		
Net difference between projected and actual earnings on pension plan investments	\$ 2,564,984	\$ -
	<u>\$ 2,564,984</u>	<u>\$ -</u>
Paid Firemen’s Pension Plan B:		
Differences between expected and actual experience	\$ 42,894	\$ (1,317,465)
Changes in assumptions	2,249,016	(2,280,324)
Net difference between projected and actual earnings on pension plan investments	1,500,076	-
Changes in proportionate share of contributions	80,317	(228,876)
Contributions subsequent to the measurement date	646,692	-
	<u>\$ 4,518,995</u>	<u>\$ (3,826,665)</u>
Law Enforcement Pension Plan:		
Differences between expected and actual experience	\$ 404,685	\$ (540,479)
Changes in assumptions	7,097,867	(2,650,554)
Net difference between projected and actual earnings on pension plan investments	1,202,863	-
Changes in proportionate share of contributions	470,213	(122,057)
Contributions subsequent to the measurement date	378,573	-
	<u>\$ 9,554,201</u>	<u>\$ (3,313,090)</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

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, 2024. 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:								
2024	\$ (535,636)	\$ 128,233	\$ (1,025,387)	\$ 1,658,561	\$ 225,771	\$ (161,094)	\$ (102,026)	\$ (263,120)
2025	733,594	747,628	(522,974)	2,762,177	3,720,425	361,415	139,732	501,147
2026	774,109	879,101	87,089	233,141	1,973,440	397,941	147,449	545,390
2027	2,086,419	810,022	1,434,050	1,208,659	5,539,150	1,123,931	397,413	1,521,344
2028	-	-	111,360	-	111,360	-	-	-
Thereafter	-	-	(38,500)	-	(38,500)	-	-	-
	<u>\$ 3,058,486</u>	<u>\$ 2,564,984</u>	<u>\$ 45,638</u>	<u>\$ 5,862,538</u>	<u>\$ 11,531,646</u>	<u>\$ 1,722,193</u>	<u>\$ 582,568</u>	<u>\$ 2,304,761</u>

Actuarial assumptions: The total pension liability in the January 1, 2022 valuation was determined using the following actuarial assumptions adopted by the WRS Board, effective at its November 17, 2021 and February 17, 2022 meetings, and applied to the December 31, 2022 measurement date:

	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%	5.25%-9.25%
Investment rate of return	6.80%	6.80%	6.80%	6.80%
Payroll growth rate	2.50%	0.00%	2.50%	2.50%
Cost-of-living adjustment	0.00%	0.00%	0.00%	0.00%

Post-retirement mortality: Mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 103% (Public Employee Pension Plan) and 100% (Law Enforcement and Paid Firemen's Pension Plans).

Pre-retirement mortality: Mortality rates were based on the PUB-2010 General Active Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 100%.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

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 each pension plan’s target asset allocation as of January 1, 2022. 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	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable alternatives	16.00%	5.14%	6.02%
Private markets	10.50%	6.05%	7.67%
	100.00%		

Experience analysis: An experience study was conducted on behalf of all WRS plans covering the five-year period ended December 31, 2020. 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 6.80% for the Public Employee Pension Plan, 5.53% for the Law Enforcement Pension Plan, 6.80% for Paid Firemen’s Pension Plan A, and 6.80% for 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 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 8. Retirement Commitments, *Continued*

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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Public Employee Pension Plan:			
City of Cheyenne	\$ 39,413,365	\$ 26,691,230	\$ 16,148,032
Board of Public Utilities	17,834,479	12,077,735	7,306,957
Paid Firemen’s Pension Plan A	14,834,501	10,728,086	7,185,727
Paid Firemen’s Pension Plan B	9,390,716	2,539,061	(3,144,706)
Law Enforcement Pension Plan	25,794,935	17,138,843	10,181,144

Pension plan’s fiduciary net position: Detailed information about the pension plans’ fiduciary net position is available in the separately issued WRS financial report, which may be accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Defined contribution plan: Board and City employees have the option to participate in the Wyoming Deferred Compensation Program (commonly referred to as the 457 Plan) administered by the WRS. Employees are allowed to contribute the maximum amount per Internal Revenue Service guidelines. Beginning on July 1, 2008, the Board and the City elected to match each 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, 2023 were \$34,275.

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 based upon actuarially sound and recognized pooling practices. The pool is responsible for determining the amounts of the premiums charged to the entities and 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 the nonpayment of premiums. The City’s 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 9. Risk Management, *Continued*

Beginning during the year ended June 30, 2023, employees of the City are covered by the City’s medical self-insurance plan. The City’s costs for this plan are reflected in the funds paying the coverage, premiums and administrative costs. The Self-Insurance Fund is reported as a Fiduciary Fund in the accompanying financial statements. The City has a contract with a third-party administrator to process payments. The City also maintains a stop-loss policy to limit the potential for individual and aggregate claims. Management has estimated an accrual for IBNR claims at June 30, 2023 of \$750,000. The Self-Insurance Fund is administered in a trust and does not issue a separate report.

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 the 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 nonhazardous positions.

Note 10. Compensated Absences

Compensated absences have been accrued in the financial statements of the City and the Board and consist of the following at June 30, 2023:

	Vacation Leave	Sick Leave	Compensatory/ Administrative Time	Early Retirement Obligation	Total
Governmental activities	\$ 2,446,660	\$ 1,794,167	\$ 503,159	\$ -	\$ 4,743,986
Business-type activities:					
Waterworks Fund	448,347	325,136	91,266	61,614	926,363
Sewer Fund	304,285	216,757	60,844	41,076	622,962
Solid Waste Fund	202,384	165,785	1,391	-	369,560
Fleet Maintenance Center Fund	34,609	22,406	1,496	-	58,511
Civic Center Fund	23,625	12,146	4,706	-	40,477
Ice and Events Center Fund	13,735	9,426	322	-	23,483
Total business-type activities	1,026,985	751,656	160,025	102,690	2,041,356
Total accrued compensated absences	\$ 3,473,645	\$ 2,545,823	\$ 663,184	\$ 102,690	\$ 6,785,342

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. Closure and Post-Closure Costs 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 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 \$9,341,768 reported as landfill closure and post-closure costs at June 30, 2023 represents the cumulative liability estimated to date based on the use of 51.77% of the estimated capacity of the site. The City will recognize the remaining estimated costs of closure and post-closure care of \$8,703,355 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 2023. The City expects the landfill site to be at full capacity in approximately 58 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Note 12. Deferred Outflows/Inflows of Resources

The City's deferred outflows/inflows of resources as of June 30, 2023 are detailed in its Statement of Net Position as follows:

