

CITY OF CHEYENNE, WYOMING

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the fiscal year ended
June 30, 2008**

Prepared By:

City Treasurer's Office

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About our cover and section tabs.....

From its rough and tumble beginnings in 1867, the Cheyenne area has grown to almost 59,000 residents of diversity. During this past year, Cheyenne has continued to provide a multitude of cultural and entertainment opportunities.

The cover picture is of the Taco John's Events Center which was acquired by the City in January of 2008. The Center offers an excellent location with catering, flexible facility configuration and on-site recreational amenities including ice skating/roller skating, miniature golf, laser tag, arcades, concerts and trade shows.

The "Introductory Section" tab photo is of the William N. Brimmer Ampitheatre. The Ampitheatre is located in Lions Park and is available for renting for individual, group or community events. The location hosts various activities during the summer including free Movies in the Park and various concerts.

The "Financial Section" tab photo is of the Cheyenne Civic Center. Entertainment is one of the priorities in the City of Cheyenne and much of that entertainment is provided by the Civic Center. The Center will host its 25th anniversary season this year. Built in 1981, the downtown center seats about 1,500 (with 584 orchestra-level seats, 478 loge seats and 434 balcony seats).

The "Statistical Section" tab features the Cheyenne Depot and Plaza. The City took ownership of the Depot in 2001 and the renovations that have taken place since that time have transformed the Plaza and the Depot into one of the most beautiful depots between Omaha and Sacramento. Events of all kinds are held year-round in the Depot and on the Plaza.

The "Single Audit Section" tab is of the Cheyenne Botanic Gardens, located in beautiful Lions Park. A group of senior, youth and handicapped volunteers provide the labor force that makes the nine acres of the Gardens a green oasis. A beautiful and diverse collection of plants are maintained by volunteers. It is also a municipal nursery and provides education, food and therapy. The greenhouse conservatory is solar heated and receives electricity generated by the sun.

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City of Cheyenne
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2008

Table of Contents

Introductory Section

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	5
List of City Officials	7
Organization Chart	9

Financial Section

Independent Auditor's Report	11
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Management's Discussion and Analysis	13
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Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Assets	22
Statement of Activities	24
Fund Financial Statements	
Balance Sheet – Governmental Funds	26
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of Statement of Revenues, Expenses and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Assets – Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	36
Statement of Fiduciary Net Assets – Fiduciary Funds	40
Notes to Financial Statements	41

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – General Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) – One Percent Sales Tax Fund	78
Notes to the Budgetary Schedules	79

Combining and Other Individual Fund and Other Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	90
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) – Nonmajor Governmental Funds	96
Statement of Changes in Assets and Liabilities – Agency Fund	112
Schedule of Expenditures by Object Category – General Fund	113
Capital Assets Used in the Operation of Governmental Funds – Schedule by Function and Activity	114
Capital Assets Used in the Operation of Governmental Funds – Schedule of Changes by Function and Activity	115

Table of Contents (continued)

Statistical Section

Financial Trends	
Net Assets by Component	119
Changes in Net Assets	120
Fund Balances, Governmental Funds	123
Changes in Fund Balances, Governmental Funds	124
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	126
Direct and Overlapping Property Tax Rates	127
Principal Property Taxpayers	128
Property Tax Levies and Collections	129
Taxable Sales by Major Business Class	130
Direct and Overlapping Sales Tax Rates	131
Principal Sales Tax Remitters by Business Activity	132
Debt Capacity	
Ratios of Outstanding Debt by Type	133
Ratios of General Bonded Debt Outstanding	134
Direct and Overlapping Governmental Activities Debt	135
Legal Debt Margin Information	136
Pledged Revenue Coverage	137
Demographic and Economic Information	
Demographic and Economic Statistics	138
Principal Employers	139
Full-Time Equivalent City Government Employees by Function/Program	140
Operating Information	
Operating Indicators by Function/Program	141
Capital Asset Statistics by Function/Program	142

Single Audit Section

Schedule of Expenditures of Federal Awards	145
Report on the Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	149
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	151
Schedule of Findings and Questioned Costs	153
Summary Schedule of Prior Federal Audit Findings	157



December 8, 2008

Honorable Mayor and Members of the City Council and Citizens of Cheyenne

We are pleased to present the City's Comprehensive Annual Financial Report for the year ended June 30, 2008. In reviewing the past year, several significant themes stand out. The State of Wyoming continued to enjoy a robust economy driven by the mineral industry during the fiscal year. While not directly affected by this growth, the City of Cheyenne maintained a steady revenue stream during the year as an indirect result of the State's economy. The State of Wyoming shared surplus mineral revenue during the 2008 legislative session that will provide funding for operations and large capital projects for the two year period ended June 30, 2010. Sales tax collections did not meet expectations during the fiscal year, however they have kept a slow steady growth pattern for several years. The City was able to maintain its financial position with over \$32 million in unrestricted net assets overall. However, the unreserved and undesignated fund balance in the General Fund reduced from \$5.7 million in fiscal year 2007 to \$4.8 million in fiscal year 2008. In this context, we transmit the Comprehensive Annual Financial Report.

Legal Requirements. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. To meet the requirements and provide a clear summary of the City's financial activities, we present this comprehensive annual financial report of the City of Cheyenne, Wyoming (City) for the fiscal year ended June 30, 2008.

Responsibility and Internal Control. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit. The City's financial statements have been audited by McGee, Hearne & Paiz, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Cheyenne was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with

special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of the City's comprehensive annual financial report.

Management's Discussion and Analysis. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with. The City's MD&A begins on page 13, immediately following the report of the independent auditors.

PROFILE OF THE CITY OF CHEYENNE

The City of Cheyenne is an active economic, cultural and political center for the northern plains and is the capital of the State of Wyoming. It is located at the intersection of Interstates 25 and 80 in southeast Wyoming. Cheyenne is approximately 100 miles north of Denver, Colorado at an elevation of 6,062 feet. It has an area of 19.7 square miles and an estimated 2008 population of 58,182, making it the largest city in the State of Wyoming.

The City of Cheyenne had its beginning in 1867, when the Union Pacific Railroad came through on its way to the west coast. Settlement came so fast that the nickname "Magic City of the Plains" was adopted. The City operates under the Mayor-Council form of government. The Mayor is elected at large and on a non-partisan basis for a four year term. The City is divided into three wards and three councilpersons are elected from each ward.

The City of Cheyenne provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events; sanitation services; and health and welfare programs. Water and sewer services are provided through a separate Board of Public Utilities, which functions, in essence, as a fund of the City of Cheyenne and therefore has been included as an integral part of the City's financial statements. The City also includes the financial information for the Downtown Development Authority. Additional information on these separate entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Cheyenne are required to submit requests for appropriation to the City Treasurer on or before May 1 of each year. The Treasurer must prepare a tentative budget for each fund and file it with the governing body no later than May 15 of each year. A public hearing for the City's budget is scheduled not prior to the second Tuesday nor later than the third Tuesday in June and is held at a time of day chosen by the governing body. Within 24 hours of the public hearing, the governing body must, by ordinance, make the necessary appropriations and adopt the budget which, subject to future amendment, is in effect for the next fiscal year. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund and the One Percent Sales Tax Fund, this comparison is presented on pages 77-78 as part of the required supplementary information. For nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the Combining and Other Individual Fund and Other Supplementary Information section of this report, which starts on page 84.

FACTORS AFFECTING ECONOMIC AND FINANCIAL CONDITION

For additional context to readers of the Comprehensive Annual Financial Report, management provides the following comments about the economy and financial status.

Local Economy: The City of Cheyenne enjoyed a favorable economic environment during the fiscal year. Subsequent to June 30, 2008, the local indicators point to a slow down. However, due to the region having a varied employment base and industry base, the local economy, although slowing, is not showing the stress that the national economy has recently shown. Major industries located within the government's boundaries include retail and wholesale trade, utilities, accommodation and food services. Government also plays a major role for the City of Cheyenne as it houses state, county and federal government agencies as well.

Early in 2008, work on the new Arundel Technology Center was started. The first occupant of the center will be Nanomaterials Discovery Corporation (NDC). NDC plans to spend over \$6 million initially and create over 50 jobs

in Cheyenne over the next few years while bringing in associated opportunities for further expansion of the high-tech industry in Cheyenne.

In September of 2008, a large wind farm located on City property was dedicated that will provide alternative power to the area. It is hoped that this will be the first of several projects of this type that will benefit the Cheyenne area.

Long-term Planning: In November 2006, the citizens of Laramie County once again approved the optional one percent sales tax. We estimate that the City will receive \$45,000,000 over a four year period (calendar years 2007 through 2010). This revenue will be used for street renovation and reconstruction, drainage, traffic safety, park beautification, police and fire equipment and facilities, subsidies to human service agencies, and economic development. In May of 2008, a Special Purpose Option Tax ballot was presented to the voters. The ballot included funding for the Greenway, Botanic Gardens and a proposed Recreation Center. The tax was passed for the Greenway in the amount of \$2.8 million and for the Botanic Gardens in the amount of \$750,000. However, the proposed Recreation Center initiative was defeated. The tax is expected to be received within forty eight months.

The City has also begun construction on the Norris Viaduct that has been in the planning stages for several years. The final funding for the project has been identified and the bid for construction was awarded in July of 2008. Construction is expected to be completed by 2010. In addition, the City has several other large projects that are funded by Homeland Security grant funds, namely the Henderson Basin project and the Dry Creek project, and that are funded by the State Loan and Investment Board, namely the Deming/Walterscheid project. These projects are currently in process and are expected to be completed in the next couple of years.

In early 2007, City planners completed *Plan Cheyenne*- an integrated community (city and county) master plan that defines the Cheyenne area's future. It was created with extensive involvement of citizens, city and county officials and planners. *Plan Cheyenne* represents a complete revamping of the City's approach to growing as a "community of choice". The plan contains three major components: the Community Plan, the Parks and Recreation Master Plan and the Transportation Master Plan. It is hoped that this plan will be used in planning for the future needs of this community.

Cash Management Policies and Practices: The City currently contracts with the American National Bank of Cheyenne whereby excess funds are deposited into a sweep account overnight where they earn interest. Cash which is idle for longer than a month is invested in the Wyoming State Investment Pool (WYOSTAR) where interest earned is usually at least a percent higher than the sweep account. Funds not needed for current expenditures are invested with various Investment Management Companies and earn interest at various interest rates. All deposits in financial institutions over the FDIC protection limit are properly collateralized as required by state statutes. See the Notes to the Financial Statements for further information on the cash management policies of the City.

Risk Management: The City carries property and liability insurance to reduce financial exposure. Insurance coverage for property, liability, and errors and omissions is provided through the Wyoming Association of Risk Management (W.A.R.M.), a shared risk pool. Each liability claim is limited by state statutes to \$250,000 for each incident. Workers' compensation is provided through the state and is mandatory for certain classes of workers.

Pension and Other Post-employment Benefits: The City of Cheyenne provides pension benefits for its police, fire and non public safety employees as well as for the employees of the Board of Public Utilities. These benefits are provided through a state-wide plan managed by the State of Wyoming. The City has no obligation in connection with employee benefits offered through this plan beyond its monthly contribution to the State's pension fund. Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 8 and 14 of the financial statements.

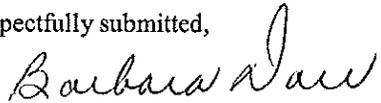
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cheyenne, Wyoming for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the twenty-third year that the City had received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must

satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR will meet the Certificate of Achievements Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the budget and finance division. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Barbara Dorr".

Barbara Dorr, CPA
City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cheyenne
Wyoming

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Office of
Management
for Excellence
in Financial
Reporting

MEMORANDUM

TO: Chief of Staff
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CITY OF CHEYENNE

CITY OFFICIALS

June 30, 2008

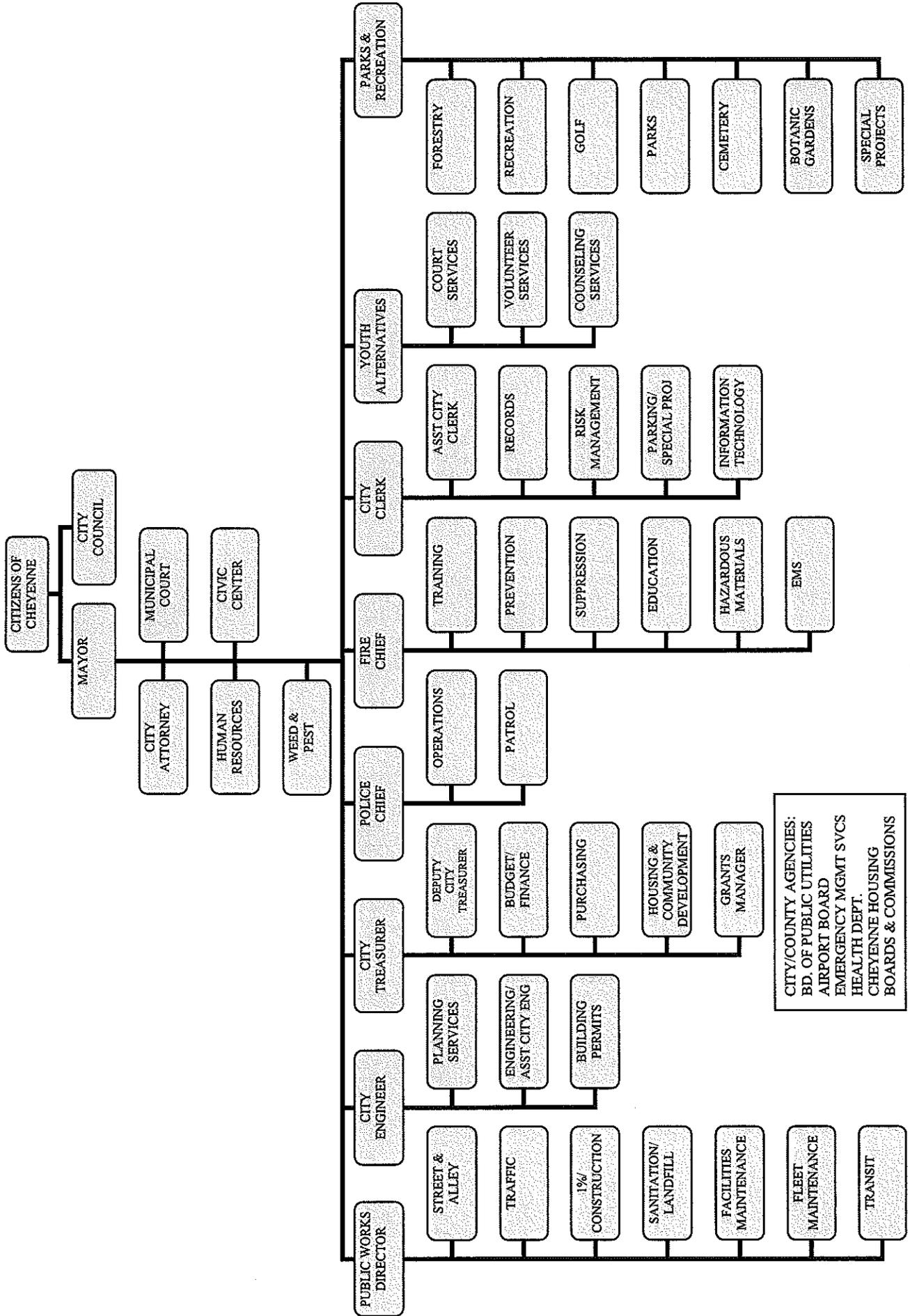
Elected Officials

Mayor	Jack R. Spiker
City Council:	
Ward I	Pete Laybourn Jimmy Valdez Judy Case
Ward II	Patrick Collins Tom Segrave Mark Rinne
Ward III	Don Pierson Georgia Adams Broyles Jim Brown

Appointed Officials

City Attorney	Claudia Angelos
Municipal Court Judges	Paul S. Galeotos Mark Moran
City Clerk	Carol I. Martin
City Engineer	Ken Lewis
Director of Public Works	Mike Abel
Police Chief	Robert Fecht
Fire Chief	Guy Cameron
City Treasurer	Barbara Dorr
Director of Parks and Recreation	Rick Parish

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CITY/COUNTY AGENCIES:
 BD. OF PUBLIC UTILITIES
 AIRPORT BOARD
 EMERGENCY MGMT SVCS
 HEALTH DEPT.
 CHEYENNE HOUSING
 BOARDS & COMMISSIONS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cheyenne, Wyoming (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Cheyenne, Wyoming as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's discussion and analysis on pages 13 through 20 and budgetary comparison information on pages 77 through 79, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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 and individual statements of nonmajor governmental funds and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mc Gee, Hearne & Paig, LLP

Cheyenne, Wyoming
December 8, 2008

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

The City of Cheyenne (the City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008. 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 letter of transmittal and the City's financial statements, which begin on pages 1 and 22 of this report, respectively.

Financial Highlights

- ❖ The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$392.4 million (net assets). Of the net asset balance, \$32.9 million (governmental and business-type combined) is considered unrestricted and is available to meet the government's obligations in accordance with the City's fund designations and fiscal policies.
- ❖ The City's total net assets increased by \$15.6 million (4.1%). The governmental net assets increased by \$8.8 million (5.5%) and the business-type assets increased by \$6.8 million (3.1%).
- ❖ The General Fund, the City's primary operating fund, reported an increase of \$360,751 (3.6%) on a current financial resource basis. As of June 30, 2008, unreserved fund balance for the General Fund was \$9.1 million or 19.1% of total General Fund expenditures of \$47.8 million.
- ❖ The City's total long-term liabilities increased by \$428,689 (less than 1.0%) during the current fiscal year. Within that activity, the City's governmental long-term liabilities increased by \$1,584,615 and business-type long-term liabilities decreased by \$1,155,926.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information is 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 assets presents information on all of the City's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

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, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e., governmental or enterprise funds) and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

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

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

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

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the One Percent Sales Tax Fund, both of which are considered to be major funds. Data from the other 21 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. A budgetary comparison statement has been provided for the general and one percent sales tax funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Proprietary funds. The City maintains one type of proprietary fund. 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, Civic Center and Ice and Events Center.

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

The basic proprietary fund financial statements can be found on pages 30-39 of this report.

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

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

The basic fiduciary fund financial statement can be found on page 40 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-73 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84-111 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City's net assets, 82 percent reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets.

Statement of Net Assets						
(amounts expressed in thousands, totals may not add due to rounding)						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 64,493	\$ 53,638	\$ 33,531	\$ 31,464	\$ 98,024	\$ 85,102
Capital assets	137,303	135,290	285,415	281,219	422,718	416,508
Total assets	<u>201,796</u>	<u>188,928</u>	<u>318,946</u>	<u>312,683</u>	<u>520,742</u>	<u>501,610</u>
Long-term liabilities	22,775	21,190	82,919	84,075	105,694	105,266
Other liabilities	11,425	8,927	11,229	10,588	22,654	19,515
Total liabilities	<u>34,200</u>	<u>30,117</u>	<u>94,149</u>	<u>94,663</u>	<u>128,348</u>	<u>124,781</u>
Net assets:						
Invested in capital assets, net of related debt	125,406	123,881	197,243	191,708	322,649	315,588
Restricted	33,509	27,661	3,250	2,071	36,759	29,732
Unrestricted	8,682	7,268	24,304	24,241	32,985	31,509
Total net assets	<u>\$ 167,597</u>	<u>\$ 158,810</u>	<u>\$ 224,797</u>	<u>\$ 218,020</u>	<u>\$ 392,394</u>	<u>\$ 376,829</u>

A portion of the City's net assets (9.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$32,985,499) may be used to meet the government's ongoing obligations to citizens and creditors subject to the City's fund designations and fiscal policies.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Although net assets in the City's governmental type activities increased by \$8,786,534 during fiscal year 2008, this was down from a prior year increase of over \$13 million. The decrease was due primarily to an increase in expenses

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

as total revenues remained relatively stable. Net assets in the City's business type activities increased by \$6,777,657 during fiscal year 2008, compared to a prior year increase of over \$11 million. This was also attributed to increased expenses without a corresponding increase in revenues.

The following table reflects a condensed summary of activities and changes in net assets.

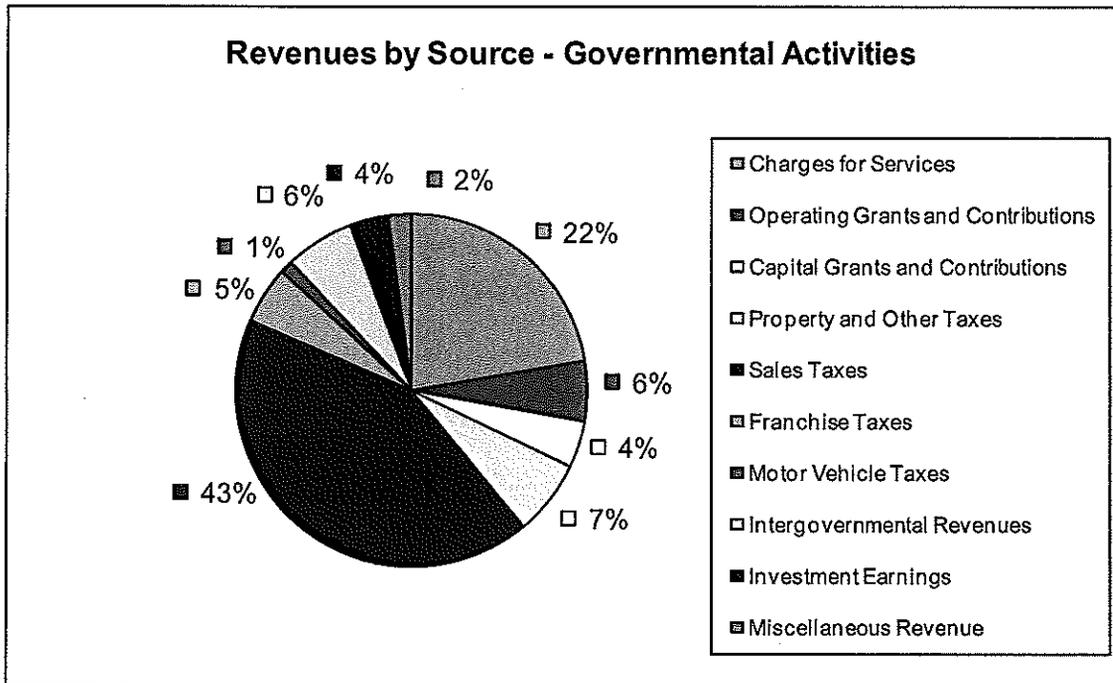
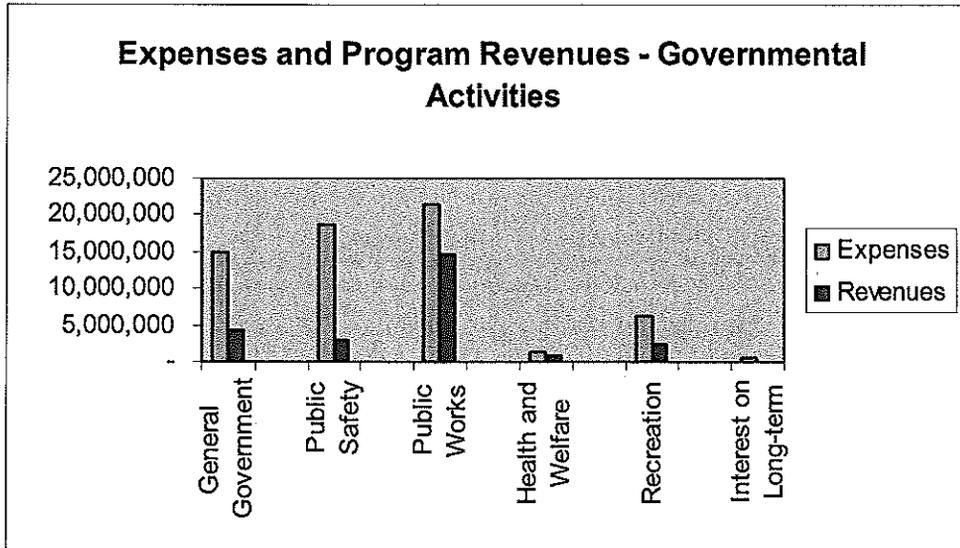
Changes in Net Assets						
(amounts expressed in thousands, totals may not add due to rounding)						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 17,478	\$ 17,030	\$ 23,605	\$ 22,304	\$ 41,083	\$ 39,334
Operating grants and contributions	4,359	4,293	1,269	1,053	5,628	5,346
Capital grants and contributions	3,370	4,084	2,160	5,852	5,530	9,936
General revenues:						
Property and other taxes	10,517	5,210	-	-	10,517	5,210
Sales taxes	33,329	37,537	879	1,365	34,208	38,902
Intergovernmental	4,974	5,156	-	-	4,974	5,156
Other	6,873	4,552	1,307	2,975	8,180	7,527
Total revenues	<u>80,900</u>	<u>77,862</u>	<u>29,220</u>	<u>33,549</u>	<u>110,120</u>	<u>111,411</u>
Expenses:						
General government	15,099	14,940	-	-	15,099	14,940
Public safety	20,120	18,755	-	-	20,120	18,755
Public works	22,273	21,440	-	-	22,273	21,440
Health and welfare	2,595	1,433	-	-	2,595	1,433
Recreation	7,171	6,289	-	-	7,171	6,289
Interest on long-term debt	530	530	-	-	530	530
Water	-	-	16,432	15,474	16,432	15,474
Sewer	-	-	9,214	7,078	9,214	7,078
Other	-	-	1,122	667	1,122	667
Total expenses	<u>67,788</u>	<u>63,387</u>	<u>26,768</u>	<u>23,219</u>	<u>94,556</u>	<u>86,606</u>
Increase in net assets before transfers	13,112	14,475	2,452	10,330	15,564	24,805
Transfers	(4,325)	(1,280)	4,325	1,280	-	-
Increase in net assets	8,787	13,195	6,778	11,610	15,564	24,805
Net assets - beg. of year (restated)	158,810	145,615	218,019	206,409	376,829	352,024
Net assets - end of year	<u>\$ 167,597</u>	<u>\$ 158,810</u>	<u>\$ 224,797</u>	<u>\$ 218,019</u>	<u>\$ 392,393</u>	<u>\$ 376,829</u>

The above condensed summary of the City's governmental and business type activities for the period ended June 30, 2008 reflects net assets increasing by over \$15 million. The prior period is also included for comparative purposes. In addition, revenue and expense graphs have been presented to enhance the reader's understanding of the current year activities.

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008



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.

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

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, unreserved and undesignated 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 \$54,942,561. Approximately 6.9 percent of this total amount (\$3,785,853) constitutes unreserved and undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated 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, to pay debt service or has been committed to other uses.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, undesignated fund balance of the general fund was \$4,806,798, while total fund balance reached \$10,490,189. As a measure of the general fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 10 percent of total general fund expenditures, while total fund balance represents 22 percent of that same amount.

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

Unrestricted net assets of the Waterworks and Sewer funds at the end of the year amounted to \$24,550,118 and those for the Civic Center and Ice and Events Center amounted to \$(246,499). Other factors concerning the finances of these four funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original and the final amended budgeted expenditures and transfers were \$3,917,824. The major expenditure increases follow:

- ❖ \$ 1,318,574 in carryover projects in general government activities
- ❖ \$ 1,714,146 for various capital project match expenditures

Of this increase, \$937,376 was funded from unanticipated revenue with the remaining \$2,980,448 budgeted from available fund balance. During the year, revenues were above budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to further draw upon existing fund balance for operations.

Capital Asset and Debt Administration

Capital assets. The City of Cheyenne's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounted to \$422,718,186 (net of accumulated depreciation). This investment in capital assets included land, buildings, utility plant, improvements, machinery and equipment, park facilities and roads. The total increase in the City's investment in capital assets for the current fiscal year was 1.5 percent.

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

- ❖ Acquisition of equipment for the sanitation department
- ❖ A variety of street construction projects.
- ❖ Vehicles for the police and fire departments.
- ❖ Various building and system additions and improvements for the Board of Public Utilities.

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Capital Assets Net of Depreciation

(amounts expressed in thousands, totals may not add due to rounding)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	Land	\$ 11,529	\$ 11,424	\$ 5,206	\$ 4,135	\$ 16,735
Construction in progress	21,805	16,475	5,338	1,803	27,143	18,278
Buildings and improvements	38,628	37,910	8,358	6,116	46,986	44,026
Utility plant in service	-	-	409,930	403,147	409,930	403,147
Machinery and equipment	33,205	30,567	5,136	5,047	38,341	35,614
Infrastructure	108,851	108,717	-	-	108,851	108,717
Less accumulated depreciation	(76,714)	(69,803)	(148,553)	(139,029)	(225,267)	(208,833)
Total	\$ 137,303	\$ 135,290	\$ 285,415	\$ 281,219	\$ 422,718	\$ 416,508

Additional information on the City's capital assets can be found in Note 4 on pages 52-54 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$10,745,000, backed by the full faith and credit of the government. The remainder of 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	
	2008	2007	2008	2007	2008	2007
	General obligation bonds	\$ -	\$ -	\$ 10,745,000	\$ 13,205,000	\$ 10,745,000
Loans and capital leases	2,672,242	2,108,705	65,070,151	76,715,356	67,742,393	78,824,061
Revenue bonds	9,225,000	9,300,000	12,330,000	-	21,555,000	9,300,000
Total	\$ 11,897,242	\$ 11,408,705	\$ 88,145,151	\$ 89,920,356	\$ 100,042,393	\$ 101,329,061

The City of Cheyenne's total debt decreased by \$1,286,668 (1.3 percent) during the current fiscal year

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 4 percent of its total assessed valuation. The current debt limitation for the City of Cheyenne is \$18,749,719; however, the Board of Public Utilities' general obligation debt is not subject to that limitation.

CITY OF CHEYENNE, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

Additional information on the City of Cheyenne's long-term debt can be found in Note 7 on pages 57-65 of this report.

Economic Factors and Next Year's Budgets and Rates

These factors were considered in preparing the City's budget for the 2009 fiscal year (July 1, 2008 to June 30, 2009).

The unemployment rate for Laramie County was 3.7 percent as of March 31, 2008, compared to the rate of 3.9 percent a year ago. This compares to the state's average unemployment rate of 3.2 percent and the national average rate of 5.7 percent.

During the course of this calendar year, 204 new housing units were constructed with a total added valuation to the City of \$39,930,502. Also during the calendar year, commercial permits were issued on new and remodeling construction with a total added valuation to the City of \$73,683,785. Sales tax collections in the general fund increased during fiscal year 2008 by approximately \$690,000 or 5.7% over fiscal year 2007. During the preparation of the 2009 budget, this trend was expected to continue as additional retail projects are currently underway and are expected to be completed during fiscal year 2009.

The inflation rate at the end of the calendar year 2007 for Cheyenne was 2.1 percent compared to the national average of 2.9 percent.

The City's original approved budget for the general fund for the upcoming fiscal year 2009 totaled \$50,321,957. This represented a 3.9% increase over the original budget for fiscal year 2008. The 2009 budget includes an increase in employee salaries of 3% as of July 1, 2008 and 3% as of January 1, 2009.

The most significant risk to the City is the continuation of the strong economy in Wyoming due to the mineral industry. As the City receives a significant portion of mineral-derived revenues, the effect of a downturn in this economic area could prove to be a challenge for future budgets of the City. The Wyoming State legislature is in the process of developing a local government financing model to be used in determining the sharing of state revenues. The final determination of this model could have a significant impact on the City's budget.

Requests for Information

The financial report is designed to provide a general overview of the City of Cheyenne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Treasurer, City of Cheyenne, 2101 O'Neil, Room 108, Cheyenne, WY 82001.

**BASIC
FINANCIAL
STATEMENTS**

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET ASSETS

June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 17,903,950	\$ 10,346,998	\$ 28,250,948	\$ 31,432
Investments, at fair value	19,548,225	14,247,708	33,795,933	541,782
Restricted assets				
Cash and cash equivalents	6,243,402	1,698,327	7,941,729	-
Investments	6,366,672	1,825,694	8,192,366	-
Due from other governments	-	1,860,523	1,860,523	-
Receivables				
Accrued interest	250,371	132,535	382,906	-
Accounts- customers	-	1,339,486	1,339,486	-
Estimated unbilled usage	-	1,932,268	1,932,268	-
Sanitation receivable and unbilled usage	-	1,046,580	1,046,580	-
Property tax receivable	3,929,342	-	3,929,342	-
Other receivables	1,752,540	3,086	1,755,626	480,727
Internal balances	1,320,179	(1,320,179)	-	-
Intergovernmental receivable	6,178,897	-	6,178,897	-
Prepaid expenses	389,769	1,542	391,311	-
Notes receivable	-	-	-	5,159
Inventories	344,750	269,422	614,172	-
Total current assets	<u>64,228,097</u>	<u>33,383,990</u>	<u>97,612,087</u>	<u>1,059,100</u>
Capital assets				
Land	11,529,138	5,205,942	16,735,080	-
Utility plant in service	-	409,930,227	409,930,227	-
Machinery and equipment	33,204,620	1,029,706	34,234,326	-
Transportation equipment	-	2,139,737	2,139,737	-
Buildings and improvements	38,627,946	8,357,607	46,985,553	-
Office furniture and equipment	-	1,966,762	1,966,762	18,021
Infrastructure	108,850,848	-	108,850,848	-
Construction in progress	21,804,594	5,338,131	27,142,725	-
	<u>214,017,146</u>	<u>433,968,112</u>	<u>647,985,258</u>	<u>18,021</u>
Less accumulated depreciation	<u>(76,714,022)</u>	<u>(148,553,050)</u>	<u>(225,267,072)</u>	<u>(9,568)</u>
Total capital assets (net of accumulated depreciation)	<u>137,303,124</u>	<u>285,415,062</u>	<u>422,718,186</u>	<u>8,453</u>
Other assets				
Notes receivable	-	-	-	21,752
Deferred charges	264,999	146,867	411,866	-
Total other assets	<u>264,999</u>	<u>146,867</u>	<u>411,866</u>	<u>21,752</u>
Total noncurrent assets	<u>137,568,123</u>	<u>285,561,929</u>	<u>423,130,052</u>	<u>30,205</u>
Total assets	<u>\$ 201,796,220</u>	<u>\$ 318,945,919</u>	<u>\$ 520,742,139</u>	<u>\$ 1,089,305</u>

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
LIABILITIES				
Current liabilities				
Accounts payable	\$ 4,403,949	\$ 2,630,385	\$ 7,034,334	\$ 94,571
Accrued interest	-	702,024	702,024	-
Accrued salaries including compensated absences and early retirement, current portion	2,330,392	527,839	2,858,231	-
Unearned fees and deposits	-	1,227,498	1,227,498	-
Intergovernmental payable	7,404	-	7,404	-
Unearned revenue	4,070,572	238,423	4,308,995	-
Long-term debt and capital leases current portion	612,370	5,903,250	6,515,620	-
Total current liabilities	<u>11,424,687</u>	<u>11,229,419</u>	<u>22,654,106</u>	<u>94,571</u>
Noncurrent liabilities				
Accrued landfill closure and post-closure costs	9,824,378	-	9,824,378	-
Accrued compensated absences	1,665,630	650,646	2,316,276	-
Long-term portion of capital leases	2,134,872	-	2,134,872	-
Long-term portion of debt	9,150,000	82,268,820	91,418,820	-
Total noncurrent liabilities	<u>22,774,880</u>	<u>82,919,466</u>	<u>105,694,346</u>	<u>-</u>
Total liabilities	<u>34,199,567</u>	<u>94,148,885</u>	<u>128,348,452</u>	<u>94,571</u>
NET ASSETS				
Invested in capital assets, net of related debt	125,405,882	197,242,992	322,648,874	-
Restricted for				
Debt service and capital improvements	980,372	3,250,423	4,230,795	-
Legal restrictions - nonexpendable	536,391	-	536,391	-
Tax voter approved specific projects	31,992,128	-	31,992,128	-
Unrestricted	8,681,880	24,303,619	32,985,499	994,734
Total net assets	<u>\$ 167,596,653</u>	<u>\$ 224,797,034</u>	<u>\$ 392,393,687</u>	<u>\$ 994,734</u>

CITY OF CHEYENNE, WYOMING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Primary Government				
Governmental activities				
General government	\$ 15,098,670	\$ 3,444,278	\$ 1,052,462	\$ 231,820
Public safety	20,119,841	1,668,677	940,328	1,097,904
Public works	22,272,863	10,828,967	1,789,763	1,945,866
Health and welfare	2,595,051	-	573,822	-
Recreation	7,170,812	1,536,109	2,800	94,004
Interest on long-term debt	530,382	-	-	-
Total governmental activities	<u>67,787,619</u>	<u>17,478,031</u>	<u>4,359,175</u>	<u>3,369,594</u>
Business-type activities				
Water	16,431,926	15,193,966	984,300	1,562,303
Sewer	9,214,304	7,682,937	284,435	597,738
Other nonmajor enterprise funds	1,121,752	728,190	-	-
Total business-type activities	<u>26,767,982</u>	<u>23,605,093</u>	<u>1,268,735</u>	<u>2,160,041</u>
Total primary government	<u>\$ 94,555,601</u>	<u>\$ 41,083,124</u>	<u>\$ 5,627,910</u>	<u>\$ 5,529,635</u>
Governmental component unit				
Downtown Development Authority	<u>\$ 696,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues
Property taxes and other taxes
Sales taxes
Franchise taxes
Motor vehicle taxes
Intergovernmental funds and shared revenues not restricted to specific programs
Unrestricted investment earnings
Miscellaneous revenue
Gain (loss) on sale of capital assets
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning of year
Net assets - end of year

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Primary Government			Downtown Development Authority
Governmental Activities	Business-type Activities	Total	
\$ (10,370,110)	\$ -	\$ (10,370,110)	\$ -
(16,412,932)	-	(16,412,932)	-
(7,708,267)	-	(7,708,267)	-
(2,021,229)	-	(2,021,229)	-
(5,537,899)	-	(5,537,899)	-
(530,382)	-	(530,382)	-
<u>(42,580,819)</u>	<u>-</u>	<u>(42,580,819)</u>	<u>-</u>
-	1,308,643	1,308,643	-
-	(649,194)	(649,194)	-
-	(393,562)	(393,562)	-
<u>-</u>	<u>265,887</u>	<u>265,887</u>	<u>-</u>
(42,580,819)	265,887	(42,314,932)	-
-	-	-	(696,493)
5,430,775	-	5,430,775	173,049
33,329,215	879,268	34,208,483	-
4,139,596	-	4,139,596	-
946,978	-	946,978	-
4,973,615	-	4,973,615	480,727
2,821,394	1,307,117	4,128,511	29,880
1,684,180	-	1,684,180	25,696
2,366,985	-	2,366,985	-
(4,325,385)	4,325,385	-	-
<u>51,367,353</u>	<u>6,511,770</u>	<u>57,879,123</u>	<u>709,352</u>
8,786,534	6,777,657	15,564,191	12,859
<u>158,810,119</u>	<u>218,019,377</u>	<u>376,829,496</u>	<u>981,875</u>
<u>\$ 167,596,653</u>	<u>\$ 224,797,034</u>	<u>\$ 392,393,687</u>	<u>\$ 994,734</u>

CITY OF CHEYENNE, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	<u>General Fund</u>	<u>One Percent Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,021,850	\$ 6,984,563	\$ 7,897,537	\$ 17,903,950
Investments, at fair value	2,682,667	11,431,001	5,434,557	19,548,225
Cash and cash equivalents - restricted	-	-	6,243,402	6,243,402
Investments - restricted	980,372	-	5,386,300	6,366,672
Receivables				
Accrued interest	28,710	112,864	108,797	250,371
Property tax	3,929,342	-	-	3,929,342
Other receivables	835,648	754,310	162,582	1,752,540
Due from other funds	2,387,670	-	860,000	3,247,670
Due from other governments	2,501,483	1,766,274	1,911,140	6,178,897
Prepaid items	362,844	24,526	2,399	389,769
Inventories	344,750	-	-	344,750
Total assets	<u>\$17,075,336</u>	<u>\$21,073,538</u>	<u>\$ 28,006,714</u>	<u>\$ 66,155,588</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,591,853	\$ 629,023	\$ 1,183,073	\$ 4,403,949
Accrued salaries including vacation and sick leave	31,239	-	-	31,239
Due to other funds	-	-	1,927,491	1,927,491
Due to other governments	7,404	-	-	7,404
Deferred revenue	3,954,651	-	888,293	4,842,944
Total liabilities	<u>6,585,147</u>	<u>629,023</u>	<u>3,998,857</u>	<u>11,213,027</u>
Fund balances				
Reserved for				
Tax voter approved specific projects	-	19,699,962	12,292,166	31,992,128
Legal restrictions	980,372	-	536,391	1,516,763
Prepaid items	362,844	24,526	2,399	389,769
Unreserved, designated for, reported in:				
Encumbrances	245,492	720,027	1,157,259	2,122,778
Capital projects	1,838,545	-	479,152	2,317,697
Loans	1,074,217	-	336,454	1,410,671
Future expenditures	500,000	-	-	500,000
Agency accounts	681,921	-	-	681,921
Special revenue funds	-	-	1,042,658	1,042,658
Landfill development	-	-	9,182,323	9,182,323
Unreserved, undesignated reported in:				
General fund	4,806,798	-	-	4,806,798
Special revenue funds	-	-	(600,496)	(600,496)
Capital project funds	-	-	(423,647)	(423,647)
Debt service fund	-	-	3,198	3,198
Total fund balances	<u>10,490,189</u>	<u>20,444,515</u>	<u>24,007,857</u>	<u>54,942,561</u>
Total liabilities and fund balances	<u>\$17,075,336</u>	<u>\$21,073,538</u>	<u>\$ 28,006,714</u>	<u>\$ 66,155,588</u>

CITY OF CHEYENNE, WYOMING

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2008

Total fund balances - governmental funds	\$ 54,942,561
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	137,303,124
Other assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	772,372
Long-term liabilities for compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(3,964,783)
Long-term liability for landfill closure costs is not due and payable in the current period and therefore is not reported in the funds.	(9,824,378)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(11,632,243)</u>
Net assets of governmental activities	<u>\$ 167,596,653</u>

CITY OF CHEYENNE, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

	<u>General Fund</u>	<u>One Percent Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes and special assessments	\$ 8,885,358	\$ -	\$ -	\$ 8,885,358
Licenses and permits	2,254,112	-	-	2,254,112
Intergovernmental	26,280,387	10,662,752	10,359,282	47,302,421
Charges for services	9,537,103	-	4,114,832	13,651,935
Fines and forfeitures	1,571,984	-	-	1,571,984
Investment income	504,767	1,059,117	1,257,510	2,821,394
Miscellaneous	828,341	179,740	676,099	1,684,180
Total revenues	<u>49,862,052</u>	<u>11,901,609</u>	<u>16,407,723</u>	<u>78,171,384</u>
Expenditures				
Current				
General government	12,379,136	909,737	707,174	13,996,047
Public safety	18,080,042	81,105	563,513	18,724,660
Public works	10,468,544	554,922	3,505,274	14,528,740
Health and welfare	-	987,500	1,307,005	2,294,505
Recreation	5,059,041	236,438	852,674	6,148,153
Capital	1,353,293	6,246,427	5,481,576	13,081,296
Debt service				
Principal retirements	75,000	-	671,463	746,463
Interest payments	415,662	-	100,242	515,904
Total expenditures	<u>47,830,718</u>	<u>9,016,129</u>	<u>13,188,921</u>	<u>70,035,768</u>
Excess (deficiency) of revenues over expenditures	<u>2,031,334</u>	<u>2,885,480</u>	<u>3,218,802</u>	<u>8,135,616</u>
Other financing sources (uses)				
Transfers in	24,179	-	403,110	427,289
Transfers out	(1,694,762)	-	(26,912)	(1,721,674)
Issuance of debt	-	-	1,235,000	1,235,000
Total other financing sources (uses)	<u>(1,670,583)</u>	<u>-</u>	<u>1,611,198</u>	<u>(59,385)</u>
Net change in fund balances	360,751	2,885,480	4,830,000	8,076,231
Fund balances - beginning of year	<u>10,129,438</u>	<u>17,559,035</u>	<u>19,177,857</u>	<u>46,866,330</u>
Fund balances - end of year	<u>\$ 10,490,189</u>	<u>\$ 20,444,515</u>	<u>\$ 24,007,857</u>	<u>\$ 54,942,561</u>

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, 2008

Net change in fund balances - total governmental funds \$ 8,076,231

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 those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period. 2,013,504

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 361,169

Expenses for accrued absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (385,877)

Expenses reported in the statement of activities for the increase in the landfill closure liability do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. (775,478)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and 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. (503,015)

Change in net assets of governmental activities \$ 8,786,534

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2008

	<u>Business-type Activities</u>	
	<u>Waterworks Fund</u>	<u>Sewer Fund</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,334,987	\$ 3,932,911
Investments, at fair value	10,671,901	3,575,807
Restricted assets		
Cash and cash equivalents	573,598	1,124,729
Investments	989,594	836,100
Due from other governments	1,481,749	378,774
City of Cheyenne sanitation account	1,046,580	-
Receivables		
Accrued interest	99,398	33,137
Accounts- customers	808,293	531,193
Estimated unbilled usage	1,396,217	536,051
Other	-	-
Inventories	258,734	10,688
Prepaid expenses	-	-
Total current assets	<u>23,661,051</u>	<u>10,959,390</u>
Noncurrent assets		
Capital assets		
Land	4,385,945	477,754
Utility plant in service	305,225,180	104,705,047
Machinery and equipment	773,262	256,444
Transportation equipment	1,604,803	534,934
Buildings and improvements	1,459,541	486,514
Office furniture and equipment	1,054,710	351,548
Construction in progress	2,458,204	2,879,927
	<u>316,961,645</u>	<u>109,692,168</u>
Less accumulated depreciation	(112,362,465)	(32,880,641)
Total capital assets (net of accumulated depreciation)	<u>204,599,180</u>	<u>76,811,527</u>
Other assets		
Deferred charges	146,867	-
Total other assets	<u>146,867</u>	<u>-</u>
Total noncurrent assets	<u>204,746,047</u>	<u>76,811,527</u>
Total assets	<u>\$ 228,407,098</u>	<u>\$ 87,770,917</u>

<u>Enterprise Funds</u>	
<u>Other</u>	
<u>Proprietary</u>	<u>Totals</u>
<u>Funds</u>	
\$ 79,100	\$ 10,346,998
-	14,247,708
-	1,698,327
-	1,825,694
-	1,860,523
-	1,046,580
-	132,535
-	1,339,486
-	1,932,268
3,086	3,086
-	269,422
1,542	1,542
<u>83,728</u>	<u>34,704,169</u>
342,243	5,205,942
-	409,930,227
-	1,029,706
-	2,139,737
6,411,552	8,357,607
560,504	1,966,762
-	5,338,131
<u>7,314,299</u>	<u>433,968,112</u>
<u>(3,309,944)</u>	<u>(148,553,050)</u>
<u>4,004,355</u>	<u>285,415,062</u>
-	146,867
-	146,867
<u>4,004,355</u>	<u>285,561,929</u>
<u>\$ 4,088,083</u>	<u>\$320,266,098</u>

CITY OF CHEYENNE, WYOMING

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS (CONTINUED)

June 30, 2008

	Business-type Activities	
	Waterworks Fund	Sewer Fund
LIABILITIES		
Current liabilities		
Accounts payable	\$ 1,948,746	\$ 628,802
Accrued interest	540,735	161,289
Unearned revenue	-	-
Due to other funds	1,320,179	-
Unearned fees and deposits	1,010,470	217,028
Accrued salaries including vacation and sick leave	298,386	212,607
Current portion of general obligation and loan debt	4,159,727	1,743,523
Total current liabilities	9,278,243	2,963,249
Long term liabilities		
Accrued compensated absences	385,325	243,200
General obligation and loan debt, deferred amount on refunding and unamortized bond premium, net of current portion	43,366,072	38,902,748
Total long term liabilities	43,751,397	39,145,948
Total liabilities	53,029,640	42,109,197
NET ASSETS		
Invested in capital assets, net of related debt	157,073,381	36,165,256
Restricted for debt service and capital improvements	1,289,594	1,960,829
Unrestricted (deficit)	17,014,483	7,535,635
Total net assets	175,377,458	45,661,720

<u>Enterprise Funds</u>		
<u>Other</u>		
<u>Proprietary</u>		
<u>Funds</u>	<u>Totals</u>	
\$ 52,837	\$ 2,630,385	
-	702,024	
238,423	238,423	
-	1,320,179	
-	1,227,498	
16,846	527,839	
-	5,903,250	
<u>308,106</u>	<u>12,549,598</u>	
22,121	650,646	
-	82,268,820	
<u>22,121</u>	<u>82,919,466</u>	
<u>330,227</u>	<u>95,469,064</u>	
4,004,355	197,242,992	
-	3,250,423	
<u>(246,499)</u>	<u>24,303,619</u>	
<u>3,757,856</u>	<u>224,797,034</u>	