	Governmental Activities	Business-Type Activities
Deferred outflows of resources:		
Deferred loss on refunding	\$ -	\$ 122,290
Deferred outflows, pension liability	20,938,877	3,072,071
Deferred outflows, OPEB liability	477,398	-
	<u>21,416,275</u>	<u>3,194,361</u>
Total deferred outflows of resources	\$ 21,416,275	\$ 3,194,361
Deferred inflows of resources:		
Unavailable property taxes	\$ 8,434,828	\$ -
Deferred inflows, public-public partnership	443,021	-
Deferred inflows, lease revenue	1,126,888	335,037
Deferred inflows, pension liability	7,607,329	205,506
Deferred inflows, OPEB liability	1,683,694	-
	<u>19,295,760</u>	<u>540,543</u>
Total deferred inflows of resources	\$ 19,295,760	\$ 540,543

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 13. Commitments

As of June 30, 2023, 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 2023, the amounts below represent the activity pertaining to the contract as a whole:

	Expended to Date at June 30, 2023	Total Contract	Commitment at June 30, 2023
Governmental activities:			
Prairie Avenue & Frontier Mall Drive Intersection	\$ 1,631,982	\$ 1,883,685	\$ 251,703
Cheyenne Cemetery Irrigation System			
Replacement	1,158,772	2,068,800	910,028
Cheyenne Emergency Response Facilities	11,913,223	20,497,716	8,584,493
Cheyenne Public Safety Center Build Out	1,446,632	2,298,310	851,678
17th Street Lighting Improvement	428,286	433,627	5,341
Converse Fire Station Water and Sewer Main			
Extensions	635,182	638,226	3,044
CJL Ballfield Lighting	1,628,259	1,774,715	146,456
City Overlay	1,962,919	4,892,335	2,929,416
Miscellaneous governmental	438,933	2,530,083	2,091,150
Total governmental activities	21,244,188	37,017,497	15,773,309
Business-type activities:			
FY23 Sewer Rehabs	132,819	2,293,158	2,160,339
North City Zone	779,435	8,029,240	7,249,805
Hydroelectric Generator	7,287,446	7,443,779	156,333
Miscellaneous water projects	1,835,829	8,643,611	6,807,782
Miscellaneous sewer projects	6,377,985	8,073,060	1,695,075
Total business-type activities	16,413,514	34,482,848	18,069,334
Total primary government	\$ 37,657,702	\$ 71,500,345	\$ 33,842,643

Note 14. 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.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 14. OPEB Commitment, *Continued*

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 Plan). The City Council has the authority for establishing and amending the Plan. The Plan does not issue a separate financial 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, 2023, the following employees were covered by the benefit terms:

Inactive Plan members or beneficiaries currently receiving benefits	11
Inactive Plan members entitled to, but not yet receiving, benefits	-
Active Plan members	<u>460</u>
Total Plan members	<u><u>471</u></u>

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2023, the City reported a total OPEB liability of \$5,544,022. The total OPEB liability was measured as of June 30, 2023 and determined by an actuarial valuation as of June 30, 2022.

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 14. OPEB Commitment, *Continued*

Changes in the total OPEB liability:

Total OPEB liability:		
Service cost	\$	249,963
Interest on total OPEB liability		193,338
Changes in benefit terms		-
Difference between expected and actual experience		156,078
Changes in assumptions		(85,705)
Benefit payments		<u>(168,357)</u>
Net change in total OPEB liability		345,317
Total OPEB liability, beginning		<u>5,198,705</u>
Total OPEB liability, ending	\$	<u><u>5,544,022</u></u>

For the year ended June 30, 2023, the City recognized OPEB expense of \$281,315. At June 30, 2023, 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	\$ 141,659	\$ 1,030,211
Changes in assumptions or other inputs	<u>335,739</u>	<u>653,483</u>
	<u>\$ 477,398</u>	<u>\$ 1,683,694</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:	
2024	\$ (161,986)
2025	(161,986)
2026	(161,986)
2027	(161,986)
2028	(139,478)
Thereafter	<u>(418,874)</u>
	<u>\$ (1,206,296)</u>

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 14. OPEB Commitment, *Continued*

Actuarial methods and assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, which were applied to all periods included in the measurement unless otherwise specified:

Actuarial Valuation Date	June 30, 2022
Actuarial Cost Method	Individual entry age
Discount Rate	3.86% as of June 30, 2023
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 plans in which the members participate in the actuarial valuation as of January 1, 2022.
Mortality	City: Pub-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale, with a multiplier of 100% for males and 103% for females. Fire: Pub-2010 Safety Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale, with a multiplier of 100% for males and 100% for females.
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 the participant's death, coverage will continue to the beneficiary.

Discount rate: The discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023. The discount rate is based on the Fidelity "20-Year Municipal GO AA Index."

CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 14. 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 3.86%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 6,067,103	\$ 5,544,022	\$ 5,066,951

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 one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$ 4,961,437	\$ 5,544,022	\$ 6,255,958

Note 15. 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. Such audits could lead to reimbursement to the grantor agencies. The City’s management believes that disallowances, if any, would not be significant to the City’s financial statements.

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, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 14,395,718	\$ 14,926,718	\$ 15,922,874	\$ 996,156
Licenses and permits	3,098,240	3,098,240	3,760,458	662,218
Intergovernmental	36,347,400	36,338,832	41,016,285	4,677,453
Charges for services	1,814,500	1,814,500	2,093,891	279,391
Fines and forfeitures	720,600	720,600	751,909	31,309
Investment income	152,800	152,800	714,234	561,434
Miscellaneous	1,478,964	1,478,967	2,231,415	752,448
Total revenues	58,008,222	58,530,657	66,491,066	7,960,409
Expenditures				
General government:				
City Council	288,622	310,742	307,522	3,220
Mayor	6,930,364	7,165,903	6,763,887	402,016
Engineering	1,360,967	1,453,909	1,187,024	266,885
Miscellaneous	6,391,311	6,842,931	6,121,233	721,698
City Treasurer	847,039	896,337	880,473	15,864
City Clerk	833,530	843,177	783,269	59,908
Planning and development	1,078,865	1,132,440	755,868	376,572
Public works	4,566,499	4,684,361	4,272,449	411,912
Public safety:				
Fire	12,729,623	13,192,925	13,148,228	44,697
Police	16,040,323	16,306,613	15,159,257	1,147,356
Recreation:				
Community recreation and events	8,991,383	9,238,743	8,523,638	715,105
Total expenditures	60,058,526	62,068,081	57,902,848	4,165,233
(Deficiency) excess of revenues over expenditures	(2,050,304)	(3,537,424)	8,588,218	12,125,642
Other Financing (Uses) Sources				
Transfers in	1,302,736	771,736	770,612	(1,124)
Transfers out	-	-	(704,558)	704,558
Insurance proceeds	-	-	156,815	156,815
Proceeds from sales of assets	-	-	11,061	11,061
Total other financing sources	1,302,736	771,736	233,930	871,310
Net change in fund balance	\$ (747,568)	\$ (2,765,688)	\$ 8,822,148	\$ 12,996,952