CITY OF CHEYENNE, WYOMING

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
Year Ended June 30, 2008**

	Business-type Activities	
	Waterworks Fund	Sewer Fund
Operating revenues		
Sales and charges for services	\$ 14,736,982	\$ 7,406,306
Fees and miscellaneous	456,984	276,631
Total operating revenues	15,193,966	7,682,937
Operating expenses		
Source of supply	1,004,965	-
Water treatment	1,775,288	-
Transmission and distribution	1,794,325	-
Engineering and water resources	523,763	515,977
Sewer collection lines	-	929,928
Water reclamation	-	2,097,786
Information technology and customer service	469,053	460,302
Administrative and general	2,143,473	1,284,535
Depreciation	6,776,284	2,936,622
Parts and supplies	-	-
Intra-city charges	-	-
Total operating expenses	14,487,151	8,225,150
Operating income (loss)	706,815	(542,213)
Non-operating income (expenses)		
System development fees	984,300	284,435
Special purpose taxes	-	879,268
Investment income		
Interest income	848,342	448,952
Net increase in fair value of investments	4,180	4,016
Loss on disposal of capital assets	(2,267)	-
Interest expense	(1,942,508)	(989,154)
Total non-operating income (expenses)	(107,953)	627,517
Income (loss) before contributions and transfers	598,862	85,304
Capital contributions	297,530	-
Donated utilities and other assets	1,264,773	597,738
Transfers in (out)	1,000,000	-
Change in net assets	3,161,165	683,042
Total net assets - beginning of year	172,216,293	44,978,678
Total net assets - end of year	\$ 175,377,458	\$ 45,661,720

Enterprise Funds

Other Proprietary Funds	Totals
\$ 648,933	\$ 22,792,221
79,257	812,872
<u>728,190</u>	<u>23,605,093</u>
-	1,004,965
-	1,775,288
-	1,794,325
-	1,039,740
-	929,928
-	2,097,786
-	929,355
951,675	4,379,683
115,279	9,828,185
28,061	28,061
26,737	26,737
<u>1,121,752</u>	<u>23,834,053</u>
<u>(393,562)</u>	<u>(228,960)</u>
-	1,268,735
-	879,268
1,627	1,298,921
-	8,196
-	(2,267)
-	(2,931,662)
<u>1,627</u>	<u>521,191</u>
<u>(391,935)</u>	<u>292,231</u>
3,031,000	3,328,530
-	1,862,511
294,385	1,294,385
<u>2,933,450</u>	<u>6,777,657</u>
<u>824,406</u>	<u>218,019,377</u>
<u>\$ 3,757,856</u>	<u>\$224,797,034</u>

CITY OF CHEYENNE, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2008**

	Business-type Activities	
	Waterworks Fund	Sewer Fund
Cash flows from operating activities		
Cash received from customers	\$ 15,110,351	\$ 7,548,399
Cash payments to suppliers	(3,000,921)	(2,022,111)
Cash payments to employees	(4,801,199)	(3,476,040)
Change in City sanitation account	96,631	-
	7,404,862	2,050,248
Net cash provided by (used in) operating activities		
Cash flows from noncapital financing activities		
Transfers from other funds	1,000,000	-
	1,000,000	-
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities		
System development fees	1,131,251	612,136
Special purpose taxes	-	1,080,790
Proceeds from issuance of debt	13,956,800	1,311,194
Proceeds from bond premium on issuance of debt	361,903	-
Acquisition and construction of capital assets	(6,165,039)	(2,924,911)
Payment of bond issuance costs	(101,946)	-
Proceeds from disposition of capital assets	2,000	-
Principal paid on general obligation bonds and loan debt maturities	(15,342,202)	(1,700,997)
Capital grants	297,530	-
Interest paid on debt	(2,011,612)	(938,854)
	(7,871,315)	(2,560,642)
Net cash used by capital and related financing activities		
Cash flows from investing activities		
Interest on cash accounts and investments	894,492	492,697
	894,492	492,697
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	1,428,039	(17,697)
Cash and cash equivalents - beginning of year	17,142,041	9,487,244
Cash and cash equivalents - end of year	\$ 18,570,080	\$ 9,469,547

Enterprise Funds	
Other Proprietary Funds	Totals
\$ 788,024	\$ 23,446,774
(530,262)	(5,553,294)
(459,768)	(8,737,007)
-	96,631
<u>(202,006)</u>	<u>9,253,104</u>
<u>294,385</u>	<u>1,294,385</u>
<u>294,385</u>	<u>1,294,385</u>
-	1,743,387
-	1,080,790
-	15,267,994
-	361,903
(15,581)	(9,105,531)
-	(101,946)
-	2,000
-	(17,043,199)
-	297,530
-	(2,950,466)
<u>(15,581)</u>	<u>(10,447,538)</u>
<u>1,627</u>	<u>1,388,816</u>
<u>1,627</u>	<u>1,388,816</u>
78,425	1,488,767
<u>675</u>	<u>26,629,960</u>
<u>\$ 79,100</u>	<u>\$ 28,118,727</u>

CITY OF CHEYENNE, WYOMING

STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 Year Ended June 30, 2008

	<u>Business-type Activities</u>	
	<u>Waterworks Fund</u>	<u>Sewer Fund</u>
Combined components of cash and cash equivalents		
Cash and cash equivalents	\$ 6,908,585	\$ 5,057,640
Investments	11,661,495	4,411,907
	<u>\$ 18,570,080</u>	<u>\$ 9,469,547</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 706,815	\$ (542,213)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	6,776,284	2,936,622
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities		
Receivables	183,285	(74,243)
Inventory	12,015	(333)
Prepaid expenses	-	-
Accounts payable	(166,739)	(246,977)
Other accruals	(51,745)	(33,026)
City sanitation account	96,631	-
Due from/due to other funds	-	-
Accrued salaries including vacation and sick leave	115,216	70,713
Deferred revenue	(266,900)	(60,295)
	<u>\$ 7,404,862</u>	<u>\$ 2,050,248</u>
Net cash provided by (used in) operating activities		
Noncash investing, capital and noncapital financing activities		
Amortization of deferred refunding loss and debt premiums	\$ 74,109	\$ -
Donated asset acquisitions	1,264,773	597,738

<u>Enterprise Funds</u>	
<u>Other Proprietary Funds</u>	<u>Totals</u>

\$ 79,100	\$ 12,045,325
-	16,073,402

<u>\$ 79,100</u>	<u>\$ 28,118,727</u>
------------------	----------------------

\$ (393,562)	\$ (228,960)
--------------	--------------

115,279	9,828,185
---------	-----------

568	109,610
-----	---------

-	11,682
---	--------

5,842	5,842
-------	-------

14,694	(399,022)
--------	-----------

-	(84,771)
---	----------

-	96,631
---	--------

(7,122)	(7,122)
---------	---------

3,240	189,169
-------	---------

59,055	(268,140)
--------	-----------

<u>\$ (202,006)</u>	<u>\$ 9,253,104</u>
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\$ -	\$ 74,109
------	-----------

-	1,862,511
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CITY OF CHEYENNE, WYOMING

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

June 30, 2008

	<u>Agency Fund DARE</u>
ASSETS	
Cash and cash equivalents	<u>\$ 729</u>
Total assets	<u><u>\$ 729</u></u>
 LIABILITIES	
Accounts payable	<u>\$ 729</u>
Total liabilities	<u><u>\$ 729</u></u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. **The Reporting Entity and Significant Accounting Policies**

Reporting Entity

The City of Cheyenne, Wyoming (the City) is a municipal corporation governed by an elected mayor and nine elected council members. The accompanying financial statements present the government and its component units. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the governmental activities and business-type activities relevant to the operations of the City. The accompanying financial statements of the City are to include those separately administered organizations for which the elected officials of the City are financially accountable or those that it would be misleading to exclude. Financial accountability is determined based on the appointment of a voting majority of the governing board and, either the city's ability to impose its will, or the presence of a potential financial benefit or burden to the City. The City of Cheyenne 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.

Discretely Presented Component Unit

The Downtown Development Authority ("DDA") was established to account for all the revenues and those expenditures associated with the activities of developing the City downtown area. The DDA primarily serves the citizens and businesses of the City of Cheyenne, and is dependent upon revenue from tax incremental financing through 1% sales tax that is shared with the City of Cheyenne. Due to the nature and significance of its relationship with the City, the exclusion of the DDA would render the financial statements of the City incomplete or misleading. Complete financial statements for the DDA may be obtained from the Cheyenne Downtown Development Authority, 121 W. 15th, Suite 200, Cheyenne, Wyoming.

Nature of Operations

The City provides the following services as authorized by statute: public safety, street maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, sanitation, and general administrative services.

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

The Board provides all water and sewer services for the City, 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 assets and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 to provide the user with more managerial analysis regarding the financial results and the City's financial outlook.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's fiduciary fund financial statements are for an agency fund in which assets equal liabilities; the agency fund has no measurement focus and uses the *accrual basis of accounting*.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenues, charges for services and licenses associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

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

The City reports the following major governmental funds:

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.

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.

The City reports the following major proprietary funds:

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.

The *sewer fund* accounts for operation of the water reclamation plant, sewage pumping stations, and the collection systems.

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for the proceeds of designated specific revenue sources that are restricted to expenditures for specified purposes.

The *permanent fund* is used to account for resources legally restricted for use in the care and maintenance of the City's cemetery.

The *other proprietary funds* are for the civic center and the ice and events center, which are used to account for their operations.

The *agency fund* is used to report DARE resources held by the City in a purely custodial capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 water, sewer, civic center and ice and events center enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and all certificates of deposit to be cash equivalents. The City also has investments in the State treasurer's Investment Pool (WYOSTAR) and the Wyoming Government Investment Fund (WGIF), which are considered cash equivalents due to the City's ability to withdraw funds at any time. 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 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 inter-fund payable between the fund showing the deficit and the fund showing the related asset.

State statutes authorize the City to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds and notes and export-import bank notes and guaranteed participations.

Investments, which consist of certificates of deposit, money market certificates, mortgage-backed securities and government securities, are reported at fair value at June 30, 2008. Fair value is determined using the latest bid price or by the closing exchange price at the statement of net assets date.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Deposits and Investments (Continued)

A significant portion of the City's investment activity, except for funds that are required to maintain their investments separately, is conducted in a pooled investment account with the State of Wyoming, State Treasurer's office. The State Treasurer's Investment Pool (WYOSTAR) operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 inter-fund loans) or "advances to/from other funds" (i.e. the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Accounts receivable are shown on the statement of net assets net of allowances for doubtful accounts of \$316,129.

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

The City is permitted by Wyoming Statutes to levy up to 8 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, 2008 was 8 mills, which means the City has no available tax margin and accordingly, cannot raise any additional property taxes.

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

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Inventories

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

Restricted Assets

By voter approval, restricted assets include cash 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 Board for the City 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, as well as the Bond Reserve Funds required by the issuance of the Series 2007 Refunding Revenue Water Bonds and the Series 2003 Refunding and Improvement Revenue Bonds, are deemed restricted.

Capital Assets

Capital assets of governmental funds and the civic and ice and events centers, 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 assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Property, plant, and equipment of the governmental funds and the civic and ice and events center 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 assets. 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. Such assets, land, buildings and improvements, equipment and utility plant in service have been valued at an estimated historical cost, as determined by an independent study as of June 30, 1973, plus additions since that time at historical cost. Property and equipment donated by developers is valued at its fair value at the date of donation.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Capital Assets (Continued)

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

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

Compensated Absences

City employees, other than employees of the waterworks and sewer departments, earn vacation leave at the following rates:

<u>Months of Service</u>	<u>Vacation Hours Accrued Per Month</u>
0 to 60	8.67
61 to 120	10.67
121 to 180	12.67
181 to 240	14.67
Over 240	16.67

Employees may accumulate up to 30 days of vacation. Sick leave accrues at the rate of 1.25 days per month and employees may accumulate up to 60 days of sick leave.

Nonexempt full-time and part-time employees of the waterworks and sewer departments are eligible to earn and use compensatory time upon employment. Compensatory time may be earned in lieu of overtime wages and call back wages. Compensatory time is earned at 1½ hours for time worked in excess of 40 in a workweek and for call back hours. The maximum accumulation of compensatory time is 120 hours. A full-time or part-time exempt employee may earn administrative time at a rate of one for one for hours worked above 40 in a workweek, up to a maximum of 120 hours. Upon termination, an employee is paid for his or her accrued unused compensatory or administrative time, not to exceed 120 hours. Payment is calculated using the rate of pay at the time of termination.

Employees of the waterworks and sewer departments earn vacation leave at the following rates:

<u>Months of Service</u>	<u>Vacation Hours Accrued Per Month</u>
0 to 48	8.0
49 to 96	10.0
97 to 144	12.0
145 to 192	14.0
Over 192	16.0

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Compensated Absences (Continued)

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

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

<u>Hours Worked Per Month</u>	<u>Sick Leave Hours Accrued Per Month</u>
160 or more	10.0
120 to 159	7.5
80 to 119	5.0
40 to 79	2.5
39 or less	No accrual

Vacation and sick leave shall be granted to permanent employees only. Probationary employees can accrue leave from the employment date but are not eligible to use leave until a permanent status is achieved. Unused sick leave and vacations of City personnel are accumulated during employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences is accrued as benefits are accumulated in the government-wide and proprietary fund financial statements. Upon termination of employment, an employee is paid for his or her other accrued unused vacation leave and one-half of his or her accrued unused sick leave up to 240 hours.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 1. The Reporting Entity and Significant Accounting Policies (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition of those assets. Net assets are reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of net assets and liabilities 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 are reported as designations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Deficit Fund Equity

The following funds had a deficit balance at June 30, 2008:

Fund	Deficit Balance
Community Development Block Grant	\$ 867
Miscellaneous Federal Grants	541,346
Transportation Planning	41,796
State Grants	16,487
Athletic Facilities	423,647

For the Community Development Block Grant, Miscellaneous Federal Grants, State Grants and Transportation Planning Funds, the fund deficits are due to draws not made early in the program or requests for reimbursements not meeting the availability requirement. The Athletic Facilities deficit is caused by expenses made from loans from the general fund. As revenues are generated from future years and the loans are repaid, the deficit will be eliminated.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The basic financial statements include a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$11,632,243 difference are as follows:

Long-term portion of capital leases	\$ 2,134,872
Long-term portion of debt	9,150,000
Long-term debt and capital leases current portion	612,370
Less: Bond issue costs	<u>(264,999)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 11,632,243</u></u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The basic financial statements include a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,013,504 difference are as follows:

Capital outlay	\$ 9,789,755
Depreciation expense	(7,112,236)
Disposal of assets	<u>(664,015)</u>
	<u><u>\$ 2,013,504</u></u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 3. Cash and Investments

Cash and investments and restricted cash and investments as of June 30, 2008, as classified in the accompanying financial statements, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deposits with financial institutions:			
Cash	\$ 5,944,762	\$ 706,738	\$ 6,651,500
Certificates of deposit	428,447	21,423,400	21,851,847
Investments:			
WYOSTAR	17,837,427	5,471,170	23,308,597
WGIF	-	517,419	517,419
Investment accounts	<u>25,851,613</u>	<u>-</u>	<u>25,851,613</u>
	<u>\$ 50,062,249</u>	<u>\$ 28,118,727</u>	<u>\$ 78,180,976</u>

Custodial Credit Risk

In the case of deposits and certificates of deposit, this is the risk that in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that the City and Board's deposits in excess of the Federal depository insurance must be collateralized. As of June 30, 2008, the deposits of the City and Board were fully insured and collateralized as required by state statutes, with the exception of under-collateralization in the amount of \$155,274 at one bank for the City whose deposits totaled \$255,274 and one bank for the Board in the amount of \$686,131 whose deposits totaled \$2,052,158. The deposits of the component unit of the City were fully insured and collateralized at June 30, 2008.

In addition to the applicable statutes, the City and Board's policies require all deposits to be collateralized at 105% of the amount invested including accrued interest. The Board also excludes Federal depository insurance to further reduce its exposure to custodial credit risk. At June 30, 2008, the City and Board's deposits were fully collateralized as required by City and Board policy, with the exception of under-collateralization at two banks, as described in the preceding paragraph.

For an investment, this is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes limit the type of investments the City can use. Statutes limit investments primarily to securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government; therefore, reducing the City's exposure to custodial credit risk for its investments. As of June 30, 2008, all investment securities were held by the City's custodians and registered in the City's name.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 3. Cash and Investments (Continued)

Concentration of Credit Risk

The City's investment policy states that with the exception of U.S. Treasury securities, certificates of deposits, and authorized pools, no more than 25% of the City's total investment portfolio will be invested in any one issuer. The City met this limitation as of June 30, 2008. The City holds \$18,588,131 or 28% of its portfolio in government agency securities such as Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal Home Loan Bank (FHLB).

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 an external pooled investment account, bank certificates of deposit, as well as accounts managed by an investment manager, as a means of limiting its exposure to fair value losses arising from interest rates. The City attempts to match its investment maturities to expected cash flow needs. Unless matched to a specific cash flow, the City's policy is to not directly invest in securities maturing more than five years from the date of purchase. The Board's investment portfolio shall be timed to provide that at least 20% is under 31 days (but this amount need not be more than \$3,000,000) and not more than 25% may be over 181 days and less than three years. With this investment focus, investments are expected to reach maturity with limited gains and losses. The maturities and applicable interest rates of the City and 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	\$ 16,501,849	3.45%-5.55%	\$ 15,168,017	\$ 1,298,832	\$ 35,000	\$ -
U.S. Government Securities	6,898,319	2.375%-7.452%	150,758	5,947,456	500,432	299,673
U.S. Agencies	18,588,131	2.599%-6.625%	1,837,927	15,955,970	491,225	303,009
Governmental Mutual Funds	365,163	n/a	365,163	-	-	-
State Treasurer's Investment Pool (WYO-STAR)	23,308,597	2.68%	23,308,597	-	-	-
Wyoming Government Investment fund (WGIF)	517,419	2.20%	517,419	-	-	-
	<u>\$ 66,179,478</u>		<u>\$ 41,347,881</u>	<u>\$ 23,202,258</u>	<u>\$ 1,026,657</u>	<u>\$ 602,682</u>

The component unit of the City had investments in the Wyoming Government Investment Fund (WGIF) which was established pursuant to the Wyoming Statutory Trust Act. The WGIF's investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that the Fund's portfolio maintain a dollar-weighted average maturity of less than ninety days. The weighted average maturity of the Fund's entire portfolio at June 30, 2008 was 44 days.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 3. Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and 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. The City's investments in U.S. Agencies were either not rated or were rated AAA by Moody's. The City's investments in the governmental mutual funds were not rated. Under investment agreements with WYOSTAR and WGIF, the City has invested monies at a variable and fixed contract rate of interest, respectively. There is no rating available for the WYOSTAR investment; however, under Wyoming statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations. The WGIF investment received an AAAM rating by Standard & Poor's.

Note 4. Capital Assets

Governmental capital asset activity for the year ended June 30, 2008 was as follows:

	Balance June 30, 2007	Additions	Retirements and Transfers	Balance June 30, 2008
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,423,854	\$ 105,284	\$ -	\$ 11,529,138
Construction in progress	16,474,558	5,950,725	(620,689)	21,804,594
Total capital assets, not being depreciated	<u>27,898,412</u>	<u>6,056,009</u>	<u>(620,689)</u>	<u>33,333,732</u>
Capital assets, being depreciated:				
Buildings	28,770,866	338,234	-	29,109,100
Improvements other than buildings	9,139,226	338,289	41,331	9,518,846
Infrastructure	108,717,284	198,835	(65,271)	108,850,848
Equipment	30,567,044	2,858,388	(220,812)	33,204,620
Total capital assets, being depreciated	<u>177,194,420</u>	<u>3,733,746</u>	<u>(244,752)</u>	<u>180,683,414</u>
Less accumulated depreciation for:				
Buildings	10,083,276	770,434	-	10,853,710
Improvements other than buildings	4,455,715	322,035	(11,233)	4,766,517
Infrastructure	36,953,994	3,537,399	(9,216)	40,482,177
Equipment	18,310,227	2,482,368	(180,977)	20,611,618
Total accumulated depreciation	<u>69,803,212</u>	<u>7,112,236</u>	<u>(201,426)</u>	<u>76,714,022</u>
Total capital assets being depreciated, net	<u>107,391,208</u>	<u>(3,378,490)</u>	<u>(43,326)</u>	<u>103,969,392</u>
Governmental activities, capital assets, net	<u>\$ 135,289,620</u>	<u>\$ 2,677,519</u>	<u>\$ (664,015)</u>	<u>\$ 137,303,124</u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 4. Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2008 was as follows:

	Balance June 30, 2007	Additions	Retirements and Transfers	Balance June 30, 2008
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 4,135,528	\$ 453,680	\$ 616,734	\$ 5,205,942
Construction in progress	1,803,280	7,423,125	(3,888,274)	5,338,131
Total capital assets, not being depreciated	<u>5,938,808</u>	<u>7,876,805</u>	<u>(3,271,540)</u>	<u>10,544,073</u>
Capital assets, being depreciated:				
Utility plant in service	403,146,778	2,984,331	3,799,118	409,930,227
Machinery and equipment	986,280	55,199	(11,773)	1,029,706
Transportation equipment	2,272,067	75,438	(207,768)	2,139,737
Structures and improvements	6,115,732	2,858,608	(616,733)	8,357,607
Office furniture and equipment	1,788,447	178,315	-	1,966,762
Total capital assets, being depreciated	<u>414,309,304</u>	<u>6,151,891</u>	<u>2,962,844</u>	<u>423,424,039</u>
Less accumulated depreciation for:				
Utility plant in service	131,647,999	9,332,275	(84,887)	140,895,387
Machinery and equipment	770,502	40,788	(11,774)	799,516
Transportation equipment	1,609,078	219,365	(207,768)	1,620,675
Structures and improvements	3,525,860	140,070	-	3,665,930
Office furniture and equipment	1,475,855	95,687	-	1,571,542
Total accumulated depreciation	<u>139,029,294</u>	<u>9,828,185</u>	<u>(304,429)</u>	<u>148,553,050</u>
Total capital assets being depreciated, net	<u>275,280,010</u>	<u>(3,676,294)</u>	<u>3,267,273</u>	<u>274,870,989</u>
Business-type activities, capital assets, net	<u>\$ 281,218,818</u>	<u>\$ 4,200,511</u>	<u>\$ (4,267)</u>	<u>\$ 285,415,062</u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 4. Capital Assets (Continued)

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

Governmental activities	
General government	\$ 512,460
Public safety	843,989
Public works	4,726,547
Health and welfare	40,072
Recreation	<u>989,168</u>
Total depreciation expense - governmental activities	<u>\$ 7,112,236</u>
Business-type activities	
Waterworks	\$ 6,776,284
Sewer	2,936,622
Civic center	66,679
Ice and events center	<u>48,600</u>
Total depreciation expense - business-type activities	<u>\$ 9,828,185</u>

Note 5. Interfund Receivables, Payables and Transfers

The composition of interfund receivables and payables as of June 30, 2008 is as follows:

Fund	Government-wide Statements		Fund Level Financial Statements	
	Internal Balances		Due From/To Other Funds	
	Receivable	Payable	Receivable	Payable
Governmental activities:				
General fund	\$ 1,320,179	\$ -	\$ 2,387,670	\$ -
Special revenue funds:				
Juvenile Justice Grants	-	-	-	28,815
Community Development Block Grant	-	-	-	25,957
Local Law Enforcement Block Grants	-	-	-	48,028
Transportation Planning	-	-	-	164,218
State Grants	-	-	-	59,703
Recreation Programs	-	-	-	267,000
Miscellaneous Federal Grants	-	-	-	773,553
Capital projects funds:				
Capital Facilities Tax			860,000	
Athletic Facilities	-	-	-	560,217
Business-type activities:				
Waterworks	-	1,320,179	-	1,320,179
	<u>\$ 1,320,179</u>	<u>\$ 1,320,179</u>	<u>\$ 3,247,670</u>	<u>\$ 3,247,670</u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 5. Interfund Receivables, Payables and Transfers (Continued)

The balance of \$1,320,179 due from the waterworks fund to the general fund resulted from the Board of Public Utilities billing and collection of sanitation charges on behalf of the City. All other balances resulted from the time lag between dates that (1) interfund goods and services were provided or reimbursable expenses occurred, (2) transactions were recorded in the accounting systems, and (3) payments between funds were made.

Transfers for the year ended June 30, 2008 were as follows:

Fund	Transfers	
	In	Out
Governmental activities:		
General fund	\$ 24,179	\$ 1,694,762
Special revenue funds:		
Community Development Block Grant	2,733	-
UMTA Transit Grants	400,377	-
Housing Loans	-	2,733
Permanent fund		
Cemetery Perpetual Care	-	24,179
Total governmental activities	<u>427,289</u>	<u>1,721,674</u>
Business-type activities:		
Waterworks	1,000,000	-
Civic Center	294,385	-
Total business-type activities	<u>1,294,385</u>	<u>-</u>
Total primary government	<u>\$ 1,721,674</u>	<u>\$ 1,721,674</u>

During the year ended June 30, 2008, the waterworks fund received \$1,000,000 from the general fund for payment of bond indebtedness. Other transfers are used to (1) move revenues from the fund that statute or budget requires expending them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6. Leases

The City has entered into lease agreements as lessee for financing the acquisition of landfill and irrigation equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. For governmental activities, capital lease obligations are generally liquidated by the solid waste fund.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 6. Leases (Continued)

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset	
Machinery and equipment	\$ 2,642,352
Less accumulated depreciation	(975,989)
Total	\$ 1,666,363

The capital lease obligations payable as of June 30, 2008 were as follows:

Lease payable for landfill equipment, due in semi-annual installments of \$79,157, with interest of 3.98%, through June 2013.	\$ 712,916
Lease payable for landfill equipment, due in semi-annual installments of \$94,536, with interest of 3.60%, through June 2015.	1,160,830
Lease payable for equipment, due in semi-annual installments of \$54,792 to \$54,901, variable interest rate through June 2013.	485,998
Lease payable for landfill equipment, due in semi-annual installments of \$13,362, with interest at 3.96%, through June 2010.	31,360
Lease payable for landfill equipment, due in semi-annual installments of \$32,693, with interest at 3.35%, through June 2009.	51,089
Lease payable for landfill equipment, due in semi-annual installments of \$37,070, with interest at 3.50%, through June 2011.	195,341
Lease payable for landfill equipment, due in monthly installments of \$2,028, with interest at 6.5%, through December 2009.	34,708
	\$ 2,672,242

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 6. Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2009	\$ 634,460
2010	549,077
2011	515,590
2012	457,124
2013	452,198
Thereafter	<u>378,143</u>
Total minimum lease payments	2,986,592
Less amount representing interest	<u>(314,350)</u>
Present value of minimum lease payments	<u>\$ 2,672,242</u>

Note 7. Long-Term Debt

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

General long-term debt currently outstanding is as follows:

	<u>Balance at June 30, 2008</u>	<u>Amount Due Within One Year</u>
<i>Governmental activities</i>		
Refunding and Improvement Revenue Bonds, Series 2003, due in annual installments of \$75,000 to \$1,775,000 through April 2028 plus interest from 3.0% to 4.625%. Bonds are callable by the City as of April 1, 2013 on any interest date, for the principal and accrued interest. Secured by a pledge of federal mineral royalties and gross parking fee revenues received.	<u>\$ 9,225,000</u>	<u>\$ 75,000</u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 7. Long-Term Debt (Continued)

	<u>Balance at June 30, 2008</u>	<u>Amount Due Within One Year</u>
<i>Business-type activities</i>		
General Obligation Water Refunding Bonds, Series 1998, original amount of \$23,380,000, due in annual installments ranging from \$2,575,000 to \$2,850,000 through December 2011; interest at 4.60% to 5.25%. Secured by all taxable property within the City and all revenue.	10,745,000	2,575,000
Plus unamortized premium	126,910	-
Less deferred loss on prior refunding	(455,218)	-
	10,416,692	2,575,000
Due to the State of Wyoming, Water Development Commission, original amount of \$1,951,313, with interest at 4%, due annually on December 1. Annual principal and interest payments of \$93,433 through 2036. Secured by a mortgage on Granite Springs dam and reservoir and Crystal Lake dam and reservoir and revenues from the Cheyenne Water System.	1,556,878	31,158
Due to the State of Wyoming, Office of State Lands and Investment, #IRR-802, original amount of \$4,500,000, with interest at 5%, due annually on December 1. Annual principal and interest payments are \$326,119 through 2014 for rehabilitation of Stage II embankments. Secured by assignment and pledge of all revenues generated by the Cheyenne Water System sufficient to meet the required debt service.	1,655,280	243,355
Due to the State of Wyoming, Water Development Commission, original amount of \$1,535,224, with interest at 4%, due annually on December 1. Annual principal and interest payments of \$88,782 through 2024 for rehabilitation of the North Crow Creek dams and reservoirs. Collateralized by a mortgage on North Crow Creek dams and reservoirs and revenue from the Cheyenne Water System.	1,080,094	45,579
Due to the State of Wyoming, Water Development Commission, original amount of \$6,250,000, with interest at 4%, due annually on December 1. Annual principal and interest payments are \$306,348 through 2037. Secured by a mortgage on the Stage I pipeline and revenues from the Cheyenne Water System.	5,204,035	98,186

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 7. Long-Term Debt (Continued)

	Balance at June 30, 2008	Amount Due Within One Year
<i>Business-type activities (continued)</i>		
Refunding Revenue Water bonds, Series 2007, original amount of \$12,330,000, due in annual installments ranging from \$425,000 to \$910,000 through December 2026; interest at 4% to 5%. Secured by pledge of revenues from the city's water system tap and user fees and system development fees. Plus unamortized premium	12,330,000 <u>355,227</u> 12,685,227	425,000 <u>-</u> 425,000
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #002, original amount of \$4,000,000, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$258,075 through 2023. Secured by an assignment and pledge of all revenues generated by the Cheyenne Water System sufficient to meet the required debt service.	3,195,320	178,192
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #065, advances on a \$5,600,000 loan for the Southern Water Transmission Main - Phase I Project. Interest will accrue at 2.5% from the date of loan disbursements. Twenty annual payments of principal and interest will begin not later than one year after substantial completion of the project. The payments are currently estimated at \$100,915 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.	1,573,177	-
Due to the State of Wyoming, Water Development Commission, original amount of \$625,000, with interest at 4% due annually on December 1. Annual principal and interest payments are \$56,213 through 2012. Secured by a mortgage on the wells and revenues from the Cheyenne Water System.	204,049	48,051
Due to the State of Wyoming, Water Development Commission, original amount of \$767,000, with interest at 4%, due annually on December 1. Annual principal and interest payments are \$55,556 through 2015 for the construction of a water storage tank. Secured by a mortgage on the tank and revenues from the Cheyenne Water System.	374,047	40,594

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 7. Long-Term Debt (Continued)

	Balance at June 30, 2008	Amount Due Within One Year
<i>Business-type activities (continued)</i>		
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #007, original amount of \$2,334,500, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$147,951 through 2019 for the rehabilitation of the Crow Creek and Rollins sewer lines. Secured by the pledge and assignment of revenue generated from wastewater user fees necessary to meet the annual loan payment.	1,407,634	112,760
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #023, original amount of \$10,000,000, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$641,471 through 2023. Secured with the pledge and assignment of revenues from water system user fees.	7,942,298	442,915
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #032, original amount of \$3,200,000, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$205,271 through 2026. Secured by the pledge and assignment of revenue generated from wastewater user fees necessary to meet the annual loan payments.	2,946,327	131,613
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF #034, original amount of \$825,000, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$47,729 through 2025 for funding of the City's Water Main Rehabilitation Project for Fiscal Year 2004. Secured by a pledge and assignment of revenues from the City's water system user fees.	654,465	31,697

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 7. Long-Term Debt (Continued)

	Balance at June 30, 2008	Amount Due Within One Year
<i>Business-type activities (continued)</i>		
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF #074, advances on a \$375,000 loan for the Administration Building Project. Interest will accrue at 2.5% from the date of loan disbursements. Twenty annual payments of principal and interest will begin not later than one year after substantial completion of the project. The payments are currently estimated at \$727 per year. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.	11,333	-
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF #084, advances on a \$375,000 loan for the Administration Building Project. Interest will accrue at 2.5% from the date of loan disbursements. Twenty annual payments of principal and interest will begin not later than one year after substantial completion of the project. The payments are currently estimated at \$727 per year. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.	11,333	-
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #046, original amount of \$36,450,000, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$2,338,163 through 2026. Secured by the pledge and assignment of revenues generated from wastewater user fees necessary to meet the annual loan payments.	33,560,501	1,499,150
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #81, advances on a \$1,280,000 loan for the extension of Cheyenne's Recycled Water System Project. Interest will accrue at 2.5% from the date of loan disbursements. Twenty annual payments of principal and interest will begin not later than one year after substantial completion of the project. The payments are currently estimated at \$1,206 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.	18,804	-

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 7. Long-Term Debt (Continued)

	<u>Balance at June 30, 2008</u>	<u>Amount Due Within One Year</u>
<i>Business-type activities (continued)</i>		
<p>Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #056, advances on a \$1,300,000 loan for the 30" Western Hills Water Main Extension Project. Interest will accrue at 2.5% from the date of loan disbursements. Twenty annual payments of principal and interest will begin not later than one year after substantial completion of the project. The payments are currently estimated at \$60,839 per year. Secured by the pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.</p>	948,433	-
<p>Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #060, advances on a \$2,900,000 loan for the WAFB/Snyder Avenue Relief Sewer Main and Parsley Boulevard Relief Sewer Main Projects. Interest will accrue at 2.5% from the date of loan disbursements. Twenty annual payments of principal and interest will begin not later than one year after substantial completion of the project. The payments are currently estimated at \$174,874 per year. Secured by the pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.</p>	<u>2,726,143</u>	-
<p>Total business-type activities</p>	<u>88,172,070</u>	<u>5,903,250</u>
<p>Total long-term debt</p>	<u>\$ 97,397,070</u>	<u>\$ 5,978,250</u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 7. Long-Term Debt (Continued)

The annual debt service requirements of the long-term debt and current principal maturities as of June 30, 2008, are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 75,000	\$ 413,975	\$ 5,903,250	\$ 2,707,773
2010	75,000	411,725	6,342,586	2,607,587
2011	100,000	409,288	6,597,902	2,352,141
2012	150,000	405,787	6,475,958	2,097,623
2013	200,000	400,162	3,920,630	1,909,771
2014-2018	1,500,000	1,852,813	19,977,928	7,764,221
2019-2023	2,475,000	1,439,863	21,868,850	4,786,222
2024-2028	4,650,000	752,719	13,818,061	1,631,782
2029-2033	-	-	1,865,723	463,870
2034-2038	-	-	1,374,263	134,899
	<u>\$ 9,225,000</u>	<u>\$ 6,086,332</u>	<u>\$ 88,145,151</u>	<u>\$ 26,455,889</u>

The balances above do not include the unamortized bond premium or the deferred loss on refunding in the amount of \$26,919 that are reported as components of bonds payable.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 7. Long-Term Debt (Continued)

The following is a summary of long-term liability transactions for the City of Cheyenne for the year ended June 30, 2008.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Revenue bonds	\$ 9,300,000	\$ -	\$ (75,000)	\$ 9,225,000	\$ 75,000
Capital leases	2,108,705	1,235,000	(671,463)	2,672,242	537,370
Compensated absences	3,578,906	2,795,639	(2,409,762)	3,964,783	2,299,153
Landfill closure and post closure costs	9,048,900	775,478	-	9,824,378	-
Governmental activity long-term liabilities	<u>\$ 24,036,511</u>	<u>\$ 4,806,117</u>	<u>\$ (3,156,225)</u>	<u>\$ 25,686,403</u>	<u>\$ 2,911,523</u>
Business-type activities					
General obligation bonds	\$ 13,205,000	\$ -	\$ (2,460,000)	\$ 10,745,000	\$ 2,575,000
Refunding revenue bonds	-	12,330,000	-	12,330,000	425,000
Loans payable	76,715,356	2,937,994	(14,583,199)	65,070,151	2,903,250
Less deferred amounts					
Premium	159,404	361,903	(39,170)	482,137	-
On refunding	(568,498)	-	113,280	(455,218)	-
Compensated absences	989,316	387,073	(362,321)	1,014,068	363,422
Business-type activity long-term liabilities	<u>\$ 90,500,578</u>	<u>\$ 16,016,970</u>	<u>\$ (17,331,410)</u>	<u>\$ 89,186,138</u>	<u>\$ 6,266,672</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

Advance and Current Refundings

On March 25, 2003, the City issued \$9,575,000 in Refunding and Improvement Revenue Bonds with an average interest rate of 3.985% to defease the outstanding City of Cheyenne Second Lien Federal Mineral Royalty Revenue Bonds, Series 1994 (the "1994 Bonds"), to finance a portion of the cost of constructing a new multi-level parking structure, and to establish a debt service reserve fund for the 2003 Bonds. The net proceeds of \$9.45 million, (after payment of \$331,325 in underwriting fees, insurance and other issuance costs) were used as follows: \$7.45 million to fund the project, \$957,500 to purchase governmental securities for the 2003 Bond Reserve Fund, and \$821,820 to refund the 1994 Bonds. As a result, the 1994 Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. As of June 30, 2008, the outstanding in-substance defeased debt was \$280,000.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 7. Long-Term Debt (Continued)

Advance and Current Refundings (Continued)

The 2003 current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$8,400. This difference, reported in the accompanying financial section as a deduction from bonds payable, is being charged to operations through the year 2009 using the effective interest rate method.

On April 13, 1998, the City issued \$23,380,000 in General Obligation Bonds with an average interest rate of 4.8298 percent to advance refund \$22,295,000 of outstanding 1992 Series Bonds with an average interest rate of 6.079 percent. The net proceeds of \$23,772,903 (after payment of \$144,529 in underwriting fees, insurance and other issuance costs) plus an additional \$534,368 in existing sinking fund monies 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 on the 1992 Series bonds which were defeased. As a result, the 1992 Series bonds are considered defeased to the extent of the refunding and the liability for those bonds has been removed from the long-term debt balance. As of June 30, 2008, the outstanding in-substance defeased debt was \$12,430,000. The net proceeds also included a premium on the bond issue of \$391,903 which is being charged to operations through the year 2012 using the effective interest method.

The 1998 advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,332,374. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2012 using the effective-interest method.

As of June 30, 2008, it is believed that the funds in the escrow account are sufficient to pay all principal and interest as they come due. However, the City is contingently liable if, for any reason, the funds become insufficient. After the principal and interest on all of the outstanding bonds have been paid, the remaining funds in the escrow account, together with any interest thereon, shall be returned to the City.

On December 21, 2007, the City issued \$12,330,000 in Refunding Revenue Water Bonds with an interest rate of 4.368 percent in order to refinance two Wyoming Water Development Commission loans totaling \$8,043,330 and one Permanent Mineral Trust fund loan for \$3,567,231 bearing substantially higher interest rates between 5.5% and 7.25%. The proceeds of the Series 2007 Bonds, together with other available monies of the City, 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. The proceeds from the Series 2007 Bonds included a premium on the bond issue of \$361,903, which is being charged to operations through the year 2027 using the effective interest method. The City completed the refinancing to reduce its total debt service payments over the next 30 years by \$7,715,631 and to obtain an economic gain (difference between the present values of old and new debt service payments) of \$2,854,909.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 8. Retirement Commitments

All eligible City employees are covered under one of the three following retirement plans:

Police Pension Plans

The City had established two pension funds as required by Wyoming statutes. Both were single employer defined benefit plans which did not issue separately available financial statements. Police Pension Fund No. 1 was for police officers employed before July 1, 1981, and Police Pension Fund No. 2 was for police officers employed after June 30, 1981. The funds were established under the authority of the Police Pension Board, made up of City council members, the mayor, and police department representatives. Administrative costs for each plan were deducted from plan assets. As of July 1, 2002, all funds were transferred to the Wyoming Retirement System and are administered by the Wyoming Retirement System. Under the current plan, employees are eligible for full retirement benefits after they either reach age 60 with at least forty-eight months of contributions to the plan or at any age with 20 years of service. Employees are eligible for early retirement with a reduced benefit after they reach age 50 with forty-eight months of contributions. Benefits are established by State statutes. The Fund issues a publicly available financial report which includes audited financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, 5th Floor West, Cheyenne, Wyoming 82009.

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

Police State Retirement is funded by amounts withheld from participating employees' salaries and by contributions from the City. These contributions are determined by state statutes and as of June 30, 2008, the percentages to be contributed on compensation were 8.6% by the employees and the same by the City.

During the years ended June 30, 2008, 2007 and 2006, total contributions for the Police State Retirement were \$1,006,832, \$887,836 and \$820,670, respectively. The City and employee's portions of the contributions were \$503,416, \$443,918 and \$410,335 for the years ended June 30, 2008, 2007 and 2006 respectively.

Fire Pension Plans

The City participates in the Wyoming Paid Firemen's Retirement Fund ("Fund"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all paid City firemen are eligible to participate. The Fund provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Wyoming Statutes. The Fund issues a publicly available financial report which includes audited financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, 5th Floor West, Cheyenne, Wyoming 82009.

The Fund is comprised of two plans. Plan A relates to members hired prior to July 1, 1981 and Plan B relates to members hired on or after July 1, 1981 (and any earlier hires electing this plan). Employees under Plan A qualify for a retirement allowance if they have 20 years of active service while members under Plan B qualify if they are 50 years old and have at least 10 years of credited service. Benefits for members participating under Plan A are based on the maximum monthly salary of a fireman first class. The benefit equals 50% of such salary for 20 years of service plus 1% of such salary for years of service in excess of 20 worked after July 1, 1981, up to a maximum of

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 8. Retirement Commitments (Continued)

Fire Pension Plans (Continued)

60% of such salary. The basic monthly benefit for participants of Plan B is equal to a percentage of the highest average monthly salary during any period of 36 consecutive months, with such percentage based on years of service. The percentage is equal to the sum of (i) 2.00% multiplied by the first 20 years of credited service, (ii) 2.50% multiplied by the next 5 years of credited service, and (iii) 1.00% multiplied by years of service in excess of 25, up to a maximum of 60%. The basic monthly benefit is reduced by 1/3% for each month that the retiring member is under age 55, if any. The Fund also provides disability retirement to any employee who becomes permanently incapacitated, mentally or physically, and cannot continue in the performance of their duties.

Effective April 1997, Firemen's Fund A was determined to be fully funded and the City is no longer required to make contributions to the Fund.

Individual members participating under Plan B contribute 6% of their compensation and the City contributes 12% of the compensation of covered members. The City's contributions to Plan B for the years ended June 30, 2008, 2007 and 2006 were \$623,309, \$569,117 and \$528,203 respectively, equal to the required contributions for each year.

Wyoming Retirement System

The City participates in the Wyoming Retirement System ("System"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all city full-time employees not covered by the Police or Fire Plans 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 five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained the age of 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The System also provides death and disability benefits. Benefits are established by State statutes. The System issues a publicly available financial report which includes audited financial statements and required supplementary information. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, 5th Floor West, Cheyenne, Wyoming 82009.

Generally, for individuals with creditable service prior to July 1, 1981, the individuals receive benefits based on the larger of a money purchase benefit structure or a formula basis. The formula consists of multiplying the number of years of service by 2.215% for the members first 15 years of service and 2.25% for all years after 15 by the final average salary. The final average salary consists of the three highest continuous years of service. Benefits for individuals hired after July 1, 1981, are calculated only by the formula method.

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

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS June 30, 2008

Note 8. Retirement Commitments (Continued)

Wyoming Retirement System (Continued)

Plan members are required to contribute 5.57% of their annual covered salary and the City is required to contribute 5.68% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution. The City currently pays 3% of the required employee's contribution of 5.57%.

The City's contributions to the System for the years ended June 30, 2008, 2007 and 2006 were \$1,795,910, \$1,675,050 and \$1,639,189, respectively, equal to the required contributions for each year, plus the City's 3% share of the required employee contribution.

Note 9. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

The City is a member of the Wyoming Association of Risk Management (WARM), which is a separate legal agency created under Wyoming State Statutes for the purpose of establishing a shared risk pool and/or jointly purchasing insurance coverage. The premiums required by the participating entities are calculated annually and are based upon actuarially sound and recognized pooling practices. The 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 paid premiums to WARM of \$622,243 and \$651,476 for the years ended June 30, 2008 and 2007, respectively.

The City has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The City has had no significant reductions in insurance coverage from coverage in the prior year.

The City also participates in two other risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the City. The City makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the City to the State for Workers' Compensation during fiscal years 2008 and 2007 were \$832,990 and \$854,829 respectively.

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. This Act requires the City to pay the cost of actual claims incurred. The City incurred and paid claims of \$26,509 and \$18,998 during the fiscal years ended June 30, 2008 and 2007 respectively.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 10. Compensated Absences

Compensated absences have been accrued in the financial statements of the City and consist of the following at June 30, 2008:

	<u>Vacation Leave</u>	<u>Sick Leave</u>	<u>Compensatory Time</u>	<u>Total</u>
Governmental activities	<u>\$ 2,185,381</u>	<u>\$ 1,779,402</u>	<u>\$ -</u>	<u>\$ 3,964,783</u>
Business-type activities				
Waterworks fund	270,729	243,899	70,433	585,061
Sewer fund	180,486	162,599	46,955	390,040
Civic Center fund	22,302	15,095	-	37,397
Ice and events center fund	<u>1,570</u>	<u>-</u>	<u>-</u>	<u>1,570</u>
Total business-type activities	<u>475,087</u>	<u>421,593</u>	<u>117,388</u>	<u>1,014,068</u>
Total all funds	<u>\$ 2,660,468</u>	<u>\$ 2,200,995</u>	<u>\$ 117,388</u>	<u>\$ 4,978,851</u>

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

Note 11. Industrial Revenue Bonds

The City has participated in several issues of industrial revenue bonds for constructing privately operated manufacturing and other related facilities in the City. These bonds are not direct or contingent liabilities of the City.

Note 12. Closure and Post-Closure Care Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports the estimated liability for these closure and post closure costs in the government-wide financial statements based on landfill capacity used as of each balance sheet date. The current operating costs of the landfill are accounted for within the Solid Waste Management Fund of the City using the modified accrual basis of accounting. The \$9,824,378 reported as landfill closure and post closure care liability at June 30, 2008, represents the cumulative amount estimated to date based on the use of 89% of the estimated capacity of the site. The city will recognize the remaining estimated cost of closure and post closure care of \$1,200,622 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 2008. The City expects to close the landfill site in approximately 5 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 13. Commitments

As of June 30, 2008, 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 2008, the amounts below represent the activity pertaining to the contract as a whole.

	Expended to Date at <u>June 30, 2008</u>	Total Contract	Total Commitment at <u>June 30, 2008</u>
Governmental Activities			
FY08 Concrete for Street and Alley	\$ 103,690	\$ 182,738	\$ 79,048
County Pockets 2007	483,186	531,857	48,671
FY08 City Overlay	844,516	1,016,451	171,935
Greenway U.S. 30	-	438,579	438,579
Masonway Roadway Improvement	965,255	1,170,926	205,671
Dry Creek-Sheridan Reach Flood Control	-	3,929,611	3,929,611
Crow Creek Flood Control Improvement	1,299,617	1,740,715	441,098
FY08 Intersection Repair	-	335,159	335,159
Missile Drive Overlay	-	304,803	304,803
East Cheyenne Greenway Phase IIIA	42,999	185,757	142,758
Cheyenne Youth Activity & Community Center	-	136,280	136,280
Utility Vehicle Wash and Street and Alley	-	393,125	393,125
Total governmental activities	<u>3,739,263</u>	<u>10,366,001</u>	<u>6,626,738</u>
Business-type Activities			
Southern Water Transmission Line	1,550,737	5,548,305	3,997,568
Stage I Pipeline Rectifiers	36,140	300,000	263,860
Water Recycle Pipelines	49,759	1,418,460	1,368,701
Western Hills 30" Main	40,259	90,259	50,000
Rehab Granite Spillway	1,000	1,000,000	999,000
Replace Hog Park/Rob Roy Generators	45,277	250,000	204,723
Manganese Treatment	126,195	495,000	368,805
Belvoir Groundwater Study	396,707	546,707	150,000
FY08 Well Projects	17,463	440,000	422,537
Administration Building - Engineering	22,668	478,000	455,332
FY07 & FY08 Water Distribution Projects	657,596	4,958,186	4,300,590
Heat Exchanger	380,857	402,448	21,591
FE Warren/Snyder Relief Sewer	951,160	1,096,226	145,066
FY08 Sewer Collection Lines	77,163	1,842,142	1,764,979
Total business-type activities	<u>4,352,981</u>	<u>18,865,733</u>	<u>14,512,752</u>
Total primary government	<u>\$ 8,092,244</u>	<u>\$ 29,231,734</u>	<u>\$ 21,139,490</u>

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 14. Postemployment Benefits Other Than Pensions

Plan Descriptions. The City participates in two single-employer defined benefit postemployment healthcare plans, being the Post Retirement Health Insurance Plan and the Implicit Rate Subsidy Health Insurance Plan. The City Council has the authority for establishing and amending any of these plans. None of these plans issue a separate report.