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, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 12,740,079	\$ 3,806,888	\$ (8,933,191)
Investment income	-	-	4,955	4,955
Miscellaneous	-	-	116,091	116,091
Total revenues	-	12,740,079	3,927,934	(8,812,145)
Expenditures				
General government	-	11,026,481	3,306,920	7,719,561
Public safety	-	355,633	106,657	248,976
Capital outlay	-	1,168,458	350,429	818,029
Total expenditures	-	12,550,573	3,764,006	8,786,567
Excess of revenues over expenditures	-	189,506	163,928	(25,578)
Other Financing (Uses)				
Transfers out	-	(189,506)	(189,506)	-
Total other financing (uses)	-	(189,506)	(189,506)	-
Net change in fund balance	\$ -	\$ -	\$ (25,578)	\$ (25,578)

See Notes to Required Supplementary Information.

CITY OF CHEYENNE, WYOMING

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

Last Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 249,963	\$ 310,572	\$ 271,802	\$ 267,460	\$ 243,371	\$ 270,144
Interest on total OPEB liability	193,338	117,669	138,428	201,417	220,105	224,371
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	156,078	(613,930)	-	(860,067)	-	-
Changes in assumptions	(85,705)	(505,235)	273,516	(59,703)	275,378	(306,502)
Benefit payments	(168,357)	(167,351)	(281,995)	(390,389)	(401,826)	(392,021)
Net change in total OPEB liability	345,317	(858,275)	401,751	(841,282)	337,028	(204,008)
Total OPEB Liability, beginning	5,198,705	6,056,980	5,655,229	6,496,511	6,159,483	6,363,491
Total OPEB Liability, ending	\$ 5,544,022	\$ 5,198,705	\$ 6,056,980	\$ 5,655,229	\$ 6,496,511	\$ 6,159,483
Covered-Employee Payroll	\$ 26,356,670	\$ 25,713,825	\$ 24,832,831	\$ 24,227,152	\$ 26,908,871	\$ 26,252,557
Total OPEB Liability as a Percentage of Covered-Employee Payroll	21.03%	20.22%	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 THE NET PENSION LIABILITY**

Last 10 Fiscal Years*

	For the Years Ended June 30,		
	2023	2022	2021
Public Employee Pension Plan			
City of Cheyenne:			
City's proportion of the net pension liability	0.9767%	0.9168%	0.9125%
City's proportionate share of the net pension liability	\$ 26,691,230	\$ 13,978,778	\$ 19,831,406
City's covered payroll	18,346,210	16,727,390	16,629,106
City's proportionate share of the net pension liability as a percentage of its covered payroll	145.49%	83.57%	119.26%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%
Board of Public Utilities:			
Board's proportion of the net pension liability	0.4420%	0.4227%	0.4144%
Board's proportionate share of the net pension liability	\$ 12,077,735	\$ 6,445,223	\$ 9,005,488
Board's covered payroll	8,301,616	7,733,780	7,636,289
Board's proportionate share of the net pension liability as a percentage of its covered payroll	145.49%	83.34%	117.93%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%
Paid Firemen's Pension Plan A			
City's proportion of the net pension liability	29.0116%	28.8783%	29.2606%
City's proportionate share of the net pension liability	\$ 10,728,086	\$ 28,234,679	\$ 94,742,430
City's covered payroll	-	-	-
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	77.49%	42.90%	21.77%
Paid Firemen's Pension Plan B			
City's proportion of the net pension liability	23.1454%	23.9001%	23.8262%
City's proportionate share of the net pension liability (asset)	\$ 2,539,061	\$ (3,616,211)	\$ (555,157)
City's covered payroll	7,713,891	7,462,018	7,188,555
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.92%	-48.46%	-7.72%
Plan fiduciary net position as a percentage of the total pension liability	94.92%	107.43%	101.27%
Law Enforcement Pension Plan			
City's proportion of the net pension liability	5.0311%	4.7314%	4.6288%
City's proportionate share of the net pension liability	\$ 17,138,843	\$ 13,462,628	\$ 3,153,265
City's covered payroll	8,526,214	7,798,663	7,971,757
City's proportionate share of the net pension liability as a percentage of its covered payroll	201.01%	172.63%	39.56%
Plan fiduciary net position as a percentage of the total pension liability	70.30%	75.62%	91.82%

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

See Notes to Required Supplementary Information.

For the Years Ended June 30,

	2020	2019	2018	2017	2016	2015	2014
	0.9757%	0.9450%	0.9312%	0.9045%	0.8842%	0.8850%	0.8686%
\$	22,928,084	\$ 28,778,132	\$ 21,224,141	\$ 21,868,666	\$ 20,595,553	\$ 15,618,025	\$ 13,205,851
	17,353,726	16,446,362	16,362,135	16,333,427	15,933,164	15,449,954	14,962,498
	132.12%	174.98%	129.71%	133.89%	129.26%	101.09%	88.26%
	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	81.10%
	0.4209%	0.4178%	0.4072%	0.3979%	0.3838%	0.3621%	0.3772%
\$	9,890,047	\$ 12,722,850	\$ 9,280,567	\$ 9,619,011	\$ 8,940,291	\$ 6,390,668	\$ 5,735,039
	7,604,611	7,409,311	7,177,501	7,127,606	6,855,922	6,307,367	6,463,729
	130.05%	171.71%	129.30%	134.95%	130.40%	101.32%	88.73%
	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	81.10%
	29.2792%	30.1135%	29.9816%	30.1332%	29.1245%	29.8597%	29.2907%
\$	76,294,294	\$ 68,357,664	\$ 67,077,510	\$ 55,286,196	\$ 54,012,637	\$ 49,145,415	\$ 17,188,483
	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	27.32%	29.99%	34.28%	38.91%	40.05%	45.95%	71.55%
	24.9421%	24.5705%	24.3574%	23.4759%	23.5543%	24.4894%	25.0324%
\$	1,772,750	\$ 5,155,687	\$ 10,043,721	\$ 7,409,315	\$ 7,201,639	\$ (275,411)	\$ (902,906)
	7,006,469	6,891,466	6,552,239	6,603,344	6,432,467	6,532,467	6,303,806
	25.30%	74.81%	153.29%	112.21%	111.96%	-4.22%	-14.32%
	95.93%	87.07%	77.98%	80.16%	79.33%	100.98%	103.45%
	4.9682%	4.9257%	4.7984%	4.5225%	4.4224%	4.4884%	4.4436%
\$	4,282,566	\$ 11,923,758	\$ 4,128,778	\$ 3,414,154	\$ 3,322,120	\$ 1,322,464	\$ 810,003
	8,687,750	7,735,333	7,450,974	7,077,700	6,933,372	6,936,457	6,707,023
	49.29%	154.15%	55.41%	48.24%	47.91%	19.07%	12.08%
	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%	96.53%