Under the Post Retirement Health Insurance Plan, the City offers retiring firefighters an 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 4 years of service upon retirement. Firefighters retiring prior to age 50 must pay the full premium until age 50 when the monthly offset begins. Some current retirees have retired under differing monthly offset provisions and disabled firefighters are also included in current retiree costs with medical benefits payable to age 65 as well. The current program offers payment of health insurance benefits equal to \$300 per month. There were 39 persons eligible for this program and 24 participants at June 30, 2008.

Under the Implicit Rate Subsidy Health Insurance Plan, the City allows retiring employees to remain on the City's health insurance plan, as long as the retiring employee pays their full premium each month. Employees qualify for the benefit by retiring with the City. In this situation, the retired employee may remain on the City's health insurance plan until the participant reaches age 65.

Funding Policy. The City finances these programs on a "pay-as-you-go" basis. The City Council has the authority for establishing and amending the funding policy.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	Post Retirement Health Insurance Plan	Implicit Rate Subsidy Health Insurance Plan
Annual required contribution	\$ 132,461	\$ 17,220
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
 Annual OPEB Cost	 132,461	 17,220
Contributions made	(162,916)	(47,043)
 Increase in net OPEB obligation	 (30,455)	 (29,823)
Net OPEB obligation - beginning of year	-	-
Net OPEB obligation - end of year	\$ (30,455)	\$ (29,823)

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008

Note 14. Postemployment Benefits Other Than Pensions (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 for each of the plans were as follows:

	<u>Post Retirement Health Insurance Plan</u>	<u>Implicit Rate Subsidy Health Insurance Plan</u>
Year ended	June 30, 2008	June 30, 2008
Annual OPEB cost	\$ 132,461	\$ 17,220
Percentage of OPEB cost contributed	123.0%	273.2%
Net OPEB obligation	\$ (30,455)	\$ (29,823)

Funded Status and Funding Progress. The funded status of the plans as of June 30, 2008, being the actuarial valuation date, was as follows:

	<u>Post Retirement Health Insurance Plan</u>	<u>Implicit Rate Subsidy Health Insurance Plan</u>
Actuarial accrued liability (a)	\$ 2,851,318	\$ 370,672
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 2,851,318</u>	<u>\$ 370,672</u>
Funded ratio (b) / (a)	0%	0%
Covered payroll (c)	\$ 26,220,977	\$ 26,220,977
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b)) / (c)	10.87%	1.41%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits in force at the valuation date. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

CITY OF CHEYENNE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Note 14. Postemployment Benefits Other Than Pensions (continued)

	Post Retirement Health Insurance Plan	Implicit Rate Subsidy Health Insurance Plan
Actuarial valuation date	June 30, 2008	June 30, 2008
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	30 years	30 years
Asset valuation method	N/A	N/A
Actuarial assumptions:		
Investment rate of return *	4.50%	4.50%
Healthcare cost Trend Rate (HCCTR)	10% for 2008; decreasing 1% each year until 5% in year 2013 and after	10% for 2008; decreasing 1% each year until 5% in year 2013 and after
Assumed rates of increase applied to retiree premiums	Same as HCCTR	Same as HCCTR

* Includes inflation at 3.5%; funded basis.

Note 15. Subsequent Events

On July 14, 2008, the City awarded a contract for the Norris Viaduct Replacement project to a contractor in the amount of \$17,168,638. The project is being funded with various grant funds and a capital facilities tax.

On August 12, 2008, the City purchased land and a building to house the Parks Maintenance Shop. The total purchase price was \$1,000,000 and was funded by a grant, 1% tax and general fund reserves.

On October 13, 2008, the City awarded a contract for the Deming/Walterscheid project to a contractor in the amount of \$3,893,119. This project is being funded with various grant and 1% tax funds.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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CITY OF CHEYENNE, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND**

Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Motor vehicle	\$ 1,054,875	\$ 1,054,875	\$ 946,978	\$ (107,897)
Property	3,708,840	3,708,840	3,798,784	89,944
Franchise	5,136,050	5,136,050	4,139,596	(996,454)
Licenses and permits	2,382,755	2,382,755	2,254,112	(128,643)
Intergovernmental	24,447,787	24,448,743	26,280,387	1,831,644
Charges for services	9,255,296	9,255,296	9,537,103	281,807
Fines	1,518,110	1,518,110	1,571,984	53,874
Investment income	397,405	397,405	504,767	107,362
Miscellaneous	536,848	843,089	828,341	(14,748)
Total revenues	<u>48,437,966</u>	<u>48,745,163</u>	<u>49,862,052</u>	<u>1,116,889</u>
Expenditures				
General government				
City Council	433,324	368,136	285,481	82,655
Mayor	1,925,446	2,005,608	1,879,814	125,794
City Clerk	2,615,430	2,648,378	2,537,277	111,101
Planning and development	2,864,559	2,766,825	2,546,507	220,318
Budget and finance	723,657	788,618	631,209	157,409
General accounts	3,931,549	4,552,503	4,498,848	53,655
Public works	10,557,652	10,988,795	10,468,544	520,251
Public safety				
Police	9,924,085	10,206,771	10,181,037	25,734
Fire	7,935,978	7,940,283	7,899,005	41,278
Recreation	5,072,666	5,070,499	5,059,041	11,458
Capital	376,320	2,944,074	1,353,293	1,590,781
Debt service	491,225	491,225	490,662	563
Total expenditures	<u>46,851,891</u>	<u>50,771,715</u>	<u>47,830,718</u>	<u>2,940,997</u>
Excess of revenues over expenditures	<u>1,586,075</u>	<u>(2,026,552)</u>	<u>2,031,334</u>	<u>4,057,886</u>
Other financing sources (uses)				
Transfers in	197,000	213,000	24,179	(188,821)
Transfers out	(1,910,865)	(1,908,865)	(1,694,762)	214,103
Total other financing sources and uses	<u>(1,713,865)</u>	<u>(1,695,865)</u>	<u>(1,670,583)</u>	<u>25,282</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>(127,790)</u>	<u>(3,722,417)</u>	<u>360,751</u>	<u>\$ 4,083,168</u>
Fund balance - beginning of year	<u>10,129,438</u>	<u>10,129,438</u>	<u>10,129,438</u>	
Fund balance - end of year	<u>\$ 10,001,648</u>	<u>\$ 6,407,021</u>	<u>\$ 10,490,189</u>	

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS - ONE PERCENT SALES TAX FUND
Year Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,250,000	\$ 11,250,000	\$ 10,662,752	\$ (587,248)
Investment income	774,802	774,802	1,059,117	284,315
Miscellaneous	-	179,660	179,740	80
Total revenues	<u>12,024,802</u>	<u>12,204,462</u>	<u>11,901,609</u>	<u>(302,853)</u>
Expenditures				
General government				
General accounts	986,296	1,135,626	909,737	225,889
Public safety				
Fire	55,500	158,457	81,105	77,352
Public works	715,500	1,231,773	554,922	676,851
Health and welfare	887,500	987,500	987,500	-
Recreation	140,000	248,970	236,438	12,532
Capital	8,016,000	19,978,110	6,246,427	13,731,683
Total expenditures	<u>10,800,796</u>	<u>23,740,436</u>	<u>9,016,129</u>	<u>14,724,307</u>
Excess (deficiency) of revenues over expenditures	1,224,006	(11,535,974)	2,885,480	<u>\$ 14,421,454</u>
Fund balance - beginning of year	<u>17,559,035</u>	<u>17,559,035</u>	<u>17,559,035</u>	
Fund balance - end of year	<u>\$ 18,783,041</u>	<u>\$ 6,023,061</u>	<u>\$ 20,444,515</u>	

CITY OF CHEYENNE

NOTE TO THE BUDGETARY SCHEDULES

June 30, 2008

Budget Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the permanent fund, which is not budgeted. All annual appropriations lapse at fiscal year end.

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

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

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

Non-Major Governmental Funds

Special Revenue Funds

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

Weed and Pest Control – accounts for monies received by the City from a general county tax levy to administer a program of weed and pest control.

Youth Alternative Grant – accounts for monies received by the City from various agencies to administer a program for youth.

Juvenile Justice – accounts for a program which assists youth in trouble.

Special Friends – accounts for a program which brings adults together with young people.

Local Fees – accounts for fees received by the City to administer specific functions required of the City.

Community Development Block Grant – accounts for funds given to various entities which assist low income individuals.

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

Miscellaneous Federal Grants – accounts for revenue received from various federal agencies to administer federal programs.

Transportation Planning – accounts for funds used for planning of streets and other transportation projects.

UMTA Transit Grant – accounts for funds used to provide public transportation.

State Grants – accounts for revenue received from various State agencies to administer state programs.

Solid Waste Management – accounts for the maintenance of the Landfill as mandated by EPA regulations and is also used to accumulate funds for the closure and post-closure costs of the Landfill.

Recreation Programs – accounts for monies received by the City from various recreation programs to administer recreation programs.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued)

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

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

Debt Service Fund

The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

JPA Loans – accounts for the collection of special assessments in order to pay principal and interest on JPA loans incurred for the construction of streets and sewage projects in the Sunnyside Improvement and the North Cheyenne Improvement Districts.

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 construction of youth alternatives projects.

Athletic Facilities – accounts for improvements to City parks and recreation facilities.

Capital Facilities Tax – accounts for major projects financed through a special voter approved capital facilities sales tax.

Depot Square – accounts for construction of the downtown depot square.

Permanent Fund

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

Cemetery Perpetual Care – this trust fund was set up for perpetual care of the Cheyenne cemetery. Eighty dollars is put into the fund 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, 2008

	Special Revenue Funds		
	Weed and Pest Control	Youth Alternative Grants	Juvenile Justice
ASSETS			
Cash and cash equivalents	\$ 249,674	\$ 166,347	\$ -
Investments, at fair value	-	-	-
Receivables			
Accrued interest	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Due from other governments	-	22,490	63,629
Prepaid items	-	-	-
Cash and cash equivalents - restricted	-	-	-
Investments - restricted	-	-	-
Total assets	\$ 249,674	\$ 188,837	\$ 63,629
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 70,595	\$ 5,438	\$ 696
Accrued salaries including vacation and sick leave	-	-	-
Due to other funds	-	-	28,815
Deferred revenue	-	-	-
Total liabilities	70,595	5,438	29,511
Fund balances			
Reserved for			
Tax voter approved specific projects	160,121	-	-
Legal restrictions	-	-	-
Prepaid expenses	-	-	-
Unreserved:			
Designated for:			
Encumbrances	18,958	963	-
Revenue designations	-	182,436	34,118
Capital projects	-	-	-
Landfill development	-	-	-
Housing loans	-	-	-
Undesignated, reported in			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Debt service fund	-	-	-
Total fund balances (deficits)	179,079	183,399	34,118
Total liabilities and fund balances	\$ 249,674	\$ 188,837	\$ 63,629

Special Revenue Funds

Special Friends	Local Fees	Community Development Block Grant	Law Enforcement Block Grant	Miscellaneous Federal Grants
\$ 225,614	\$ 404,305	\$ 22,380	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	138,433	76,059	892,302
-	-	-	-	-
-	-	-	-	-
<u>\$ 225,614</u>	<u>\$ 404,305</u>	<u>\$ 160,813</u>	<u>\$ 76,059</u>	<u>\$ 892,302</u>
\$ 677	\$ 14,217	\$ 135,723	\$ 7,444	\$ 60,364
-	-	-	-	-
-	-	25,957	48,028	773,553
-	-	-	6,818	599,731
<u>677</u>	<u>14,217</u>	<u>161,680</u>	<u>62,290</u>	<u>1,433,648</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
563	1,455	-	1,189	-
224,374	-	-	12,580	-
-	388,633	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(867)	-	(541,346)
-	-	-	-	-
-	-	-	-	-
<u>224,937</u>	<u>390,088</u>	<u>(867)</u>	<u>13,769</u>	<u>(541,346)</u>
<u>\$ 225,614</u>	<u>\$ 404,305</u>	<u>\$ 160,813</u>	<u>\$ 76,059</u>	<u>\$ 892,302</u>

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2008

	Special Revenue Funds		
	Transportation Planning	UMTA Transit Grant	State Grants
ASSETS			
Cash and cash equivalents	\$ -	\$ 66,545	\$ -
Investments, at fair value	-	-	-
Receivables			
Accrued interest	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Due from other governments	177,370	85,100	455,757
Prepaid items	-	-	-
Cash and cash equivalents - restricted	-	-	-
Investments - restricted	-	-	-
Total assets	\$ 177,370	\$ 151,645	\$ 455,757
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 54,948	\$ 9,735	\$ 261,757
Accrued salaries including vacation and sick leave	-	-	-
Due to other funds	164,218	-	59,703
Deferred revenue	-	-	150,784
Total liabilities	219,166	9,735	472,244
 Fund balances			
Reserved for			
Tax voter approved specific projects	-	-	-
Legal restrictions	-	-	-
Prepaid expenses	-	-	-
Unreserved:			
Designated for:			
Encumbrances	-	755	-
Revenue designations	-	141,155	-
Capital projects	-	-	-
Landfill development	-	-	-
Housing loans	-	-	-
Undesignated, reported in			
Special revenue funds	(41,796)	-	(16,487)
Capital project funds	-	-	-
Debt service fund	-	-	-
Total fund balances (deficits)	(41,796)	141,910	(16,487)
 Total liabilities and fund balances	\$ 177,370	\$ 151,645	\$ 455,757

Special Revenue Funds				Debt Service Fund
Solid Waste Management	Recreation Programs	Annexation Improvements	Housing Loans	JPA Loans
\$ 5,143,613	\$ 582,353	\$ 319,299	\$ 349,969	\$ 980
5,006,110	-	-	-	-
49,428	-	-	-	-
20,056	6,911	-	130,960	2,218
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,219,207</u>	<u>\$ 589,264</u>	<u>\$ 319,299</u>	<u>\$ 480,929</u>	<u>\$ 3,198</u>
\$ 96,702	\$ 40,498	\$ 139,966	\$ 12,080	\$ -
-	-	-	-	-
-	267,000	-	-	-
-	-	-	130,960	-
<u>96,702</u>	<u>307,498</u>	<u>139,966</u>	<u>143,040</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
940,182	13,104	-	1,435	-
-	268,662	179,333	-	-
-	-	-	-	-
9,182,323	-	-	-	-
-	-	-	336,454	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,198
<u>10,122,505</u>	<u>281,766</u>	<u>179,333</u>	<u>337,889</u>	<u>3,198</u>
<u>\$ 10,219,207</u>	<u>\$ 589,264</u>	<u>\$ 319,299</u>	<u>\$ 480,929</u>	<u>\$ 3,198</u>

CITY OF CHEYENNE, WYOMING

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

June 30, 2008

	Capital Projects Funds		
	Youth Alternatives	Athletic Facilities	Capital Facilities Tax
ASSETS			
Cash and cash equivalents	\$ 73,770	\$ 150,591	\$ -
Investments, at fair value	-	-	-
Receivables			
Accrued interest	-	-	53,182
Other receivables	-	-	-
Due from other funds	-	-	860,000
Due from other governments	-	-	-
Prepaid items	-	-	2,399
Cash and cash equivalents - restricted	-	-	6,243,402
Investments - restricted	-	-	5,386,300
Total assets	\$ 73,770	\$ 150,591	\$ 12,545,283
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 14,021	\$ 232,274
Accrued salaries including vacation and sick leave	-	-	-
Due to other funds	-	560,217	-
Deferred revenue	-	-	-
Total liabilities	-	574,238	232,274
Fund balances			
Reserved for			
Tax voter approved specific projects	-	-	12,132,045
Legal restrictions	-	-	-
Prepaid expenses	-	-	2,399
Unreserved:			
Designated for:			
Encumbrances	90	-	178,565
Revenue designations	-	-	-
Capital projects	73,680	-	-
Landfill development	-	-	-
Housing loans	-	-	-
Undesignated, reported in			
Special revenue funds	-	-	-
Capital project funds	-	(423,647)	-
Debt service fund	-	-	-
Total fund balances (deficits)	73,770	(423,647)	12,313,009
Total liabilities and fund balances	\$ 73,770	\$ 150,591	\$ 12,545,283

<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	<u>Nonmajor Governmental Funds Total</u>
<u>Depot Square</u>	<u>Cemetery Perpetual Care</u>	
\$ 31,700	\$ 110,397	\$ 7,897,537
-	428,447	5,434,557
-	6,187	108,797
-	2,437	162,582
-	-	860,000
-	-	1,911,140
-	-	2,399
-	-	6,243,402
-	-	5,386,300
<u>\$ 31,700</u>	<u>\$ 547,468</u>	<u>\$ 28,006,714</u>
\$ 14,861	\$ 11,077	\$ 1,183,073
-	-	-
-	-	1,927,491
-	-	888,293
<u>14,861</u>	<u>11,077</u>	<u>3,998,857</u>
-	-	12,292,166
-	536,391	536,391
-	-	2,399
-	-	1,157,259
-	-	1,042,658
16,839	-	479,152
-	-	9,182,323
-	-	336,454
-	-	(600,496)
-	-	(423,647)
-	-	3,198
<u>16,839</u>	<u>536,391</u>	<u>24,007,857</u>
<u>\$ 31,700</u>	<u>\$ 547,468</u>	<u>\$ 28,006,714</u>

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2008

	Special Revenue Funds		
	Weed and Pest Control	Youth A lternatives Grants	Juvenile Justice
Revenues			
Intergovernmental	\$ 597,647	\$ 212,810	\$ 138,830
Charges for services	-	-	-
Investment income	3,176	10,203	-
Miscellaneous	4,497	28,779	250
	<u>605,320</u>	<u>251,792</u>	<u>139,080</u>
Expenditures			
Current			
General government	-	382,558	105,794
Public safety	-	-	-
Public works	-	-	-
Health and welfare	593,428	-	-
Recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
	<u>593,428</u>	<u>382,558</u>	<u>105,794</u>
Total expenditures	<u>593,428</u>	<u>382,558</u>	<u>105,794</u>
Revenues over (under) expenditures	<u>11,892</u>	<u>(130,766)</u>	<u>33,286</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>11,892</u>	<u>(130,766)</u>	<u>33,286</u>
Fund balances (deficits) - beginning of year	<u>167,187</u>	<u>314,165</u>	<u>832</u>
Fund balances (deficits) - end of year	<u>\$ 179,079</u>	<u>\$ 183,399</u>	<u>\$ 34,118</u>

Special Revenue Funds

Special Friends	Local Fees	Community Development Block Grant	Law Enforcement Block Grant	Miscellaneous Federal Grants
\$ 99,335	\$ -	\$ 573,822	\$ 556,639	\$ 1,700,975
-	88,632	-	-	-
7,254	14,945	-	144	-
117,975	-	-	-	-
<u>224,564</u>	<u>103,577</u>	<u>573,822</u>	<u>556,783</u>	<u>1,700,975</u>
167,160	-	-	-	3,840
-	-	-	563,513	-
-	-	-	-	-
-	-	576,672	-	-
-	609	-	-	4,574
-	46,359	-	-	1,950,508
-	-	-	-	-
-	-	-	-	-
<u>167,160</u>	<u>46,968</u>	<u>576,672</u>	<u>563,513</u>	<u>1,958,922</u>
<u>57,404</u>	<u>56,609</u>	<u>(2,850)</u>	<u>(6,730)</u>	<u>(257,947)</u>
-	-	2,733	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,733</u>	<u>-</u>	<u>-</u>
57,404	56,609	(117)	(6,730)	(257,947)
<u>167,533</u>	<u>333,479</u>	<u>(750)</u>	<u>20,499</u>	<u>(283,399)</u>
<u>\$ 224,937</u>	<u>\$ 390,088</u>	<u>\$ (867)</u>	<u>\$ 13,769</u>	<u>\$ (541,346)</u>

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2008

	Special Revenue Funds		
	Transportation Planning	UMTA Transit Grant	State Grants
Revenues			
Intergovernmental	\$ 678,074	\$ 1,037,717	\$ 1,277,263
Charges for services	-	-	-
Investment income	-	1,466	-
Miscellaneous	-	266,444	-
Total revenues	<u>678,074</u>	<u>1,305,627</u>	<u>1,277,263</u>
Expenditures			
Current			
General government	-	-	40,000
Public safety	-	-	-
Public works	638,476	1,476,493	-
Health and welfare	-	-	-
Recreation	-	-	84,765
Capital outlay	23,559	325,976	1,414,514
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>662,035</u>	<u>1,802,469</u>	<u>1,539,279</u>
Revenues over (under) expenditures	<u>16,039</u>	<u>(496,842)</u>	<u>(262,016)</u>
Other financing sources (uses)			
Transfers in	-	400,377	-
Transfers out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>400,377</u>	<u>-</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>16,039</u>	<u>(96,465)</u>	<u>(262,016)</u>
Fund balances (deficits) - beginning of year	<u>(57,835)</u>	<u>238,375</u>	<u>245,529</u>
Fund balances (deficits) - end of year	<u>\$ (41,796)</u>	<u>\$ 141,910</u>	<u>\$ (16,487)</u>

Special Revenue Funds				Debt Service Fund
Solid Waste Management	Recreation Programs	Annexation Improvements	Housing Loans	JPA Loans
\$ -	\$ -	\$ -	\$ -	\$ -
3,214,750	620,491	-	-	-
510,979	19,999	12,557	24,138	489
148,084	10	38,426	52,734	-
<u>3,873,813</u>	<u>640,500</u>	<u>50,983</u>	<u>76,872</u>	<u>489</u>
-	-	-	-	-
-	-	-	-	-
880,237	-	139,966	-	-
-	-	-	136,905	-
-	609,353	-	-	-
469,077	12,970	-	-	-
671,463	-	-	-	-
100,242	-	-	-	-
<u>2,121,019</u>	<u>622,323</u>	<u>139,966</u>	<u>136,905</u>	<u>-</u>
<u>1,752,794</u>	<u>18,177</u>	<u>(88,983)</u>	<u>(60,033)</u>	<u>489</u>
-	-	-	-	-
-	-	-	(2,733)	-
1,235,000	-	-	-	-
<u>1,235,000</u>	<u>-</u>	<u>-</u>	<u>(2,733)</u>	<u>-</u>
2,987,794	18,177	(88,983)	(62,766)	489
<u>7,134,711</u>	<u>263,589</u>	<u>268,316</u>	<u>400,655</u>	<u>2,709</u>
<u>\$ 10,122,505</u>	<u>\$ 281,766</u>	<u>\$ 179,333</u>	<u>\$ 337,889</u>	<u>\$ 3,198</u>

CITY OF CHEYENNE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2008

	Capital Projects Funds		
	Youth Alternatives	Athletic Facilities	Capital Facilities Tax
Revenues			
Intergovernmental	\$ -	\$ -	\$ 3,486,170
Charges for services	-	190,959	-
Investment income	-	14,446	611,014
Miscellaneous	525	-	-
Total revenues	<u>525</u>	<u>205,405</u>	<u>4,097,184</u>
Expenditures			
Current			
General government	3,383	-	-
Public safety	-	-	-
Public works	-	-	370,102
Health and welfare	-	-	-
Recreation	-	37,307	116,066
Capital outlay	3,522	554,671	604,629
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>6,905</u>	<u>591,978</u>	<u>1,090,797</u>
Revenues over (under) expenditures	<u>(6,380)</u>	<u>(386,573)</u>	<u>3,006,387</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>(6,380)</u>	<u>(386,573)</u>	<u>3,006,387</u>
Fund balances (deficits) - beginning of year	<u>80,150</u>	<u>(37,074)</u>	<u>9,306,622</u>
Fund balances (deficits) - end of year	<u>\$ 73,770</u>	<u>\$ (423,647)</u>	<u>\$ 12,313,009</u>

<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Depot Square</u>	<u>Cemetery Perpetual Care</u>	
\$ -	\$ -	\$ 10,359,282
-	-	4,114,832
-	26,700	1,257,510
-	18,375	676,099
<hr/>	<hr/>	<hr/>
-	45,075	16,407,723
<hr/>	<hr/>	<hr/>
-	4,439	707,174
-	-	563,513
-	-	3,505,274
-	-	1,307,005
-	-	852,674
75,791	-	5,481,576
-	-	671,463
-	-	100,242
<hr/>	<hr/>	<hr/>
75,791	4,439	13,188,921
<hr/>	<hr/>	<hr/>
(75,791)	40,636	3,218,802
<hr/>	<hr/>	<hr/>
-	-	403,110
-	(24,179)	(26,912)
-	-	1,235,000
<hr/>	<hr/>	<hr/>
-	(24,179)	1,611,198
<hr/>	<hr/>	<hr/>
(75,791)	16,457	4,830,000
<hr/>	<hr/>	<hr/>
92,630	519,934	19,177,857
<hr/>	<hr/>	<hr/>
\$ 16,839	\$ 536,391	\$ 24,007,857
<hr/>	<hr/>	<hr/>

CITY OF CHEYENNE, WYOMING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2008