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
Last 10 Fiscal Years**

	For the Years Ended June 30,			
	2023	2022	2021	2020
Public Employee Pension Plan				
City of Cheyenne:				
Statutorily required contribution	\$ 1,802,219	\$ 1,641,531	\$ 1,487,050	\$ 1,523,725
Contribution in relation to the statutorily required contribution	1,802,219	1,641,531	1,487,050	1,523,725
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 19,233,924	\$ 17,519,004	\$ 16,305,375	\$ 17,178,405
Contributions as a percentage of covered-employee payroll	9.37%	9.37%	9.12%	8.87%
Board of Public Utilities:				
Statutorily required contribution	\$ 816,577	\$ 744,272	\$ 694,066	\$ 678,924
Contribution in relation to the statutorily required contribution	816,577	744,272	694,066	678,924
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 8,714,807	\$ 7,943,134	\$ 7,610,377	\$ 7,654,160
Contributions as a percentage of covered-employee payroll	9.37%	9.37%	9.12%	8.87%
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%
Paid Firemen's Pension Plan B				
Statutorily required contribution	\$ 1,294,061	\$ 1,126,299	\$ 1,007,536	\$ 945,164
Contribution in relation to the statutorily required contribution	1,294,061	1,126,299	1,007,536	945,164
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 8,087,879	\$ 7,508,661	\$ 7,196,688	\$ 7,270,489
Contributions as a percentage of covered-employee payroll	16.00%	15.00%	14.00%	13.00%
Law Enforcement Pension Plan				
Statutorily required contribution	\$ 745,045	\$ 709,951	\$ 671,684	\$ 681,867
Contribution in relation to the statutorily required contribution	745,045	709,951	671,684	681,867
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 8,663,616	\$ 8,255,241	\$ 7,810,280	\$ 7,928,697
Contributions as a percentage of covered-employee payroll	8.60%	8.60%	8.60%	8.60%

See Notes to Required Supplementary Information.

For the Years Ended June 30,

2019	2018	2017	2016	2015	2014
\$ 1,453,409	\$ 1,370,762	\$ 1,427,569	\$ 1,372,651	\$ 1,203,890	\$ 1,078,803
1,453,409	1,370,762	1,427,569	1,372,651	1,203,890	1,078,803
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,940,902	\$ 16,377,083	\$ 16,694,692	\$ 16,220,390	\$ 15,660,040	\$ 15,194,542
8.58%	8.37%	8.55%	8.46%	7.69%	7.10%
\$ 645,547	\$ 608,519	\$ 602,689	\$ 586,407	\$ 512,031	\$ 465,964
645,547	608,519	602,689	586,407	512,031	465,964
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,524,834	\$ 7,270,239	\$ 7,200,585	\$ 7,006,054	\$ 6,719,564	\$ 6,544,388
8.58%	8.37%	8.37%	8.37%	7.62%	7.12%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 836,796	\$ 802,935	\$ 785,180	\$ 772,527	\$ 783,023	\$ 779,804
836,796	802,935	785,180	772,527	783,023	779,804
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,973,302	\$ 6,691,128	\$ 6,543,169	\$ 6,437,727	\$ 6,525,189	\$ 6,498,364
12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
\$ 688,842	\$ 652,267	\$ 618,944	\$ 605,058	\$ 591,129	\$ 595,430
688,842	652,267	618,944	605,058	591,129	595,430
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,009,795	\$ 7,584,494	\$ 7,197,025	\$ 7,035,554	\$ 6,873,586	\$ 6,923,605
8.60%	8.60%	8.60%	8.60%	8.60%	8.60%

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budget Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (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 Treasurer of the City of Cheyenne, Wyoming (the City) 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 between the second and third Tuesdays 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 the 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 comparison schedule reflect appropriation in the first appropriated budget. The amounts reported as the final budgeted amounts in the budgetary comparison schedule 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	\$ 66,491,066
Differences, budgetary to U.S. GAAP:	
Adjustments to include various pass-through funds included in the General Fund on the U.S. GAAP basis	<u>664,648</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 67,155,714</u></u>
Expenditures:	
Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 57,902,848
Differences, budgetary to U.S. GAAP:	
Adjustments to include various pass-through funds included in the General Fund on the U.S. GAAP basis	<u>282,966</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 58,185,814</u></u>

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 3. Explanation of Changes in Retirement Commitments - 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, 2022 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's December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date, as indicated in the tables below:

Pension Plan Discount 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	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%
2021	6.80%	5.17%	6.80%	6.80%
2022	6.80%	5.53%	6.80%	6.80%

Pension Plan Investment Rates 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%
2021	6.80%	6.80%	6.80%	6.80%
2022	6.80%	6.80%	6.80%	6.80%

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 3. Explanation of Changes in Retirement Commitments - 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%
2021	2.25%	2.25%	2.25%	2.25%
2022	2.25%	2.25%	2.25%	2.25%

Pension Plan Salary Increase Rates (Including 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%
2021	2.50%-6.50%	4.75%-8.75%	4.50%	4.50%-7.50%
2022	2.50%-6.50%	5.25%-9.25%	4.50%	4.50%-7.50%

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Pension Plan Payroll Growth 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	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%
2021	2.50%	2.50%	0.00%	2.50%
2022	2.50%	2.50%	0.00%	2.50%

Cost of Living Increases				
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	0.00%	0.00%	3.00%	0.00%
2015	0.00%	0.00%	3.00%	0.00%
2016	0.00%	0.00%	3.00%	0.00%
2017	0.00%	0.00%	3.00%	0.00%
2018	0.00%	0.00%	3.00%	0.00%
2019	0.00%	0.00%	3.00%	0.00%
2020	0.00%	0.00%	3.00%	0.00%
2021	0.00%	0.00%	3.00%	0.00%
2022	0.00%	0.00%	0.00%	0.00%

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, 2023 measurement date.