	Special Revenue Funds		
	Weed and Pest Control		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 597,647	\$ 597,647	\$ -
Charges for services	-	-	-
Investment income	9,600	3,176	(6,424)
Miscellaneous	-	4,497	4,497
Total revenues	<u>607,247</u>	<u>605,320</u>	<u>(1,927)</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	774,434	593,428	181,006
Recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>774,434</u>	<u>593,428</u>	<u>181,006</u>
Excess (deficiency) of revenues over expenditures	<u>(167,187)</u>	<u>11,892</u>	<u>179,079</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>(167,187)</u>	<u>11,892</u>	<u>179,079</u>
Fund balance - beginning of year	<u>167,187</u>	<u>167,187</u>	
Fund balance - end of year	<u>\$ -</u>	<u>\$ 179,079</u>	

Special Revenue Funds

Youth Alternative Grants			Juvenile Justice		
Budget	Actual	Variance with Final Budget - Positive (Negative)	Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 294,725	\$ 212,810	\$ (81,915)	\$ 316,405	\$ 138,830	\$ (177,575)
-	-	-	-	-	-
16,130	10,203	(5,927)	-	-	-
5,000	28,779	23,779	-	250	250
<u>315,855</u>	<u>251,792</u>	<u>(64,063)</u>	<u>316,405</u>	<u>139,080</u>	<u>(177,325)</u>
678,200	382,558	295,642	316,405	105,794	210,611
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,000	-	2,000	-	-	-
-	-	-	-	-	-
<u>680,200</u>	<u>382,558</u>	<u>297,642</u>	<u>316,405</u>	<u>105,794</u>	<u>210,611</u>
<u>(364,345)</u>	<u>(130,766)</u>	<u>233,579</u>	<u>-</u>	<u>33,286</u>	<u>33,286</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(364,345)</u>	<u>(130,766)</u>	<u>233,579</u>	<u>-</u>	<u>33,286</u>	<u>33,286</u>
<u>314,165</u>	<u>314,165</u>		<u>832</u>	<u>832</u>	
<u>\$ (50,180)</u>	<u>\$ 183,399</u>		<u>\$ 832</u>	<u>\$ 34,118</u>	

CITY OF CHEYENNE, WYOMING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Year Ended June 30, 2008

	Special Revenue Funds		
	Special Friends		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 129,936	\$ 99,335	\$ (30,601)
Charges for services	-	-	-
Investment income	5,000	7,254	2,254
Miscellaneous	92,665	117,975	25,310
Total revenues	<u>227,601</u>	<u>224,564</u>	<u>(3,037)</u>
Expenditures			
Current			
General government	227,601	167,160	60,441
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>227,601</u>	<u>167,160</u>	<u>60,441</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>57,404</u>	<u>57,404</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>-</u>	<u>57,404</u>	<u>57,404</u>
Fund balance - beginning of year	<u>167,533</u>	<u>167,533</u>	
Fund balance - end of year	<u>\$ 167,533</u>	<u>\$ 224,937</u>	

Special Revenue Funds

Local Fees

<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
\$ -	\$ -	\$ -
-	88,632	88,632
9,600	14,945	5,345
-	-	-
<u>9,600</u>	<u>103,577</u>	<u>93,977</u>
-	-	-
-	-	-
-	-	-
-	-	-
14,600	609	13,991
338,379	46,359	292,020
-	-	-
-	-	-
<u>352,979</u>	<u>46,968</u>	<u>306,011</u>
<u>(343,379)</u>	<u>56,609</u>	<u>399,988</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>(343,379)</u>	<u>56,609</u>	<u>399,988</u>
<u>333,479</u>	<u>333,479</u>	
<u>\$ (9,900)</u>	<u>\$ 390,088</u>	

CITY OF CHEYENNE, WYOMING

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

Year Ended June 30, 2008

	Special Revenue Funds		
	Community Development Block Grant		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 1,368,994	\$ 573,822	\$ (795,172)
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,368,994</u>	<u>573,822</u>	<u>(795,172)</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	1,371,727	576,672	795,055
Recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>1,371,727</u>	<u>576,672</u>	<u>795,055</u>
Excess (deficiency) of revenues over expenditures	<u>(2,733)</u>	<u>(2,850)</u>	<u>(117)</u>
Other financing sources (uses)			
Transfers in	2,733	2,733	-
Transfer out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>2,733</u>	<u>2,733</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>-</u>	<u>(117)</u>	<u>(117)</u>
Fund balance - beginning of year	<u>(750)</u>	<u>(750)</u>	
Fund balance - end of year	<u>\$ (750)</u>	<u>\$ (867)</u>	

Special Revenue Funds

Law Enforcement Block Grant			Miscellaneous Federal Grants		
Budget	Actual	Variance with Final Budget - Positive (Negative)	Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 764,047	\$ 556,639	\$ (207,408)	\$ 7,570,151	\$ 1,700,975	\$ (5,869,176)
-	-	-	-	-	-
-	144	144	-	-	-
-	-	-	-	-	-
<u>764,047</u>	<u>556,783</u>	<u>(207,264)</u>	<u>7,570,151</u>	<u>1,700,975</u>	<u>(5,869,176)</u>
-	-	-	1,840	3,840	(2,000)
778,607	563,513	215,094	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,800	4,574	226
-	-	-	7,563,511	1,950,508	5,613,003
-	-	-	-	-	-
-	-	-	-	-	-
<u>778,607</u>	<u>563,513</u>	<u>215,094</u>	<u>7,570,151</u>	<u>1,958,922</u>	<u>5,611,229</u>
<u>(14,560)</u>	<u>(6,730)</u>	<u>7,830</u>	<u>-</u>	<u>(257,947)</u>	<u>(257,947)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(14,560)	(6,730)	<u>7,830</u>	-	(257,947)	<u>(257,947)</u>
<u>20,499</u>	<u>20,499</u>	<u>-</u>	<u>(283,399)</u>	<u>(283,399)</u>	<u>-</u>
<u>\$ 5,939</u>	<u>\$ 13,769</u>	<u>-</u>	<u>\$ (283,399)</u>	<u>\$ (541,346)</u>	<u>-</u>

CITY OF CHEYENNE, WYOMING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Year Ended June 30, 2008

	Special Revenue Funds		
	Transportation Planning		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 935,404	\$ 678,074	\$ (257,330)
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	3,764	-	(3,764)
Total revenues	<u>939,168</u>	<u>678,074</u>	<u>(261,094)</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	902,673	638,476	264,197
Health and welfare	-	-	-
Recreation	-	-	-
Capital outlay	36,495	23,559	12,936
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>939,168</u>	<u>662,035</u>	<u>277,133</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>16,039</u>	<u>16,039</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>-</u>	<u>16,039</u>	<u>16,039</u>
Fund balance - beginning of year	<u>(57,835)</u>	<u>(57,835)</u>	
Fund balance - end of year	<u>\$ (57,835)</u>	<u>\$ (41,796)</u>	

Special Revenue Funds

UMTA Transit Grant			State Grants		
Budget	Actual	Variance with Final Budget - Positive (Negative)	Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 1,486,713	\$1,037,717	\$ (448,996)	\$ 7,883,538	\$ 1,277,263	\$ (6,606,275)
-	-	-	-	-	-
18,900	1,466	(17,434)	-	-	-
217,450	266,444	48,994	-	-	-
<u>1,723,063</u>	<u>1,305,627</u>	<u>(417,436)</u>	<u>7,883,538</u>	<u>1,277,263</u>	<u>(6,606,275)</u>
-	-	-	40,000	40,000	-
-	-	-	-	-	-
1,540,892	1,476,493	64,399	-	-	-
-	-	-	-	-	-
-	-	-	755,904	84,765	671,139
626,651	325,976	300,675	7,087,634	1,414,514	5,673,120
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,167,543</u>	<u>1,802,469</u>	<u>365,074</u>	<u>7,883,538</u>	<u>1,539,279</u>	<u>6,344,259</u>
<u>(444,480)</u>	<u>(496,842)</u>	<u>(52,362)</u>	-	<u>(262,016)</u>	<u>(262,016)</u>
444,480	400,377	(44,103)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>444,480</u>	<u>400,377</u>	<u>(44,103)</u>	-	-	-
-	(96,465)	<u>(96,465)</u>	-	(262,016)	<u>(262,016)</u>
<u>238,375</u>	<u>238,375</u>		<u>245,529</u>	<u>245,529</u>	
<u>\$ 238,375</u>	<u>\$ 141,910</u>		<u>\$ 245,529</u>	<u>\$ (16,487)</u>	

CITY OF CHEYENNE, WYOMING

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

Year Ended June 30, 2008

	Special Revenue Funds		
	Solid Waste Management		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	3,210,896	3,214,750	3,854
Investment income	199,210	510,979	311,769
Miscellaneous	120,000	148,084	28,084
Total revenues	<u>3,530,106</u>	<u>3,873,813</u>	<u>343,707</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	1,538,045	880,237	657,808
Health and welfare	-	-	-
Recreation	-	-	-
Capital outlay	3,495,021	469,077	3,025,944
Debt service			
Principal retirements	647,700	671,463	(23,763)
Interest payments	109,332	100,242	9,090
Total expenditures	<u>5,790,098</u>	<u>2,121,019</u>	<u>3,669,079</u>
Excess (deficiency) of revenues over expenditures	<u>(2,259,992)</u>	<u>1,752,794</u>	<u>4,012,786</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	-	-	-
Issuance of debt	1,235,000	1,235,000	-
Total other financing sources (uses)	<u>1,235,000</u>	<u>1,235,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>(1,024,992)</u>	<u>2,987,794</u>	<u>4,012,786</u>
Fund balance - beginning of year	<u>7,134,711</u>	<u>7,134,711</u>	
Fund balance - end of year	<u>\$ 6,109,719</u>	<u>\$ 10,122,505</u>	

Special Revenue Funds

Recreation Programs			Annexation Improvements		
Budget	Actual	Variance with Final Budget - Positive (Negative)	Budget	Actual	Variance with Final Budget - Positive (Negative)
	\$ -	\$ -		\$ -	\$ -
490,312	620,491	130,179	-	-	-
15,840	19,999	4,159	-	12,557	12,557
-	10	10	-	38,426	38,426
<u>506,152</u>	<u>640,500</u>	<u>134,348</u>	<u>-</u>	<u>50,983</u>	<u>50,983</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	139,966	(139,966)
-	-	-	-	-	-
888,575	609,353	279,222	-	-	-
24,246	12,970	11,276	-	-	-
-	-	-	-	-	-
<u>912,821</u>	<u>622,323</u>	<u>290,498</u>	<u>-</u>	<u>139,966</u>	<u>(139,966)</u>
<u>(406,669)</u>	<u>18,177</u>	<u>424,846</u>	<u>-</u>	<u>(88,983)</u>	<u>(88,983)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(406,669)</u>	<u>18,177</u>	<u>424,846</u>	<u>-</u>	<u>(88,983)</u>	<u>(88,983)</u>
<u>263,589</u>	<u>263,589</u>		<u>268,316</u>	<u>268,316</u>	
<u>\$ (143,080)</u>	<u>\$ 281,766</u>		<u>\$ 268,316</u>	<u>\$ 179,333</u>	

CITY OF CHEYENNE, WYOMING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year Ended June 30, 2008

	Special Revenue Funds		
	Housing Loans		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Investment income	31,750	24,138	(7,612)
Miscellaneous	66,000	52,734	(13,266)
Total revenues	<u>97,750</u>	<u>76,872</u>	<u>(20,878)</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	333,412	136,905	196,507
Recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>333,412</u>	<u>136,905</u>	<u>196,507</u>
Excess (deficiency) of revenues over expenditures	<u>(235,662)</u>	<u>(60,033)</u>	<u>175,629</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	(2,733)	(2,733)	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>(2,733)</u>	<u>(2,733)</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>(238,395)</u>	<u>(62,766)</u>	<u>175,629</u>
Fund balance - beginning of year	<u>400,655</u>	<u>400,655</u>	
Fund balance - end of year	<u>\$ 162,260</u>	<u>\$ 337,889</u>	

Debt Service Fund			Capital Projects Funds		
JPA Loans			Youth Alternatives		
Budget	Actual	Variance with Final Budget - Positive (Negative)	Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,500	-	(1,500)
-	489	489	3,840	-	(3,840)
-	-	-	16,466	525	(15,941)
<u>-</u>	<u>489</u>	<u>489</u>	<u>21,806</u>	<u>525</u>	<u>(21,281)</u>
-	-	-	11,100	3,383	7,717
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,866	3,522	3,344
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,966</u>	<u>6,905</u>	<u>11,061</u>
-	489	489	3,840	(6,380)	(10,220)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	489	489	3,840	(6,380)	(10,220)
<u>2,709</u>	<u>2,709</u>		<u>80,150</u>	<u>80,150</u>	
<u>\$ 2,709</u>	<u>\$ 3,198</u>		<u>\$ 83,990</u>	<u>\$ 73,770</u>	

CITY OF CHEYENNE, WYOMING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year Ended June 30, 2008

	Capital Projects Funds		
	Athletic Facilities		
	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	194,250	190,959	(3,291)
Investment income	10,000	14,446	4,446
Miscellaneous	-	-	-
Total revenues	<u>204,250</u>	<u>205,405</u>	<u>1,155</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation	127,320	37,307	90,013
Capital outlay	622,194	554,671	67,523
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>749,514</u>	<u>591,978</u>	<u>157,536</u>
Excess (deficiency) of revenues over expenditures	<u>(545,264)</u>	<u>(386,573)</u>	<u>158,691</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	-	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>(545,264)</u>	<u>(386,573)</u>	<u>158,691</u>
Fund balance - beginning of year	<u>(37,074)</u>	<u>(37,074)</u>	
Fund balance - end of year	<u>\$ (582,338)</u>	<u>\$ (423,647)</u>	

Capital Projects Funds

Capital Facilities Tax			Depot Square		
Budget	Actual	Variance with Final Budget - Positive (Negative)	Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 5,070,062	\$ 3,486,170	\$ (1,583,892)	\$ -	\$ -	\$ -
-	-	-	-	-	-
290,540	611,014	320,474	-	-	-
-	-	-	-	-	-
<u>5,360,602</u>	<u>4,097,184</u>	<u>(1,263,418)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
396,806	370,102	26,704	-	-	-
-	-	-	-	-	-
483,820	116,066	367,754	-	-	-
11,867,699	604,629	11,263,070	89,608	75,791	13,817
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,748,325</u>	<u>1,090,797</u>	<u>11,657,528</u>	<u>89,608</u>	<u>75,791</u>	<u>13,817</u>
<u>(7,387,723)</u>	<u>3,006,387</u>	<u>10,394,110</u>	<u>(89,608)</u>	<u>(75,791)</u>	<u>13,817</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(7,387,723)</u>	<u>3,006,387</u>	<u>10,394,110</u>	<u>(89,608)</u>	<u>(75,791)</u>	<u>13,817</u>
<u>9,306,622</u>	<u>9,306,622</u>		<u>92,630</u>	<u>92,630</u>	
<u>\$ 1,918,899</u>	<u>\$ 12,313,009</u>		<u>\$ 3,022</u>	<u>\$ 16,839</u>	

CITY OF CHEYENNE, WYOMING

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year Ended June 30, 2008

	Permanent Fund		Variance with Final Budget - Positive (Negative)
	Cemetary Perpetual Care		
	Budget	Actual	
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Investment income	25,000	26,700	1,700
Miscellaneous	15,000	18,375	3,375
Total revenues	<u>40,000</u>	<u>45,075</u>	<u>5,075</u>
Expenditures			
Current			
General government	10,000	4,439	5,561
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	-
Interest payments	-	-	-
Total expenditures	<u>10,000</u>	<u>4,439</u>	<u>5,561</u>
Excess (deficiency) of revenues over expenditures	<u>30,000</u>	<u>40,636</u>	<u>10,636</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfer out	(25,000)	(24,179)	821
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>(24,179)</u>	<u>821</u>
Excess (deficiency) of revenues and other financial sources over expenditures	<u>5,000</u>	<u>16,457</u>	<u>11,457</u>
Fund balance - beginning of year	<u>519,934</u>	<u>519,934</u>	
Fund balance - end of year	<u>\$ 524,934</u>	<u>\$ 536,391</u>	

Totals		
Nonmajor Governmental Funds		
Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 26,417,622	\$ 10,359,282	\$ (16,058,340)
3,896,958	4,114,832	217,874
635,410	1,257,510	622,100
536,345	676,099	139,754
<u>31,486,335</u>	<u>16,407,723</u>	<u>(15,078,612)</u>
1,285,146	707,174	577,972
778,607	563,513	215,094
4,378,416	3,505,274	873,142
2,479,573	1,307,005	1,172,568
2,275,019	852,674	1,422,345
31,760,304	5,481,576	26,278,728
647,700	671,463	(23,763)
109,332	100,242	9,090
<u>43,714,097</u>	<u>13,188,921</u>	<u>30,525,176</u>
<u>(12,227,762)</u>	<u>3,218,802</u>	<u>15,446,564</u>
447,213	403,110	(44,103)
(27,733)	(26,912)	821
1,235,000	1,235,000	-
<u>1,654,480</u>	<u>1,611,198</u>	<u>(43,282)</u>
(10,573,282)	4,830,000	<u>15,403,282</u>
<u>19,177,857</u>	<u>19,177,857</u>	
<u>\$ 8,604,575</u>	<u>\$ 24,007,857</u>	

CITY OF CHEYENNE, WYOMING

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2008**

	<u>DARE</u>
ADDITIONS	
Contributions	\$ 100
Investment income	<u>15</u>
Total additions	<u>115</u>
DEDUCTIONS	
Educational outreach	<u>3,043</u>
Total deductions	<u>3,043</u>
Total decrease in assets and liabilities	(2,928)
Assets and liabilities - beginning of year	3,657
Assets and liabilities - end of year	<u><u>\$ 729</u></u>

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES BY OBJECT CATEGORY - GENERAL FUND
Year Ended June 30, 2008

	<u>Salaries and Benefits</u>	<u>All Other Current Expenditures</u>	<u>Subtotal</u>	<u>Capital Outlay</u>	<u>Total</u>
General government					
City Council	\$ 253,888	\$ 31,593	\$ 285,481	\$ 2,498	\$ 287,979
Mayor	1,642,738	237,076	1,879,814	8,535	1,888,349
City Clerk	1,434,838	1,102,439	2,537,277	17,507	2,554,784
Planning and development	2,399,245	147,262	2,546,507	47,481	2,593,988
Budget and finance	594,885	36,324	631,209	1,364	632,573
General accounts	519,475	3,979,373	4,498,848	1,013,212	5,512,060
Public works	6,877,863	3,590,681	10,468,544	62,708	10,531,252
Public safety					
Police	8,342,938	1,838,099	10,181,037	69,161	10,250,198
Fire	7,568,415	330,590	7,899,005	19,035	7,918,040
Recreation	4,008,352	1,050,689	5,059,041	111,792	5,170,833
Debt service	-	490,662	490,662	-	490,662
Total expenditures	<u>\$33,642,637</u>	<u>\$12,834,788</u>	<u>\$ 46,477,425</u>	<u>\$ 1,353,293</u>	<u>\$ 47,830,718</u>

CITY OF CHEYENNE, WYOMING

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY**

June 30, 2008

	<u>Machinery and Equipment</u>	<u>Land and Buildings</u>	<u>Improvements other than Buildings</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Totals</u>
General government						
Mayor	\$ 85,036	\$ -	\$ -	\$ -	\$ 9,985,973	\$ 10,071,009
City Clerk	861,122	6,262,045	239,453	7,295,866	-	14,658,486
Planning and development	952,409	-	38,740	-	-	991,149
Public safety						
Police	3,191,010	1,696,226	193,194	-	-	5,080,430
Fire	5,840,473	7,054,535	28,870	-	-	12,923,878
Public works	9,789,768	8,308,620	818,555	92,696,742	9,639,653	121,253,338
Sanitation	7,810,356	8,450,116	241,174	1,477,356	-	17,979,002
Recreation	4,293,966	8,407,908	7,932,621	7,380,884	2,178,968	30,194,347
Health and welfare	380,480	458,788	26,239	-	-	865,507
	<u>\$ 33,204,620</u>	<u>\$ 40,638,238</u>	<u>\$ 9,518,846</u>	<u>\$108,850,848</u>	<u>\$21,804,594</u>	<u>\$ 214,017,146</u>

CITY OF CHEYENNE, WYOMING

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended June 30, 2008**

	Governmental Funds Capital Assets <u>June 30, 2007</u>	<u>Additions</u>	Transfers/ Decreases	Governmental Funds Capital Assets <u>June 30, 2008</u>
General government				
Mayor	\$ 9,725,257	\$ 341,115	\$ (4,637)	\$ 10,071,009
City Clerk	14,602,693	55,793	-	14,658,486
Planning and development	886,006	105,143	-	991,149
Public safety				
Police	5,032,196	102,949	54,715	5,080,430
Fire	11,931,913	953,214	(38,751)	12,923,878
Public works	116,995,885	6,497,699	2,240,246	121,253,338
Sanitation	17,528,019	450,983	-	17,979,002
Recreation	27,525,356	1,903,548	(765,443)	30,194,347
Health and welfare	865,507	-	-	865,507
	<u>\$ 205,092,832</u>	<u>\$ 10,410,444</u>	<u>\$ 1,486,130</u>	<u>\$ 214,017,146</u>

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STATISTICAL SECTION

(Unaudited)

This section of the City of Cheyenne's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources and assessment valuations.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City of Cheyenne implemented GASB Statement No. 34 in the fiscal year ended June 30, 2003; schedules presenting government-wide information include information beginning in that year.