CITY OF CHEYENNE, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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, 2023 measurement date. The discount rate for each measurement date is as follows:

<u>Measurement Date</u>	<u>Discount Rate</u>
2018	3.62%
2019	3.13%
2020	2.45%
2021	1.92%
2022	3.69%
2023	3.86%

**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, Wyoming (the City) from a general county tax levy to administer a program for 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 homeowners through the Neighborhood Housing Service. When the agency closed, the loans were turned over to the City. Monies collected from homeowners who received low-interest rehabilitation loans through the Cheyenne Redevelopment Agency are 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.

NONMAJOR GOVERNMENTAL FUNDS, *Continued*

Special Revenue Funds, *Continued*

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.

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.

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

Permanent Fund

The permanent fund is 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 the perpetual care of the City's 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, 2023

	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	\$ -	\$ 288,607	\$ 52,190	\$ 99,324	\$ 253	\$ 26,937	\$ 2,328
Investments, at fair value	-	451,506	150,622	-	-	-	-
Cash and Cash Equivalents, restricted	500,841	-	-	-	-	-	-
Investments, restricted	413,911	-	-	-	-	-	-
Receivables							
Accrued interest	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	-
Due From Other Governments	-	77,697	24,667	-	30,082	46,512	201,843
Prepaid Expenditures	-	-	-	-	-	-	16,808
Total assets	\$ 914,752	\$ 817,810	\$ 227,479	\$ 99,324	\$ 30,335	\$ 73,449	\$ 220,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 99,200	\$ 32,914	\$ 2,382	\$ 1,289	\$ 24,238	\$ 8,926	\$ 74,529
Retainage payable	-	-	-	-	-	-	-
Accrued salaries	4,331	3,710	-	-	-	294	-
Due to other funds	-	-	-	-	4,000	-	136,000
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	103,531	36,624	2,382	1,289	28,238	9,220	210,529
Deferred Inflows of Resources							
	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	16,808
Restricted	811,221	-	225,097	98,035	2,097	64,229	175
Committed	-	781,186	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(6,533)
Total fund balances	811,221	781,186	225,097	98,035	2,097	64,229	10,450
Total liabilities, deferred inflows of resources, and fund balances	\$ 914,752	\$ 817,810	\$ 227,479	\$ 99,324	\$ 30,335	\$ 73,449	\$ 220,979

Continued

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS, *Continued*
June 30, 2023

	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	\$ 569	\$ 473,379	\$ 796,468	\$ 182,553	\$ 42,958	\$ 46	\$ 231,102
Investments, at fair value	-	-	1,377,140	205,735	309,223	588,096	262,969
Cash and Cash Equivalents, restricted	-	-	-	-	-	-	-
Investments, restricted	-	-	-	-	-	-	-
Receivables							
Accrued interest	-	-	-	-	-	-	-
Customers	25,170	55,165	66,297	-	-	-	-
Due From Other Governments	450,019	8,370	-	-	-	-	68,681
Prepaid Expenditures	547	-	1,823	-	-	-	-
Total assets	\$ 476,305	\$ 536,914	\$ 2,241,728	\$ 388,288	\$ 352,181	\$ 588,142	\$ 562,752
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 40,944	\$ 1,326	\$ 153,630	\$ 70,797	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-	-	-
Accrued salaries	9,947	-	46,245	-	-	-	-
Due to other funds	272,000	-	-	-	-	-	-
Unearned revenue	157,134	100,179	88,833	145,222	-	-	-
Total liabilities	480,025	101,505	288,708	216,019	-	-	-
Deferred Inflows of Resources							
	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	547	-	1,823	-	-	-	-
Restricted	346,672	435,409	-	-	352,181	-	-
Committed	-	-	1,951,197	172,269	-	588,142	562,752
Assigned	-	-	-	-	-	-	-
Unassigned	(350,939)	-	-	-	-	-	-
Total fund balances	(3,720)	435,409	1,953,020	172,269	352,181	588,142	562,752
Total liabilities, deferred inflows of resources, and fund balances	\$ 476,305	\$ 536,914	\$ 2,241,728	\$ 388,288	\$ 352,181	\$ 588,142	\$ 562,752

Continued

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS, *Continued*
June 30, 2023

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Youth Alternatives	Athletic Facilities	Development Impact Fees	Cemetery Perpetual Care	
ASSETS					
Cash and Cash Equivalents	\$ 23,246	\$ 248,146	\$ 535,437	\$ 16,944	\$ 3,020,487
Investments, at fair value	-	704,334	2,623,017	815,085	7,487,727
Cash and Cash Equivalents, restricted	-	-	-	-	500,841
Investments, restricted	-	-	-	-	413,911
Receivables					
Accrued interest	-	-	3,870	1,032	4,902
Customers	-	-	-	880	147,512
Due From Other Governments	-	-	-	-	907,871
Prepaid Expenditures	-	-	-	-	19,178
Total assets	\$ 23,246	\$ 952,480	\$ 3,162,324	\$ 833,941	\$ 12,502,429
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 4,721	\$ 36,052	\$ 28,249	\$ -	\$ 579,197
Retainage payable	-	-	27,614	-	27,614
Accrued salaries	-	-	-	-	64,527
Due to other funds	-	-	-	-	412,000
Unearned revenue	-	-	141,141	-	632,509
Total liabilities	4,721	36,052	197,004	-	1,715,847
Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	19,178
Restricted	-	-	-	833,941	3,169,057
Committed	-	916,428	2,965,320	-	7,937,294
Assigned	18,525	-	-	-	18,525
Unassigned	-	-	-	-	(357,472)
Total fund balances	18,525	916,428	2,965,320	833,941	10,786,582
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,246	\$ 952,480	\$ 3,162,324	\$ 833,941	\$ 12,502,429

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

	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	\$ 700,787	\$ 820,064	\$ 140,000	\$ 44,664	\$ 786,928	\$ 378,843	\$ 986,049
Charges for services	-	-	-	-	-	-	-
Investment income	16,059	16,783	5,575	89	-	-	-
Miscellaneous	82,606	23,102	2,658	7,361	-	-	-
Total revenues	799,452	859,949	148,233	52,114	786,928	378,843	986,049
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	473,503	127,763	-	-	484,978	-
Public works	-	-	-	-	-	-	1,037,870
Health and welfare	612,950	229,296	-	36,193	773,976	-	-
Recreation	-	-	-	-	-	-	-
Capital outlay	166,139	-	-	-	-	-	-
Debt service:							
Principal retirements	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-
Total expenditures	779,089	702,799	127,763	36,193	773,976	484,978	1,037,870
Excess (deficiency) of revenues over expenditures	20,363	157,150	20,470	15,921	12,952	(106,135)	(51,821)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	145,447	51,597
Transfers out	-	-	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	145,447	51,597
Net change in fund balances (deficits)	20,363	157,150	20,470	15,921	12,952	39,312	(224)
Fund Balances (Deficits), beginning of year	790,858	624,036	204,627	82,114	(10,855)	24,917	10,674
Prior-period adjustment (Note 1)	-	-	-	-	-	-	-
Fund Balances (Deficits), beginning of year, as restated	790,858	624,036	204,627	82,114	(10,855)	24,917	10,674
Fund Balances (Deficits), end of year	\$ 811,221	\$ 781,186	\$ 225,097	\$ 98,035	\$ 2,097	\$ 64,229	\$ 10,450