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CITY OF CHEYENNE, WYOMING

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

Schedule 1

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
Invested in capital assets, net of related debt	\$ 49,048,931	\$ 103,352,366	\$ 112,657,652	\$ 118,731,363	\$ 123,880,915	\$ 125,405,882
Restricted	3,838,701	3,768,625	3,357,551	3,007,897	27,660,850	33,508,891
Unrestricted	38,643,829	23,195,372	20,427,750	21,422,007	7,268,354	8,681,880
Total Governmental Activities Net Assets	91,531,461	130,316,363	136,442,953	143,161,267	158,810,119	167,596,653
Business-Type Activities						
Invested in capital assets, net of related debt	154,736,559	162,003,448	164,220,116	178,838,381	191,707,556	197,242,992
Restricted	400	213,598	2,902,828	800,236	2,071,169	3,250,423
Unrestricted	22,166,847	20,939,032	24,291,335	26,770,811	24,240,652	24,303,619
Total Business-Type Activities Net Assets	176,903,806	183,156,078	191,414,279	206,409,428	218,019,377	224,797,034
Primary Government						
Invested in capital assets, net of related debt	203,785,490	265,355,814	276,877,768	297,569,744	315,588,471	322,648,874
Restricted	3,839,101	3,982,223	6,260,379	3,808,133	29,732,019	36,759,314
Unrestricted	60,810,676	44,134,404	44,719,085	48,192,818	31,509,006	32,985,499
Total Primary Government Net Assets	\$ 268,435,267	\$ 313,472,441	\$ 327,857,232	\$ 349,570,695	\$ 376,829,496	\$ 392,393,687

Note: The City of Cheyenne began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

CITY OF CHEYENNE, WYOMING

CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)

Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Expenses						
General government	\$ 14,251,573	\$ 13,684,881	\$ 19,944,601	\$ 23,584,767	\$ 14,940,290	\$ 15,098,670
Public safety	12,604,684	13,567,311	17,409,305	17,802,026	18,754,547	20,119,841
Public works	11,649,966	12,066,472	14,054,816	15,169,140	21,440,291	22,272,863
Health and welfare	1,274,153	898,597	1,071,618	1,221,486	1,432,844	2,595,051
Recreation	4,430,879	4,311,628	5,234,260	5,733,071	6,288,841	7,170,812
Interest on long-term debt	193,856	605,873	568,008	539,721	529,820	530,382
Total expenses	44,405,111	45,134,762	58,282,608	64,030,211	63,386,634	67,787,619
Program revenues						
Charges for services						
General government	2,467,010	2,984,470	3,472,553	3,989,678	3,240,047	3,444,278
Public safety	1,285,288	1,016,845	1,100,835	1,313,834	1,830,552	1,668,677
Public works	7,881,908	8,275,849	8,653,287	9,752,393	10,425,810	10,828,967
Health and welfare	-	-	-	-	190	-
Recreation	1,046,776	1,031,285	1,132,473	1,248,957	1,533,463	1,536,109
Operating grants and contributions	2,727,760	2,430,683	2,450,423	2,948,352	4,293,366	4,359,175
Capital grants and contributions	5,401,301	1,740,797	2,956,789	3,777,808	4,084,390	3,369,594
Total program revenues	20,810,043	17,479,929	19,766,360	23,031,022	25,407,818	25,206,800
Total Governmental Activities Net Program Expense	(23,595,068)	(27,654,833)	(38,516,248)	(41,019,189)	(37,978,816)	(42,580,819)
General revenues and other changes in net assets						
Taxes						
Property and other	4,016,735	4,413,612	4,508,813	4,817,955	5,210,479	5,430,775
Sales	19,274,268	21,050,936	28,425,282	31,427,244	32,494,307	33,329,215
Franchise	3,308,287	3,377,993	3,683,269	4,285,932	4,055,573	4,139,596
Motor vehicle	758,130	842,659	895,927	947,947	986,704	946,978
Intergovernmental funds and shared revenues not restricted to specific programs	5,053,464	4,999,708	5,106,191	5,214,331	5,155,542	4,973,615
Gain (loss) on disposal of capital assets	-	(2,442,542)	(42,218)	-	981,303	2,366,985
Unrestricted investment earnings	1,174,553	61,493	914,572	608,383	1,938,128	2,821,394
Miscellaneous revenue	1,426,380	2,041,080	2,494,002	2,372,045	1,632,122	1,684,180
Transfers	(1,167,000)	(1,183,115)	(1,343,000)	(1,271,015)	(1,280,365)	(4,325,385)
Total general revenues and other changes in net assets	33,844,817	33,161,824	44,642,838	48,402,822	51,173,793	51,367,353
Total Governmental Activities Change in Net Assets	\$ 10,249,749	\$ 5,506,991	\$ 6,126,590	\$ 7,383,633	\$ 13,194,977	\$ 8,786,534

Schedule 2 (continued)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type Activities:						
Expenses						
Water	\$ 14,688,427	\$ 14,267,339	\$ 14,739,508	\$ 15,078,511	15,474,020	16,431,926
Sewer	4,634,032	5,038,334	5,935,226	7,278,340	7,077,916	9,214,304
Other non-major enterprise funds	637,637	664,017	660,152	737,147	667,389	1,121,752
Total expenses	19,960,096	19,969,690	21,334,886	23,093,998	23,219,325	26,767,982
Revenues						
Charges for services						
Water	11,343,413	11,950,097	10,968,004	14,657,466	15,016,607	15,193,966
Sewer	4,545,178	5,258,103	6,065,307	6,252,915	7,131,655	7,682,937
Other non-major enterprise funds	225,225	227,548	207,894	249,880	155,518	728,190
Operating grants and contributions	1,963,019	4,055,410	3,561,171	2,507,450	1,052,745	1,268,735
Capital grants and contributions	1,911,023	2,276,543	2,089,274	9,901,820	5,852,303	2,160,041
Total revenues	19,987,858	23,767,701	22,891,650	33,569,531	29,208,828	27,033,869
Total Business-type Activities Net Program Expense	27,762	3,798,011	1,556,764	10,475,533	5,989,503	265,887
General revenues and other changes in net assets						
Taxes	5,836,174	532,526	4,455,524	1,341,736	1,365,071	879,268
Unrestricted investment earnings	512,351	200,017	623,461	1,202,422	1,587,218	1,307,117
Miscellaneous revenue	224,001	538,603	279,450	686,442	1,387,792	-
Transfers	1,167,000	1,183,115	1,343,000	1,271,015	1,280,365	4,325,385
Total general revenues and other changes in net assets	7,739,526	2,454,261	6,701,435	4,501,615	5,620,446	6,511,770
Total Business-type Activities Change in Net Assets	7,767,288	6,252,272	8,258,199	14,977,148	11,609,949	6,777,657
Total Primary Government Change in Net Assets	\$ 18,017,037	\$ 11,759,263	\$ 14,384,789	\$ 22,360,781	\$ 24,804,926	\$ 15,564,191

Note: The City of Cheyenne began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

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CITY OF CHEYENNE, WYOMING

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 3

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 317,890	\$ 348,578	\$ 784,133	\$ 704,961	\$ 1,191,902	\$ 1,109,185	\$ 1,623,457	\$ 1,365,717	\$ 1,271,950	\$ 1,343,216
Unreserved	7,722,998	12,124,295	15,727,679	12,809,465	17,856,007	6,943,009	6,995,219	6,965,791	8,857,488	9,146,973
Total general fund	8,040,888	12,472,873	16,511,812	13,514,426	19,047,909	8,052,194	8,618,676	8,331,508	10,129,438	10,490,189
All Other Governmental Funds										
Reserved	1,801,218	1,163,270	1,956,736	1,120,934	424,672	982,747	632,411	1,234,629	26,689,328	32,555,444
Unreserved, reported in:										
Special revenue funds	22,750,875	23,986,112	27,189,529	26,520,288	26,937,670	24,418,489	20,249,583	18,845,121	9,864,630	12,048,203
Capital projects funds	517,106	200,397	283,884	3,747,913	2,078,270	702,355	4,269,508	7,111,320	180,225	(154,473)
Debt service funds	(91,725)	(44,546)	(47,655)	(46,712)	(45,766)	(45,142)	(44,785)	13,904	2,709	3,198
Permanent fund	452,713	460,991	482,862	506,119	504,228	502,666	505,795	505,940	-	-
Total all other governmental funds	\$ 25,430,187	\$ 25,766,224	\$ 29,865,356	\$ 31,848,542	\$ 29,899,074	\$ 26,561,115	\$ 25,612,512	\$ 27,710,914	\$ 36,736,892	\$ 44,452,372

CITY OF CHEYENNE, WYOMING

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Schedule 4

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues				
Taxes and special assessments	\$ 4,860,389	\$ 5,125,634	\$ 5,555,576	\$ 6,017,877
Licenses and permits	1,004,440	1,078,368	1,179,768	1,319,565
Intergovernmental	24,545,652	29,027,129	29,985,063	34,648,627
Charges for services	7,363,838	7,776,521	7,694,141	8,149,012
Fines and forfeitures	760,832	832,321	890,603	1,351,786
Investment income	1,385,637	1,635,643	2,825,167	2,993,669
Miscellaneous	908,366	1,354,384	1,873,490	1,111,773
Total revenues	<u>40,829,154</u>	<u>46,830,000</u>	<u>50,003,808</u>	<u>55,592,309</u>
Expenditures				
Current				
General government	7,465,850	8,624,888	10,831,133	11,279,021
Public safety	10,281,792	11,213,106	11,653,659	12,919,919
Public works	6,387,988	9,962,919	6,309,618	7,399,532
Health and welfare	2,207,071	3,715,952	2,463,384	2,642,825
Recreation	3,050,040	3,247,177	3,407,749	4,021,531
Capital outlay	6,181,072	4,933,818	7,532,929	18,070,395
Debt service				
Principal retirements	373,754	645,063	140,918	144,506
Interest payments	85,566	208,956	-	48,775
Total expenditures	<u>36,033,133</u>	<u>42,551,879</u>	<u>42,339,390</u>	<u>56,526,504</u>
Excess of revenues over (under) expenditures	<u>4,796,021</u>	<u>4,278,121</u>	<u>7,664,418</u>	<u>(934,195)</u>
Other financing sources (uses)				
Transfers in	199,678	234,209	400,018	4,000,655
Transfers out	(1,351,727)	(1,534,475)	(1,735,245)	(5,165,655)
Proceeds from sales of capital assets	-	-	-	-
Issuance of debt	2,245,562	-	1,963,000	1,218,000
Total other financing sources (uses)	<u>1,093,513</u>	<u>(1,300,266)</u>	<u>627,773</u>	<u>53,000</u>
Net change in fund balances	<u>\$ 5,889,534</u>	<u>\$ 2,977,855</u>	<u>\$ 8,292,191</u>	<u>\$ (881,195)</u>
Debt services as a percentage of noncapital expenditures	<u>1.56%</u>	<u>2.32%</u>	<u>0.41%</u>	<u>0.51%</u>

		Fiscal Year									
		2003	2004	2005	2006	2007	2008				
\$	6,469,493	\$	6,900,417	\$	7,470,109	\$	8,467,225	\$	8,595,375	\$	8,885,358
	1,919,430		2,255,665		2,346,719		2,765,498		2,431,552		2,254,112
	33,663,142		31,465,890		40,072,243		44,952,344		48,230,191		47,302,421
	9,476,264		10,035,939		10,911,594		12,225,530		13,144,208		13,651,935
	1,285,288		1,016,845		1,100,835		1,313,834		1,454,302		1,571,984
	1,096,678		52,219		856,679		570,772		1,938,128		2,821,394
	1,419,196		2,052,961		2,492,718		2,372,045		1,632,122		1,684,180
	<u>55,329,491</u>		<u>53,779,936</u>		<u>65,250,897</u>		<u>72,667,248</u>		<u>77,425,878</u>		<u>78,171,384</u>
	13,948,092		13,013,703		16,193,702		20,123,659		13,398,348		13,996,047
	12,086,912		13,933,709		15,066,413		15,766,640		17,148,302		18,724,660
	11,171,412		12,392,338		12,163,361		13,432,246		15,078,870		14,528,740
	1,221,813		922,864		927,403		1,081,828		1,394,640		2,294,505
	4,248,869		4,428,067		4,529,849		5,077,583		5,788,808		6,148,153
	17,852,158		21,274,286		14,097,992		12,571,193		15,401,477		13,081,296
	935,000		1,017,549		1,229,321		1,043,745		859,845		746,463
	193,210		591,395		553,531		525,243		515,342		515,904
	<u>61,657,466</u>		<u>67,573,911</u>		<u>64,761,572</u>		<u>69,622,137</u>		<u>69,585,632</u>		<u>70,035,768</u>
	<u>(6,327,975)</u>		<u>(13,793,975)</u>		<u>489,325</u>		<u>3,045,111</u>		<u>7,840,246</u>		<u>8,135,616</u>
	602,789		4,209,872		845,881		1,675,184		1,068,904		427,289
	(1,769,789)		(5,392,987)		(2,188,881)		(2,946,199)		(2,222,044)		(1,721,674)
	-		-		-		-		1,743,337		-
	9,576,691		568,000		561,698		696,000		896,000		1,235,000
	<u>8,409,691</u>		<u>(615,115)</u>		<u>(781,302)</u>		<u>(575,015)</u>		<u>1,486,197</u>		<u>(59,385)</u>
\$	<u>2,081,716</u>	\$	<u>(14,409,090)</u>	\$	<u>(291,977)</u>	\$	<u>2,470,096</u>	\$	<u>9,326,443</u>	\$	<u>8,076,231</u>
	<u>2.64%</u>		<u>3.60%</u>		<u>3.65%</u>		<u>2.83%</u>		<u>2.60%</u>		<u>2.27%</u>

CITY OF CHEYENNE, WYOMING

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

Schedule 5

Fiscal Year	Tax Year	Residential Property	Commercial Property	Industrial Property	Agricultural/Vacant Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1999	1998	160,465,026	59,180,299	19,389,437	3,874,282	242,909,044	8.00	2,521,441,768	9.6%
2000	1999	168,819,430	61,456,341	20,227,476	3,785,942	254,289,189	8.00	2,639,698,601	9.6%
2001	2000	178,806,953	62,591,046	24,394,527	4,214,920	270,007,446	8.00	2,797,525,469	9.7%
2002	2001	188,856,479	67,206,773	24,253,491	4,207,901	284,524,644	8.00	2,950,596,269	9.6%
2003	2002	198,716,884	73,319,387	25,006,068	4,572,764	301,615,103	8.00	3,129,118,122	9.6%
2004	2003	216,458,096	87,403,935	24,996,324	4,603,429	333,461,784	8.00	3,464,364,181	9.6%
2005	2004	240,898,699	90,420,290	24,052,789	5,574,466	360,946,244	8.00	3,755,401,582	9.6%
2006	2005	273,116,519	95,554,194	27,057,707	6,536,482	402,264,902	8.00	4,184,833,830	9.6%
2007	2006	299,464,953	108,951,158	27,214,048	7,604,451	443,234,610	8.00	4,615,807,706	9.6%
2008	2007	301,267,635	130,952,222	27,508,729	9,014,377	468,742,963	8.00	4,883,777,223	9.6%

Source: (1) Laramie County Assessor

Note: Property within the City limits are assessed on January 1st of each year by the Laramie County Assessor's Office. Properties are assessed at various percentages with estimated actual value based on the primary use.

Residential Property:	9.5% of Fair Market Value
Commercial Property:	9.5% of Fair Market Value
Industrial Property:	11.5% of Fair Market Value
Agricultural/Vacant:	9.5% of Fair Market Value

The property taxes attach as an enforceable lien on property as of May 11. Taxes are levied on or about August 1, and are payable in two installments on September 1 and March 1.

CITY OF CHEYENNE, WYOMING

**DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN YEARS**
(rate per \$1,000 of assessed value)

Schedule 6

Tax Year	General Fund	Total City	Special School	School Mill	School Bond Redemption	School Bond Interest	Consrv District	Weed and Pest Control	State	County	Total
1998	8.00	8.00	25.00	6.00	3.04	-	0.50	1.00	12.00	17.00	72.54
1999	8.00	8.00	25.00	6.00	3.04	0.11	0.50	1.00	12.00	22.00	77.65
2000	8.00	8.00	25.00	6.00	-	-	0.50	1.00	12.00	22.00	74.50
2001	8.00	8.00	25.00	6.00	-	-	0.50	1.32	12.00	22.00	74.82
2002	8.00	8.00	26.00	6.00	-	-	0.50	1.50	12.00	22.00	76.00
2003	8.00	8.00	26.00	6.00	-	-	0.50	1.50	12.00	17.00	71.00
2004	8.00	8.00	26.00	6.00	-	-	0.50	1.50	12.00	17.00	71.00
2005	8.00	8.00	26.00	6.00	-	-	0.50	1.50	12.00	17.00	71.00
2006	8.00	8.00	26.00	6.00	-	-	0.50	1.50	12.00	17.00	71.00
2007	8.00	8.00	26.00	6.00	-	-	0.50	1.50	12.00	21.66	75.66

Source: Laramie County Assessor

CITY OF CHEYENNE, WYOMING
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

Schedule 7

Taxpayer	Type of Business	Tax Year 2007			Tax Year 1998		
		Assessed Valuation	Rank	Percentage of Total City Valuation	Assessed Valuation	Rank	Percentage of Total City Valuation
Echostar Satellite Corp	Television / Satellites	\$ 9,943,878	1	2.12%	\$ 7,367,343	1	3.03%
Lowes HIW, Inc.	Warehouse	8,211,017	2	1.75%	4,444,732	2	1.83%
U.S. West Communications	Telephone						
Cheyenne Light Fuel & Power Company	Utility	3,355,820	5	0.72%	2,880,320	4	1.19%
Qwest Corporation	Telephone	3,884,977	3	0.83%			
C B & L Associates (Frontier Mall)	Mall Developer	1,609,141	10	0.34%	2,811,664	5	1.16%
Great Lakes Aviation LTD	Airline	3,530,158	4	0.75%			
The Pointe, LLC	Real Estate	2,256,822	7	0.48%			
Sprint Communications	Telephone	3,058,175	6	0.65%	2,926,806	3	1.20%
Safecard Services, Inc.	Credit Card				1,335,049	6	0.55%
AT&T Communications	Telephone				1,222,123	7	0.50%
American Wyatt Corp.	Commercial Kitchen				1,065,842	8	0.44%
Frontier Refining	Refinery				796,163	9	0.33%
Unicover Corp.	Philatelic				716,406	10	0.29%
STTP Fulfillment Center, LLC	Outdoor Outlet	2,049,576	8	0.44%			
Wal-Mart Real Estate Business	Retail	1,885,606	9	0.40%			
Total City Assessed Valuation		<u>\$ 39,785,170</u>			<u>\$ 25,566,448</u>		
Total City Assessed Valuation		<u>\$ 468,742,963</u>			<u>\$ 242,909,044</u>		

Source: Laramie County Treasurer

CITY OF CHEYENNE, WYOMING

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Schedule 8

Fiscal Year	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
			Amount	Percentage Of Levy		Amount	Percentage of Levy
1999	1998	1,943,272	1,924,036	99.01%	18,783	1,942,819	99.98%
2000	1999	2,034,313	2,015,598	99.08%	18,063	2,033,661	99.97%
2001	2000	2,160,059	2,132,510	98.72%	26,695	2,159,205	99.96%
2002	2001	2,276,197	2,250,948	98.89%	24,236	2,275,184	99.96%
2003	2002	2,412,921	2,369,333	98.19%	41,118	2,410,451	99.90%
2004	2003	2,664,232	2,638,107	99.02%	24,019	2,662,126	99.92%
2005	2004	2,887,890	2,855,365	98.87%	29,858	2,885,223	99.91%
2006	2005	3,218,119	3,187,797	99.06%	27,502	3,215,299	99.91%
2007	2006	3,545,877	3,505,986	98.88%	34,499	3,540,485	99.85%
2008	2007	3,749,944	3,712,874	99.01%	-	3,712,874	99.01%

Source: (1) Laramie County Assessor

CITY OF CHEYENNE, WYOMING

TAXABLE SALES BY MAJOR BUSINESS CLASS
LAST SEVEN FISCAL YEARS

Schedule 9 Category	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Agriculture / Forestry ¹ ²	\$ 3,087,698	\$ 2,441,273	\$ 595,951	\$ 177,875	\$ 327,200	\$ 339,225	\$ 272,025
Mining ¹ ²	3,103,924	4,493,884	3,022,926	5,999,450	4,793,625	6,556,825	7,723,625
Contract Construction ¹ ²	52,223,323	30,111,033	31,372,589	38,199,850	33,915,450	29,483,525	30,454,700
Manufacturing ¹ ²	40,547,209	41,148,914	19,571,372	27,321,125	26,218,925	31,762,575	33,881,375
Transportation / Communication / Utilities ¹	118,453,379	128,270,095	119,798,928	n/a	n/a	n/a	n/a
Retail Trade ¹ ²	631,038,434	666,085,405	749,342,712	677,884,900	718,471,225	627,048,300	655,835,775
Wholesale Trade ¹ ²	71,272,874	76,730,977	79,428,018	64,467,350	63,231,325	80,147,200	88,402,175
Finance / Insurance / Real Estate ¹	1,143,634	1,323,739	2,069,344	n/a	n/a	n/a	n/a
Services ¹	140,626,869	144,712,801	136,618,282	n/a	n/a	n/a	n/a
Government ¹	129,227,490	127,184,888	128,203,655	n/a	n/a	n/a	n/a
Utilities ²	n/a	n/a	n/a	75,829,925	98,231,425	92,821,825	96,775,375
Transportation / Warehousing ²	n/a	n/a	n/a	3,505,225	685,950	782,275	987,075
Information ²	n/a	n/a	n/a	33,463,450	46,139,475	49,630,800	44,522,350
Finance and Insurance ²	n/a	n/a	n/a	1,225,975	1,121,575	1,295,550	1,802,400
Real Estate and Rental and Leasing ²	n/a	n/a	n/a	37,098,700	43,906,325	50,237,925	54,788,825
Professional, Scientific, and Technical Services ²	n/a	n/a	n/a	4,946,125	4,900,200	5,282,575	5,437,975
Administrative and Support and Waste ²	n/a	n/a	n/a	2,480,400	2,480,875	2,589,500	4,003,300
Educational Services ²	n/a	n/a	n/a	636,150	217,475	144,325	185,775
Health Care and Social Assistance ²	n/a	n/a	n/a	995,125	1,238,850	577,250	809,000
Arts, Entertainment, and Recreation ²	n/a	n/a	n/a	4,908,275	4,545,525	5,430,925	5,179,650
Accommodation and Food Services ²	n/a	n/a	n/a	157,347,375	167,763,775	166,976,475	172,708,400
Other Services, except Public Administration ²	n/a	n/a	n/a	37,730,025	40,740,950	43,119,850	48,562,825
Public Administration ²	n/a	n/a	n/a	119,413,475	125,395,225	123,501,325	128,701,750
Total taxable sales subject to sales tax	\$ 1,190,724,834	\$ 1,222,503,009	\$ 1,270,023,777	\$ 1,293,610,775	\$ 1,384,331,375	\$ 1,317,728,250	\$ 1,381,034,375
City direct sales tax rate:	2.00%						

¹ Standard Industrial Classification (SIC) Coding
² North American Industry Classification System (NAICS) Coding

Notes:
(1) Beginning in fiscal year 2005, the Wyoming Department of Revenue began using a new system to report Major Industry Codes. The coding system used prior to FY2005 was the SIC, which had only ten code categories. The coding system presently used is the NAICS which includes all 20 major code categories.
(2) This information is only available on a county-wide basis, so the schedule has been prepared for Laramie County as a whole. The City of Cheyenne comprises approximately 68% of the total population of Laramie County.
(3) This information is not available for years prior to fiscal year 2002.

Source: Wyoming Department of Revenue

CITY OF CHEYENNE, WYOMING

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Schedule 10

Fiscal Year	City of Cheyenne/ Laramie County **	State of Wyoming
1999	1.00%	4.00%
2000	1.00%	4.00%
2001	2.00%	4.00%
2002	2.00%	4.00%
2003	2.00%	4.00%
2004	2.00%	4.00%
2005	2.00%	4.00%
2006	2.00%	4.00%
2007	2.00%	4.00%
2008	2.00%	4.00%

Note: For fiscal years 2001 through March of 2008, an optional specific purpose sales tax of 1% was imposed.

** - The One Percent Optional General Purpose Tax and the One Percent Optional Specific Purpose Tax may be changed only with the approval of the voters in the County.

Source: Wyoming Department of Revenue

CITY OF CHEYENNE, WYOMING

**PRINCIPAL SALES TAX REMITTERS BY BUSINESS ACTIVITY, LARAMIE COUNTY, WYOMING
CURRENT YEAR AND SIX YEARS AGO**

Schedule 11

Business Activity	Fiscal Year 2008			Fiscal Year 2002		
	Rank	Tax Liability	Percentage of Total County Liability	Rank	Tax Liability	Percentage of Total County Liability
Executive, legislative & general government	1	\$ 11,493,806	12.47%	1	\$ 10,995,733	13.82%
Other general merchandise stores	2	7,236,104	7.85%	8	3,297,113	4.14%
Building material and supplies dealers	3	5,794,013	6.28%	6	3,465,654	4.36%
Power generation and supply	4	5,700,088	6.18%			
Full-service restaurants	5	4,366,253	4.74%	2	6,340,140	7.97%
Electronics and appliance stores	6	4,287,184	4.65%	10	2,116,806	2.66%
Department stores	7	3,730,036	4.05%	5	3,482,996	4.38%
Limited-service eating places	8	3,042,930	3.30%			
Traveler accommodation	9	2,911,830	3.16%			
Gasoline stations	10	2,160,552	2.34%			
Grocery stores				3	5,511,375	6.93%
Combination utility services				7	3,441,517	4.32%
Miscellaneous shopping goods				4	4,063,179	5.11%
Telephone communication				9	3,222,231	4.05%
Total Laramie County		\$ 50,722,796	55.01%		\$ 45,936,743	57.73%
		\$ 92,207,657			\$ 79,573,265	

Note: Due to confidentiality issues, the names of the ten largest sales tax remitters are not available. The categories presented are intended to provide alternative information regarding the sources of the City/County's revenue. This information is only available on a county-wide basis, so this schedule includes information for Laramie County as a whole. The population of the City of Cheyenne comprises approximately 68% of the total population of Laramie County. Fiscal year 2002 is the earliest year for which data is available. As noted on a previous schedule, the Wyoming Department of Revenue used a different industry coding system in fiscal year 2002 than in fiscal year 2008.