Continued

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS, *Continued*
Year Ended June 30, 2023**

	Special Revenue Funds						
	UMTA Transit Grant	Local and State Grants	Recreation Programs	Annexation Improvements	Housing Loans	Revolving Real Property	Belvoir Ranch Recreation
Revenues							
Intergovernmental	\$ 2,181,957	\$ 255,394	\$ -	\$ -	\$ 703	\$ -	\$ -
Charges for services	71,094	-	2,016,950	65,426	-	-	-
Investment income	5	-	33,167	4,038	10,849	22,884	1,348
Miscellaneous	92,789	661,851	39,949	-	-	-	274,725
Total revenues	2,345,845	917,245	2,090,066	69,464	11,552	22,884	276,073
Expenditures							
Current:							
General government	-	37,826	-	64,269	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	2,248,629	-	-	-	-	-	-
Health and welfare	-	-	-	-	12,275	-	-
Recreation	-	-	1,822,050	-	-	-	-
Capital outlay	-	220,911	7,794	-	-	-	-
Debt service:							
Principal retirements	-	636,152	-	-	-	-	-
Interest payments	-	12,915	-	-	-	-	-
Total expenditures	2,248,629	907,804	1,829,844	64,269	12,275	-	-
Excess (deficiency) of revenues over expenditures	97,216	9,441	260,222	5,195	(723)	22,884	276,073
Other Financing Sources (Uses)							
Transfers in	-	-	44,500	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sales of assets	2,529	-	-	-	-	-	-
Total other financing sources (uses)	2,529	-	44,500	-	-	-	-
Net change in fund balances (deficits)	99,745	9,441	304,722	5,195	(723)	22,884	276,073
Fund Balances (Deficits), beginning of year	(103,465)	425,968	1,648,298	167,074	352,904	565,258	286,679
Prior-period adjustment (Note 1)	-	-	-	-	-	-	-
Fund Balances (Deficits), beginning of year, as restated	(103,465)	425,968	1,648,298	167,074	352,904	565,258	286,679
Fund Balances (Deficits), end of year	\$ (3,720)	\$ 435,409	\$ 1,953,020	\$ 172,269	\$ 352,181	\$ 588,142	\$ 562,752

Continued

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS, *Continued*
Year Ended June 30, 2023**

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Youth Alternatives	Athletic Facilities	Development Impact Fees	Cemetery Perpetual Care	
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 6,295,389
Charges for services	-	332,537	1,178,203	-	3,664,210
Investment income	22	24,079	44,738	2,636	182,272
Miscellaneous	3,925	-	-	13,600	1,202,566
Total revenues	<u>3,947</u>	<u>356,616</u>	<u>1,222,941</u>	<u>16,236</u>	<u>11,344,437</u>
Expenditures					
Current:					
General government	-	-	-	-	102,095
Public safety	13,240	-	-	-	1,099,484
Public works	-	-	-	-	3,286,499
Health and welfare	-	-	-	-	1,664,690
Recreation	-	17,859	721,148	-	2,561,057
Capital outlay	-	302,209	(201,182)	-	495,871
Debt service:					
Principal retirements	-	-	-	-	636,152
Interest payments	-	-	-	-	12,915
Total expenditures	<u>13,240</u>	<u>320,068</u>	<u>519,966</u>	<u>-</u>	<u>9,858,763</u>
Excess (deficiency) of revenues over expenditures	<u>(9,293)</u>	<u>36,548</u>	<u>702,975</u>	<u>16,236</u>	<u>1,485,674</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	241,544
Transfers out	-	-	-	(1,876)	(1,876)
Proceeds from sales of assets	-	20,154	-	-	22,683
Total other financing sources (uses)	<u>-</u>	<u>20,154</u>	<u>-</u>	<u>(1,876)</u>	<u>262,351</u>
Net change in fund balances (deficits)	<u>(9,293)</u>	<u>56,702</u>	<u>702,975</u>	<u>14,360</u>	<u>1,748,025</u>
Fund Balances (Deficits), beginning of year					
	27,818	859,726	2,265,122	820,342	9,042,095
Prior-period adjustment (Note 1)	-	-	(2,777)	(761)	(3,538)
Fund Balances (Deficits), beginning of year, as restated	<u>27,818</u>	<u>859,726</u>	<u>2,262,345</u>	<u>819,581</u>	<u>9,038,557</u>
Fund Balances (Deficits), end of year					
	<u>\$ 18,525</u>	<u>\$ 916,428</u>	<u>\$ 2,965,320</u>	<u>\$ 833,941</u>	<u>\$ 10,786,582</u>

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, 2023

	Civic Center	Ice and Events Center	Total Nonmajor Proprietary Funds
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,160	\$ 11,016	\$ 12,176
Receivables:			
Accounts - customers	2,650	1,580	4,230
Prepaid expenses	15,111	450	15,561
Total current assets	18,921	13,046	31,967
Noncurrent Assets			
Capital assets being depreciated:			
Land	-	346,861	346,861
Machinery and equipment	917,466	385,900	1,303,366
Transportation equipment	-	32,871	32,871
Buildings and improvements	3,880,266	3,197,269	7,077,535
Office furniture and equipment	274,026	37,712	311,738
Accumulated depreciation	(4,222,911)	(1,828,323)	(6,051,234)
Total noncurrent assets	848,847	2,172,290	3,021,137
Total assets	867,768	2,185,336	3,053,104
LIABILITIES			
Current Liabilities			
Accounts payable	42,029	16,252	58,281
Unearned revenue	19,389	-	19,389
Due to other funds	92,000	-	92,000
Accrued salaries, including vacation and sick leave	24,653	27,380	52,033
Total current liabilities	178,071	43,632	221,703
Noncurrent Liabilities			
Accrued compensated absences	26,461	-	26,461
Total noncurrent liabilities	26,461	-	26,461
Total liabilities	204,532	43,632	248,164
NET POSITION			
Net Investment in Capital Assets	848,847	2,172,290	3,021,137
Unrestricted	(185,611)	(30,586)	(216,197)
Total net position	\$ 663,236	\$ 2,141,704	\$ 2,804,940

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET
POSITION - NONMAJOR PROPRIETARY FUNDS
Year Ended June 30, 2023**

	Civic Center	Ice and Events Center	Total Nonmajor Proprietary Funds
Operating Revenues			
Sales and charges for services	\$ 1,384,090	\$ 570,432	\$ 1,954,522
Fees and miscellaneous	112,496	112	112,608
Total operating revenues	1,496,586	570,544	2,067,130
Operating Expenses			
Administrative and general	1,908,208	608,415	2,516,623
Parts and supplies	40,168	21,088	61,256
Intra-city charges	-	3,193	3,193
Depreciation	92,892	137,132	230,024
Total operating expenses	2,041,268	769,828	2,811,096
Operating (loss)	(544,682)	(199,284)	(743,966)
Nonoperating Income			
Investment income:			
Interest income	-	13	13
Total nonoperating income	-	13	13
(Loss) before transfers and contributions	(544,682)	(199,271)	(743,953)
Donated Assets	12,132	-	12,132
Transfers In	624,117	80,000	704,117
Change in net position	91,567	(119,271)	(27,704)
Net Position, beginning of year	571,669	2,260,975	2,832,644
Net Position, end of year	\$ 663,236	\$ 2,141,704	\$ 2,804,940

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF CASH FLOWS -
NONMAJOR PROPRIETARY FUNDS**

Year Ended June 30, 2023

	Civic Center	Ice and Events Center	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities			
Cash received from customers	\$ 1,502,435	\$ 568,976	\$ 2,071,411
Cash payments to suppliers	(1,502,274)	(249,634)	(1,751,908)
Cash payments to employees	(451,401)	(390,005)	(841,406)
Net cash (used in) operating activities	(451,240)	(70,663)	(521,903)
Cash Flows From Noncapital Financing Activities			
Proceeds from amounts due to other funds	92,000	-	92,000
Transfers from other funds	624,117	80,000	704,117
Net cash provided by noncapital financing activities	716,117	80,000	796,117
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	(459,823)	2	(459,821)
Net cash (used in) provided by capital and related financing activities	(459,823)	2	(459,821)
Cash Flows From Investing Activities			
Interest on cash accounts and investments	-	13	13
Net cash provided by investing activities	-	13	13
Net (decrease) increase in cash and cash equivalents	(194,946)	9,352	(185,594)
Cash and Cash Equivalents, beginning of year	196,106	1,664	197,770
Cash and Cash Equivalents, end of year	\$ 1,160	\$ 11,016	\$ 12,176
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities			
Operating (loss)	\$ (544,682)	\$ (199,284)	\$ (743,966)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation	92,892	137,132	230,024
(Decrease) increase in cash and cash equivalents resulting from changes in operating assets and liabilities:			
Receivables	(2,650)	(1,568)	(4,218)
Prepaid expenses	(11,604)	(450)	(12,054)
Accounts payable	(13,899)	(7,486)	(21,385)
Accrued salaries, including vacation and sick leave	20,204	993	21,197
Unearned revenue	8,499	-	8,499
Net cash (used in) operating activities	\$ (451,240)	\$ (70,663)	\$ (521,903)
Noncash Investing, Capital and Noncapital Financing Activities			
Donated asset acquisitions	\$ 12,132	\$ -	\$ 12,132

FIDUCIARY FUNDS

Other Employee Benefit Trust Fund

The Other Employee Benefit Trust Fund is used to account for assets held by a government as a trustee for the benefit of trust beneficiaries.

Self-Insurance: Accounts for the activities of the City of Cheyenne Healthcare Plan.

Custodial Funds

Custodial Funds are used to report balances and activities for deposits and investments entrusted to the City as an agent of others.

Custodial: Accounts for assets held by the City as an agent for private organizations.

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS**

June 30, 2023

	Other Employee Benefit Trust Fund (Self-Insurance)	Custodial Fund (Custodial)	Total Fiduciary Funds
ASSETS			
Cash and Cash Equivalents	\$ 112,343	\$ 34,211	\$ 146,554
Investments, at fair value	2,928,757	-	2,928,757
Restricted Assets			
Due from other governments	-	12,657	12,657
Receivables			
Accounts, customers	156,889	-	156,889
Stop loss	134,243	-	134,243
Total assets	3,332,232	46,868	3,379,100
LIABILITIES			
Accounts Payable	51,153	-	51,153
Accrued Liabilities	750,000	-	750,000
Due to Others	-	7,673	7,673
Total liabilities	801,153	7,673	808,826
NET POSITION			
Restricted for Organizations	-	39,195	39,195
Restricted for Health Benefits	2,531,079	-	2,531,079
Total net position	\$ 2,531,079	\$ 39,195	\$ 2,570,274

CITY OF CHEYENNE, WYOMING

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION - FIDUCIARY
FUNDS**

Year Ended June 30, 2023

	Other Employee Benefit Trust Fund (Self-Insurance)	Custodial Fund (Custodial)	Total Fiduciary Funds
Additions			
Contributions	\$ 10,852,975	\$ -	\$ 10,852,975
Property taxes	-	12,657	12,657
Miscellaneous	-	11,330	11,330
Earnings on investments	73,107	25	73,132
Total additions	10,926,082	24,012	10,950,094
Deductions			
Distributions to organizations	-	27,175	27,175
Benefits to plan members	9,715,495	-	9,715,495
Professional services	72,961	-	72,961
Total deductions	9,788,456	27,175	9,815,631
Net increase (decrease) in fiduciary net position	1,137,626	(3,163)	1,134,463
Net Position, beginning of year	-	42,358	42,358
Prior-period reclassification (Note 1)	1,393,453	-	1,393,453
Net Position, beginning of year, as restated	1,393,453	42,358	1,435,811
Net Position, end of year	\$ 2,531,079	\$ 39,195	\$ 2,570,274