Source: Wyoming Department of Revenue

CITY OF CHEYENNE, WYOMING

**RATIOS OF OUTSTANDING DEBT BY TYPE,
LAST TEN FISCAL YEARS**

Schedule 12

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Refunding and Improvement Revenue		Term Loan		Refunding Revenue		Term Loans				
	Bonds	Leases	Obligation Bonds	Capital Leases	Bonds	Bonds	Loans	Loans			
1999	1,165,000	2,782,369	29,300,000	-	-	17,701,570	51,715,651	2.40%	959.03		
2000	1,090,000	2,263,041	27,615,000	-	-	22,662,881	54,164,234	2.36%	1,021.75		
2001	1,015,000	3,739,205	25,845,000	-	-	40,675,096	71,729,796	2.94%	1,339.47		
2002	935,000	2,979,226	23,980,000	-	-	43,276,272	71,520,498	2.73%	1,324.60		
2003	9,575,000	2,992,468	22,015,000	-	-	38,549,634	73,402,102	2.63%	1,343.33		
2004	9,525,000	2,677,919	19,955,000	-	-	40,602,990	72,945,909	2.45%	1,317.62		
2005	9,450,000	2,175,296	17,805,000	-	-	68,637,859	98,163,155	3.14%	1,751.22		
2006	9,375,000	1,997,551	15,555,000	-	-	75,271,287	102,198,838	**	1,800.70		
2007	9,300,000	2,108,706	13,205,000	-	-	76,715,356	101,329,062	**	1,763.35		
2008	9,225,000	2,672,242	10,745,000	12,330,000	65,070,151	100,042,393	100,042,393	**	1,719.47		

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

** - Information not available

CITY OF CHEYENNE, WYOMING

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Schedule 13

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
1999	29,300,000	1.16%	543.35
2000	27,615,000	1.05%	520.93
2001	25,845,000	0.92%	482.62
2002	23,980,000	0.81%	444.12
2003	22,015,000	0.70%	402.90
2004	19,955,000	0.58%	360.45
2005	17,805,000	0.47%	317.64
2006	15,555,000	0.37%	274.07
2007	13,205,000	0.29%	229.80
2008	10,745,000	0.22%	184.68

CITY OF CHEYENNE, WYOMING

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008**

Schedule 14

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes			
Laramie County Community College	\$ 13,061,053	60.52%	\$ 7,904,549
Other debt			
Laramie County Community College	3,695,608	60.52%	2,236,582
Laramie County	6,738,621	60.52%	4,078,213
Laramie County School District No. 1	1,227,997	65.30%	<u>801,882</u>
Subtotal, overlapping debt			15,021,226
City direct debt			<u>11,897,242</u>
Total direct and overlapping debt			<u><u>\$ 26,918,468</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Laramie County Assessor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Cheyenne. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping

* - For all debt, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF CHEYENNE, WYOMING

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

**Schedule 15
Legal Debt Margin Calculation for Fiscal Year 2008**

Assessed Value (as of January 1, 2007, payable in fiscal year 2008)	<u>\$ 468,742,963</u>
Debt Limit (4% of assessed value)	\$ 18,749,719
Debt applicable to limit:	
General obligation bonds *	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>\$ 18,749,719</u>

Legal debt margin

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$ 9,716,362	\$ 10,171,568	\$ 10,800,298	\$ 11,380,986	\$ 12,064,604	\$ 13,321,159	\$ 14,439,450	\$ 16,090,596	\$ 17,729,384	\$ 18,749,719
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 9,716,362</u>	<u>\$ 10,171,568</u>	<u>\$ 10,800,298</u>	<u>\$ 11,380,986</u>	<u>\$ 12,064,604</u>	<u>\$ 13,321,159</u>	<u>\$ 14,439,450</u>	<u>\$ 16,090,596</u>	<u>\$ 17,729,384</u>	<u>\$ 18,749,719</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Indebtedness created for supplying water to cities and towns is excluded from the limitation

CITY OF CHEYENNE, WYOMING

PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Schedule 16

Fiscal Year	Waterworks Debt *					Sewer Debt				
	Water Gross Revenue	Less: Operating Expenses	Net Available Revenue		Coverage	Sewer Gross Revenue	Less: Operating Expenses	Net Available Revenue		Coverage
			Principal	Interest				Principal	Interest	
1999	12,069,030	4,655,841	7,413,189	2,832,385	2,078,644	4,928,403	2,713,067	2,215,336	111,524	19.9
2000	12,371,100	4,545,909	7,825,191	2,027,049	1,996,256	5,145,196	2,716,526	2,428,670	75,651	14.9
2001	14,552,326	4,800,924	9,751,402	2,127,298	1,896,531	5,091,377	2,909,888	2,181,489	78,678	13.4
2002	19,269,775	5,405,555	13,864,220	9,224,238	2,163,373	4,644,887	3,253,134	1,391,753	81,824	8.5
2003	20,494,307	6,018,963	14,475,344	18,122,497	2,779,581	5,093,555	3,472,461	1,621,094	85,097	10.0
2004	16,918,782	6,143,342	10,775,440	4,137,705	2,147,693	6,082,899	3,728,724	2,354,175	99,663	10.1
2005	17,448,197	6,730,049	10,718,148	3,220,697	2,015,436	9,539,724	4,186,229	5,353,495	102,155	8.7
2006	22,103,865	7,012,378	15,091,487	3,387,453	1,888,921	10,040,555	4,886,230	5,154,325	104,709	4.5
2007	20,264,510	7,357,980	12,906,530	3,527,270	1,706,834	10,390,429	5,270,211	5,120,218	1,659,510	1.2
2008	18,328,318	7,710,867	10,617,451	3,735,298	1,794,673	9,299,608	5,288,528	4,011,080	1,700,997	1.5

Parking Lot/Garage Refunding and Improvement Bonds

Fiscal Year	Parking Lot/Garage Refunding and Improvement Bonds					Coverage
	Parking Gross Revenue	Less: Operating Expenses	Net Available Revenue		Debt Service Interest	
			Principal	Interest		
1999	238,233	215,873	22,360	75,000	73,168	0.2
2000	249,666	207,493	42,173	75,000	69,928	0.3
2001	245,276	232,009	13,267	80,000	66,455	0.1
2002	231,318	392,111	(160,593)	95,000	57,970	(1.0)
2003	225,275	263,663	(38,388)	100,000	52,080	(0.3)
2004	171,117	287,040	(115,923)	50,000	443,144	(0.2)
2005	422,511	298,273	124,238	75,000	420,163	0.3
2006	421,596	420,640	956	75,000	418,288	0.0
2007	438,591	466,527	(27,936)	75,000	417,772	(0.1)
2008	480,763	500,694	(19,931)	75,000	415,662	(0.0)

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

* - Waterworks debt includes general obligation debt which is secured by a pledge of a specific revenue stream (water revenues)

CITY OF CHEYENNE, WYOMING

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Schedule 17

<u>Fiscal Year</u>	<u>Population</u>		<u>Personal Income (thousands) *</u>	<u>Per Capita Income *</u>	<u>Unemployment Rate</u>	<u>School Enrollment *</u>
1999	53,925	a	2,150,636	26,548	3.5%	15,094
2000	53,011	b	2,292,534	28,052	4.0%	15,101
2001	53,551	a	2,443,472	29,675	4.4%	14,648
2002	53,994	a	2,623,184	31,553	4.5%	14,768
2003	54,642	a	2,787,595	33,093	4.8%	14,542
2004	55,362	a	2,973,379	34,983	4.8%	14,612
2005	56,054	c	3,123,965	36,739	4.4%	14,498
2006	56,755	c	**	39,936	4.1%	14,351
2007	57,464	c	**	**	**	14,178
2008	58,182	c	**	**	**	**

Source: Wyoming Center for Business and Economic Data - "Economic Indicators for Greater Cheyenne - Annual Trends Edition" - March, 2008

- a - U.S. Census Bureau Estimate
- b - U.S. Census Bureau Count
- c - Center for Business & Economic Data

- * - Information for Laramie County
- ** - Information not yet available

CITY OF CHEYENNE, WYOMING

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Schedule 18

Employer	2008			1999		
	Employees	Rank	Percentage of Total Cheyenne Area Employment	Employees	Rank	Percentage of Total Cheyenne Area Employment
F.E. Warren A.F.B.	4,410	1	7.34%	4,004	1	7.75%
State of Wyoming	3,840	2	6.39%	3,116	2	6.03%
Laramie Co. School Dist. #1	1,999	3	3.33%	1,750	4	3.39%
Federal Government	1,747	4	2.91%	2,923	3	5.66%
Cheyenne Regional Medical Center	1,324	5	2.20%	960	5	1.86%
Wyoming National Guard	709	6	1.18%	421	9	0.81%
Lowe's Companies	705	7	1.17%			
Sierra Trading Post	691	8	1.15%			
Union Pacific Railroad	686	9	1.14%	850	6	1.65%
City of Cheyenne	596	10	0.99%	487	8	0.94%
Safecard Services				505	7	0.98%
Laramie County				325	10	0.63%
Subtotal	<u>16,707</u>		<u>27.79%</u>	<u>15,341</u>		<u>29.70%</u>
All other employers	45,316		72.21%	37,042		70.30%
Total all employers	<u><u>62,023</u></u>		<u><u>100.00%</u></u>	<u><u>52,383</u></u>		<u><u>100.00%</u></u>

Source: Wyoming Center for Business and Economic Data - "Economic Indicators for Greater Cheyenne - Annual Trends Edition" - March, 2008

CITY OF CHEYENNE, WYOMING

**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 19

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government:										
Central Administration	*	*	*	102	100	117	101	106	105	114
Weed and Pest	*	*	*	2	2	2	2	2	2	2
Public Safety:										
Police	*	*	*	120	117	118	124	117	121	132
Fire	*	*	*	83	83	84	88	89	91	94
Public Works										
Street/Traffic/ Admin	*	*	*	78	82	82	85	91	101	95
Transit	*	*	*	26	26	27	27	29	27	28
Planning	*	*	*	4	5	5	5	3	6	5
Sanitation/Landfill	*	*	*	64	62	64	68	62	65	65
Health and Welfare:										
Youth Alternatives	*	*	*	23	24	19	17	15	17	20
Housing	*	*	*	3	3	3	3	2	2	2
Cemetery	*	*	*	9	9	9	8	7	7	9
Recreation	*	*	*	99	100	101	94	99	99	104
Water/Sewer Utility	115	115	116	118	119	120	125	127	128	129
Civic Center	*	*	*	8	8	8	7	8	8	9
Prior years unallocated *	746	784	778	*	*	*	*	*	*	*
	<u>861</u>	<u>899</u>	<u>894</u>	<u>739</u>	<u>740</u>	<u>759</u>	<u>754</u>	<u>757</u>	<u>779</u>	<u>808</u>

* - Information for years prior to 2002 are not available by function/program

CITY OF CHEYENNE, WYOMING

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 20

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Total housing units ^	24,052	24,214	24,495	24,763	25,367	25,973	26,545	26,841	27,045	**
Commercial construction permits issued ^	162	222	216	241	154	162	183	149	154	**
Residential construction permits issued ^	175	143	158	262	404	509	443	295	204	**
Public safety										
Police calls for service ^	27,701	26,413	26,683	28,056	20,462	67,245	65,528	66,008	69,631	**
Police arrests ^	**	**	**	4,441	5,002	2,044	2,238	2,387	2,444	**
Police traffic tickets ^	**	**	**	**	9,316	6,861	8,164	9,583	11,257	**
Fire total incidents ^	**	3,066	3,692	3,925	4,024	4,045	4,875	5,409	6,140	**
Fire rescue and EMS ^	**	2,109	2,593	2,730	2,829	2,800	3,533	3,971	4,787	**
Fires ^	**	195	195	193	187	184	187	193	177	**
Refuse collection										
Tons of waste collected by sanitation	**	**	**	**	**	**	**	**	65,990	70,043
Tons of waste accepted by landfill	**	**	**	**	**	**	**	100,021	102,105	108,965
Other public works										
Tons of asphalt used for street repair/renovation	**	**	**	**	**	7,118	8,457	8,884	10,425	7,588
Transit										
Transit total route miles ^	411,804	456,840	430,927	430,926	491,242	487,874	509,820	500,656	517,863	**
Transit total passengers ^	132,310	140,783	146,303	147,219	154,870	176,907	204,589	221,634	260,981	**
Recreation										
Adults served in recreation programs ^	**	**	**	**	**	**	**	9,480	9,500	**
Youth served in recreation programs ^	**	**	**	**	**	**	**	5,211	5,700	**
Parks										
Public users of the Community House ^	**	**	**	**	41,565	43,246	42,674	38,136	37,464	37,821
Public users of the shelters ^	**	**	**	**	28,382	25,315	22,072	22,151	**	23,344
Waterworks										
Average daily demand (mgd)	12,967	14,487	13,731	14,703	13,813	11,989	12,169	14,431	14,182	12,684
Peak day demand (mgd)	35,58	31,82	30,72	37,14	39,55	24,87	24,39	28,48	29,25	30,05
Total water delivered (acre feet*)	14,525	16,272	15,381	16,469	15,472	13,466	13,631	16,165	15,888	14,208
Sewer										
Total wastewater treated (000 gallons)	3,520,198	3,341,210	3,593,320	3,334,290	3,178,170	2,965,465	3,258,026	3,590,459	3,286,169	3,650,000
Average mgd	9.64	9.15	9.68	9.14	8.71	8.10	8.93	9.84	9.00	9.00

Sources: Various City Departments
 * Estimated water available in reservoirs for delivery to Cheyenne's water treatment plant.
 This amount does not include a dead pool estimate of 7,500 acre feet. One acre foot is approximately 325,861 gallons of water.

** Information not available
 ^ Information provided on a calendar year basis

CITY OF CHEYENNE, WYOMING

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 21

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	**	**	**	**	**	**	**	**	**	**
Fire stations	5	5	5	5	5	5	5	5	5	5
Fire trucks	**	14	14	14	14	14	14	14	14	14
Refuse collection	**	**	**	**	**	**	**	**	**	**
Collection trucks	**	**	**	**	**	**	**	**	**	**
Other public works										
Miles of city streets maintained	321	326	327	331	342	346	350	351	360	367
Crosswalks maintained	444	444	444	460	464	464	484	488	488	488
Traffic signals maintained	**	**	111	114	116	116	121	122	122	122
City vehicles maintained	**	**	**	724	760	822	832	834	871	904
Parks and recreation										
Acres of turf mowed	**	**	**	**	208	208	220	226	232	230
Acres of park land	**	**	**	**	700	700	800	800	820	800
Playgrounds	**	**	**	**	23	23	24	26	30	30
Parks	15	15	15	15	15	15	15	17	17	18
Baseball fields	**	**	**	**	13	13	14	14	14	16
Softball fields	**	**	**	**	9	9	9	9	9	9
Soccer fields	**	**	**	**	14	14	14	14	14	16
Miles of greenway	**	**	**	**	11.21	13.99	15.65	19.61	21	22
Water										
Miles of treated water transmission mains	430	430	430	430	433	433	448	448	448	451
Miles of distribution mains	306	306	306	306	331	331	347	347	347	347
Reservoir levels at June 30 (acre feet*)	40,118	36,472	37,979	27,717	33,996	35,306	39,364	38,221	38,076	39,145
Sewer										
Miles of sewer collection mains	263	263	263	263	279	279	291	291	306	306
Water reclamation capacity	11 mgd	11.5 mgd	13.5 mgd	17 mgd	17 mgd	17 mgd				
Transit										
Vehicles available for service	**	**	**	**	**	**	**	**	**	**

Sources: Various City Departments

** Information not available

* Estimated water available in reservoirs for delivery to Cheyenne's water treatment plant.

This amount does not include a dead pool estimate of 7,500 acre feet. One acre foot is approximately 325,861 gallons of water.

**SINGLE
AUDIT
SECTION**

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CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Amount Expended
U.S. Department of Agriculture			
Passed through Wyoming State Forestry Division Coooperative Forestry Assistance	10.664	-	<u>\$ 5,074</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218	-	460,795
Total U.S. Department of Housing and Urban Development			<u>460,795</u>
U.S. Department of the Interior			
Passed through Wyoming Department of State Parks and Cultural Resources			
Historic Preservation Fund Grants-In-Aid	15.904	56-07-21655.09	1,577
Historic Preservation Fund Grants-In-Aid	15.904	56-08-23755.07	447
Historic Preservation Fund Grants-In-Aid	15.904	56-07-21655.11	469
Historic Preservation Fund Grants-In-Aid	15.904	56-07-21655.03	13,600
Outdoor Recreation Acquisition, Development and Planning	15.916	56-00843	27,036
Outdoor Recreation Acquisition, Development and Planning	15.916	56-00829	2,504
Total U.S. Department of the Interior			<u>45,633</u>
U.S. Department of Justice			
Organized Crime Drug Enforcement Task Forces	16.000	WC-WY-048	4,656
Passed through Wyoming Department of Family Services Juvenile Accountability Block Grants	16.523	JAIBG 2006	438
Passed through Wyoming Division of Victim Services Violence Against Women Formula Grants	16.588	2007-WF-AX-0022	45,880
Passed through Wyoming Division of Criminal Investigation Edward Byrne Memorial Formula Grant Program	16.579	-	59,316
Passed through National Association of VOCA Assistance Administrators Crime Victim Assistance/Discretionary Grants	16.582	08-046	4,789
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2006-WE-AX-0016	180,076
Passed through Wyoming Association of Sheriffs and Chiefs of Police Enforcing Underage Drinking Laws Program	16.727	-	12,610
Passed through Laramie County Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2006-DJ-BX-0524	10,744
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2007-F2770-WY-DJ	35,429
Edward Byrne Memorial Justice Assistance Grant Program (CALEA)	16.738	2005-DJ-BX-0933	26,694
Total U.S. Department of Justice			<u>380,632</u>

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Amount Expended
U.S. Department of Transportation			
Passed through Wyoming Department of Transportation			
Highway Planning and Construction	20.205	HPR-4019-00(003)	533,256
Highway Planning and Construction	20.205	STP-E-CH-TL04-00(171)	248,000
Highway Planning and Construction	20.205	-	568,002
State and Community Highway Safety	20.600	05-18-06G	433
State and Community Highway Safety	20.600	07-08-01L	12,770
State and Community Highway Safety	20.600	08-SE01G	6,609
State and Community Highway Safety	20.600	08-RS02A	2,355
State and Community Highway Safety	20.600	SRTS 0.00 B071036	10,575
State and Community Highway Safety	20.600	SRTS 0.00 B071035	8,100
Federal Transit Formula Grant	20.507	90-X033-00	94,890
Federal Transit Formula Grant	20.507	90-X035-00	48,579
Federal Transit Formula Grant	20.507	90-X038-00	109,236
Federal Transit Formula Grant	20.507	90-X041-00	552,794
Total U.S. Department of Transportation			<u>2,195,599</u>
National Endowment of the Arts			
Passed through Wyoming Arts Council			
Promotion of the Arts Partnership Agreements	45.025	1912569	1,840
Promotion of the Arts Partnership Agreements	45.025	2494395	2,000
Total National Endowment of the Arts			<u>3,840</u>
U.S. Environmental Protection Agency			
Passed through Wyoming State Land and Investment Board			
Capitalization Grants for Clean Water State Revolving Fund	66.458	CWSRF No. 60	1,169,872
Capitalization Grants for Clean Water State Revolving Fund	66.458	CWSRF No. 81	13,539
Capitalization Grants for Clean Water State Revolving Fund	66.458	CWSRF No. 84	8,160
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DWSRD No. 65	1,132,803
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DWSRF No. 56	188,207
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DWSRF No. 74	8,160
Passed through Wyoming Department of Environmental Quality			
Nonpoint Source Implementation Grants	66.460		22,540
Total U.S. Environmental Protection Agency			<u>2,543,281</u>

CITY OF CHEYENNE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Amount Expended
U.S. Department of Education			
Passed through Laramie County Community Partnership Twenty First Century Community Learning Centers	84.287	-	<u>56,895</u>
U.S. Department of Health and Human Services			
Passed through Wyoming Department of Health Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers	93.044	-	47,768
Passed through Wyoming Department of Family Services Promoting Safe and Stable Families	93.556	-	7,000
Community Based Child Abuse Prevention	93.590	-	23,475
Passed through First Christian Church Mentoring Children of Prisoners	93.616	90CV0076	26,126
Total U.S. Department of Health and Human Services			<u>104,369</u>
U.S. Department of Homeland Security			
Passed through Wyoming Office of Homeland Security Pre-Disaster Mitigation Competitive Grants	97.017	PDMC-PJ-08-WY-2003-002	646,347
Pre-Disaster Mitigation Competitive Grants	97.017	PDMC-PJ-08-WY-2005-002	131,239
Flood Mitigation Assistance Grant Program	97.029	FMA-PJ-08-WY-2004-001	81,933
Homeland Security Grant Program	97.067	07-ODP-RR7-RR-HRT7	19,730
Homeland Security Grant Program	97.073	06-ODP-RR7-RR-HSG6	50,658
Homeland Security Grant Program	97.074	06-ODP-CHE-LP-HLE6	108,713
Assistance to Firefighters Grant	97.044	EMW-2007-FO-03278	59,875
Total U.S. Department of Homeland Security			<u>1,098,495</u>
Total Expenditures of Federal Awards			<u>\$ 6,894,613</u>

Note:

The following information regarding the schedule of expenditures of Federal awards is provided to assist the reader in understanding the accounting policies regarding, and the nature of, the Federal awards.

Basis of Accounting: The schedule of expenditures of Federal awards is prepared on the modified accrual basis of accounting, the same basis used by the City in its governmental fund financial reporting. Receivables are recorded when appropriate program expenditures are made and the City has a claim for reimbursement.

The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from their presentation in the financial statements.

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**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**

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cheyenne, Wyoming (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs (identified as 2008-01) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2008-02.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Honorable Mayor, Members of the City Council, management, others within the entity, Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Mc Gee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 8, 2008

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Cheyenne, Wyoming (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2008. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2008-04.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2008-03 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Honorable Mayor, Members of the City Council, management, others within the entity, Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Mc Gee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 8, 2008

CITY OF CHEYENNE, WYOMING

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

A. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes _____ None reported

Noncompliance material to financial statements noted? X Yes _____ No

B. Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes _____ None reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes _____ No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>
20.205	Highway Planning and Construction	\$1,349,258
66.458	Capitalization Grants for Clean Water State Revolving Fund	1,191,571
66.468	Capitalization Grants for Drinking Water State Revolving Fund	1,329,170
97.017	Pre-Disaster Mitigation Competitive Grants	777,586

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000
- Auditee qualified as low-risk auditee? _____ Yes X No

CITY OF CHEYENNE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

A. Significant Deficiencies in Internal Control

2008-01: Unrecorded Liabilities

The City failed to include in accounts payable certain payables related to goods or services provided prior to year-end. The City should recognize as a liability, the cost of any goods or services received as of the date of its balance sheet.

Response:

The City staff records accounts payable after the year-end when invoices are received and processed for payment. In certain circumstances, invoices for services rendered and goods received prior to year-end are not received before City staff prepare the financial statements and, therefore, are not recorded. In the future, the City staff will contact all vendors with significant accounts to determine if invoices related to services or goods prior to year-end are outstanding.

B. Compliance Findings

2008-02: Collateralization of Deposits

The City and Board are required by Wyoming State Statutes to maintain collateral on their depository balances which exceed Federal depository insurance limits. At June 30, 2008, the Board's depository balances at one bank were under-collateralized by \$686,131. The under-collateralization was the result of lack of collateral being pledged on the certificate of deposit relating to the 2007 Series Refunding Revenue Water Bonds Reserve Fund. At June 30, 2008, the City's depository balances at one bank were under-collateralized by \$155,274.

Response:

The City's account in question was an escrow account for a large construction project that was established by a title company for the City's benefit. This was an unusual circumstance that has not happened in the past. The City Treasurer's office was not aware of the account at the time it was established and, therefore, could not oversee the requirement for collateralization. In the future, if transactions such as this occur, the department responsible will communicate with the Treasurer's office.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Significant Deficiencies in Internal Control

2008-03: Suspension and Debarment

The Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires that non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred, or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000 and all non-procurement transactions (e.g. subawards to subrecipients). The Pre-Disaster Mitigation Competitive Grants (CFDA #97.017) did not have an effective system in place to determine if entities are suspended or debarred from receiving Federal funds. We recommend that the program implement procedures to ensure that all agreements for "covered transactions" have been checked for suspension and debarment.

Response:

The Purchasing Department now has an item on their bid-checklist that reminds them to check for debarment and suspension on all contracts. In addition, prior to the award, the Purchasing Department will include a copy of the contractor's status in the bid file.

B. Compliance Findings

2008-04: Pre-Disaster Mitigation Competitive Grants Program (CFDA #97.017)

Federal Agency: Department of Homeland Security – Federal Emergency Management Agency

Pass-Through Entity: Wyoming Office of Homeland Security

Condition: The Pre-Disaster Mitigation Competitive Grants Program did not file the quarterly progress reports within 10 days after the end of each quarter.

Criteria: The grant agreement requires the program to submit a quarterly progress report within 10 days after the end of each quarter. The quarterly progress report includes the FEMA Form 20-10 (Feb 04), Financial Status Report and Pre-Disaster Mitigation Grant Quarterly Performance Report.

Cause: The program personnel were unaware of the requirement in the grant agreement to submit quarterly progress reports within 10 days after the end of each quarter.

Effect: A violation or failure to comply with requirements in the grant agreement may result in the pass-through entity taking any action deemed necessary to gain compliance.

Recommendation: We recommend that the program submit all quarterly reports timely and that program personnel be informed of the filing requirements.

Questioned Costs: \$0

Response:

The requirement noted above was in the contract between the state agency and the City. The City staff regularly communicates with the state agency on this particular grant. The state agency has communicated that in the future the reports can be filed with their agency within 15 days of the end of the quarter.

CITY OF CHEYENNE, WYOMING

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2008

There were no Federal audit findings reported for the year ended June 30, 2007.