SINGLE AUDIT SECTION

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023**

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:				
U.S. Department of Housing and Urban Development Direct Program:				
Community Development Block Grants - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 667,258	\$ 773,976
Total U.S. Department of Housing and Urban Development			<u>667,258</u>	<u>773,976</u>
U.S. Department of the Interior:				
Pass-through from Wyoming Department of State Parks and Cultural Resources:				
Historic Preservation Fund Grants-in-Aid	15.904	Contract #7670	-	2,403
Historic Preservation Fund Grants-in-Aid	15.904	56-22-03	-	6,205
Historic Preservation Fund Grants-in-Aid	15.904	116-22-3	-	25,000
Historic Preservation Fund Grants-in-Aid	15.904	56-21-07	-	30,000
Total U.S. Department of the Interior			<u>-</u>	<u>63,608</u>
U.S. Department of Justice:				
U.S. Department of Justice Direct Programs:				
Law Enforcement Assistance - Narcotics and Dangerous Drugs Training	16.004	Contract #7622	-	48,980
Law Enforcement Assistance - Narcotics and Dangerous Drugs Training	16.004	FY 2021	-	16,286
Subtotal Law Enforcement Assistance - Narcotics and Dangerous Drugs Training			<u>-</u>	<u>65,266</u>
Bulletproof Vest Partnership Program	16.607	FY 2021	-	14,010
Public Safety Partnership and Community Police Grants	16.710	15JCOPS-21-GG-02160-SLEM	-	1,914
Public Safety Partnership and Community Police Grants	16.710	2020-V2-GX-0016	-	1,200
Subtotal Public Safety Partnership and Community Police Grants			<u>-</u>	<u>3,114</u>
Total U.S. Department of Justice Direct Programs			<u>-</u>	<u>82,390</u>
U.S. Department of Justice Pass-Through Programs:				
Pass-through from Wyoming Division of Victim Services:				
Crime Victim Assistance	16.575	15JOVW-21-GG-00549-STOP	-	220,931
Pass-through from Wyoming Association of Sheriffs and Chiefs of Police:				
Enforcing Underage Drinking Laws Program	16.727	PFS - 2022	-	6,688
Pass-through from Laramie County, Wyoming:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02318-JAGX	-	1,073
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0912	-	786
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0383	-	11,115
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-02002-JAGX	-	18,122
Subtotal Edward Byrne Memorial Justice Assistance Grant Program			<u>-</u>	<u>31,096</u>
Total U.S. Department of Justice Pass-Through Programs			<u>-</u>	<u>258,715</u>
Total U.S. Department of Justice			<u>-</u>	<u>341,105</u>

Continued

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2023

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:				
U.S. Department of Transportation Direct Programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	WY-2018-001	\$ -	\$ 98,566
Federal Transit Formula Grants	20.507	WY-2018-002	-	119,446
COVID-19 Federal Transit Formula Grants - CARES	20.507	WY-2020-006	-	863,405
COVID-19 Federal Transit Formula Grants - ARPA	20.507	WY-2022-009	-	401,949
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	WY-2023-004	-	215,351
Subtotal Federal Transit Cluster			-	1,698,717
Total U.S. Department of Transportation Direct Programs			-	1,698,717
U.S. Department of Transportation Pass-Through Programs:				
Pass-through from Wyoming Department of Transportation:				
Highway Planning and Construction (Allison & Cribbon)	20.205	CD21101	-	40,000
Highway Planning and Construction (Carey Avenue Multi-Use Path)	20.205	CD20101	-	35,272
Subtotal Highway Planning and Construction			-	75,272
Pass-through from Wyoming Department of Transportation:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	N/A	-	938,092
Pass-through from Wyoming Association of Sheriffs and Chiefs of Police:				
Alcohol Open Container Requirements	20.607	154AL-2021-FA-AL-01	-	17,293
Alcohol Open Container Requirements	20.607	154AL-2022-FA-AL-01	-	28,622
Subtotal Alcohol Open Container Requirements			-	45,915
Pass-through from Wyoming Department of Transportation:				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	M5HVE-2023-BI-HV-02	-	23,097
National Priority Safety Programs	20.616	OP-2023-BI-OP-01	-	36,003
National Priority Safety Programs	20.616	M2HVE-2022-FA-HV-02	-	2,006
National Priority Safety Programs	20.616	M5HVE-2022-FA-HV-01	-	4,407
Subtotal National Priority Safety Programs			-	65,513
Subtotal Highway Safety Cluster			-	65,513
Total U.S. Department of Transportation Pass-Through Programs			-	1,124,792
Total U.S. Department of Transportation			-	2,823,509
U.S. Department of the Treasury:				
Pass-through from State of Wyoming Land and Investment Board:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	3,355,954
Total U.S. Department of the Treasury			-	3,355,954
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	-	3,981
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	95811521	-	66,456
Total U.S. Environmental Protection Agency Direct Programs			-	70,437

Continued

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2023

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. Environmental Protection Agency, <i>Continued</i> :				
U.S. Environmental Protection Agency Pass-Through Programs:				
Pass-through from State of Wyoming Land and Investment Board and administered by City of Cheyenne's Board of Public Utilities:				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWSRF-229	\$ -	\$ 25,849
Subtotal Capitalization Grants for Drinking Water State Revolving Funds			-	25,849
Subtotal Drinking Water State Revolving Fund Cluster			-	25,849
Total U.S. Environmental Protection Agency Pass-Through Programs			-	25,849
Total U.S. Environmental Protection Agency			-	96,286
U.S. Department of Education:				
Pass-through from Laramie County Community Partnership:				
Twenty-First Century Community Learning Centers	84.287	Cohort 12	-	203,708
Total U.S. Department of Education			-	203,708
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	-	40,528
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	Contract #7678	-	4,513
Activities to Support State, Local and Territorial Health:				
Department Response to Public Health or Healthcare Crises	93.391	N/A	-	1,184
Total U.S. Department of Health and Human Services			-	46,225
Corporation for National and Community Service:				
Corporation for National and Community Service Direct Program:				
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	20SFPW Y001	-	229,204
Total Corporation for National and Community Service			-	229,204
U.S. Department of Homeland Security:				
Pass-through from Wyoming Office of Homeland Security:				
Hazard Mitigation Grant Program	97.039	18FEMA-CHE-HM-4317AAB	-	191,431
Homeland Security Grant Program	97.067	20-SHSP-CHE-HRT20	-	54,412
Homeland Security Grant Program	97.067	21-SHSP-RR7-RR-AET	-	48,124
Homeland Security Grant Program	97.067	EMW-2022-SS-00077	-	4,121
Homeland Security Grant Program	97.067	EMW-2022-SS-00077	-	28,376
Subtotal Homeland Security Grant Program			-	135,033
Total U.S. Department of Homeland Security			-	326,464
Total expenditures of Federal awards			\$ 667,258	\$ 8,260,039

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, 2023. 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.



**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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, 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, 2023, 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 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming

December 22, 2023



**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

Opinion on Each Major Federal Program

We have audited the City of Cheyenne, Wyoming's (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major Federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 22, 2023

CITY OF CHEYENNE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
94.011	Foster Grandparent Program

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, 2023

There were no audit findings for the year ended June 30, 2022.