

BOARD OF PUBLIC UTILITIES

**WATERWORKS AND SEWER ENTERPRISE FUNDS
OF THE
CITY OF CHEYENNE, WYOMING**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED
JUNE 30, 2020**

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**Board of Public Utilities
Cheyenne Water and Sewer Department**

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2416 Snyder Avenue Fax (307) 637-7672

Honorable Mayor Orr,
City Council Members and
Members of the Board of Public Utilities
City of Cheyenne, Wyoming

Monday, October 12, 2020

The Board of Public Utilities (Board) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020 (CAFR FY 2020) is hereby submitted. The Board's Administration Division prepared this report and is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner intended to present fairly the financial position and results of operations of the City of Cheyenne's Waterworks and Sewer Enterprise Funds. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

Wyoming State Statute §16-4-121 (1977) requires that an annual audit be conducted by an independent auditor and be in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants in their guidelines for audits of state and local governments. The audits shall be financial and legal compliance audits. The independent audit shall be completed, and a copy sent to the Wyoming Department of Audit within six months of the end of the fiscal year.

McGee Hearne & Paiz LLP, a firm of licensed certified public accountants, has audited the Board's financial statements. The goal of the independent audit is to provide reasonable assurance that the Board's financial statements for the fiscal year ended June 30, 2020 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Board's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The independent auditor's opinion is presented as the first component of the financial section.

U.S. GAAP requires 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 the MD&A and should be read in conjunction with it. The Board's MD&A can be found immediately following the report of the independent auditor in the financial section.

THE REPORTING ENTITY AND SERVICES PROVIDED

Any city or town in the State of Wyoming which owns and operates a municipal waterworks, a sanitary sewer system, a sewage disposal plant or an electric utility distribution system may establish a board of commissioners, to be known as the Board of Public Utilities. On April 27, 1943, the City of Cheyenne established such a board. This year marks the Board's 77th anniversary. The Board manages, operates, maintains and controls the water treatment plants, water mains, sanitary sewer systems and water reclamation plants, and makes all procedures and regulations necessary for their safe, economical and efficient operation and management.

The Board has exclusive control of all water and sewer utility systems owned by the City of Cheyenne, Wyoming. The Board is charged with developing and supplying the City and its residents with water for domestic and industrial purposes and for public use. Sanitary sewer facilities are provided for this same group of users.

The City of Cheyenne Governing Body, operating under the Mayor/Council form of government, review and approve changes to the water and sewer rates and the waterworks and sewer enterprise fund budgets as recommended by the Board. The Board consists of five members appointed to staggered six-year terms by the Mayor with the advice and consent of the City Council.

The Board is considered a proprietary fund of the City of Cheyenne, Wyoming, which publishes a separate financial report and is subject to separate accountability.

The Board provides water and sewer services for the City of Cheyenne, Warren Air Force Base, and South Cheyenne Water and Sewer District, as well as several residential and commercial customers and ranchers located outside of the City. These services include operation and maintenance of water supplies (ground water, well fields, surface water, dams, recycled water and reservoirs), water purification facilities, water distribution mains and meters, wastewater collection mains and water reclamation facilities.

GENERAL INFORMATION



Cheyenne, located along the first trans-continental railroad, started as an early Union Pacific railroad tent town in 1867 and was named after the Cheyenne Native American Tribe who resided in the general area. Shortly after the establishment of Cheyenne, the United States Army established Fort D.A. Russell on the western side of the city. Since the creation of Fort D.A. Russell (now F.E. Warren Air Force Base), there has been a military presence in Cheyenne and continues to remain an integral part of the community. As a railroad hub, Wyoming's capital and largest city has always been an important Western crossroad and a unique blend of western cowboy, military, and

contemporary cultures.

From state-of-the-art water reclamation plants at Crow Creek and Dry Creek east of Cheyenne to the City's R.L. Sherard Water Treatment Plant toward the west, Cheyenne is a city pioneering new ideas and new technology with the same tenacity, spirit and sensibility of its original settlers.

As an innovative and progressive community, Cheyenne utilizes the world's newest technologies at a friendlier and less frantic pace than larger urban areas. It is a city that remembers its roots and retains a unique Western flavor. Cheyenne is known, worldwide, for its annual celebration of the west, Cheyenne Frontier Days, the Daddy of 'Em All', which draws large crowds from across the nation and around the world.



According to the State of Wyoming Economic Analysis Division report, Cheyenne has an estimated population, as of July 2019, of 64,235 with an additional 99,500 throughout Laramie County. The City of Cheyenne has been designated a Standard Metropolitan Statistical Area (50,000 population or greater) since 1985.

Cheyenne retains a unique combination of business advantages:

- Being near the geographic and time center of the North American Continent.
- Serves as a transportation hub with easy access to Interstates 80 and 25.
- Has two major rail lines: Union Pacific and Burlington Northern railroad.
- Serves as the northern anchor city of the rapidly expanding Front Range Region of the Rocky Mountains.
- A tax-friendly environment for businesses.
- Multiple industrial parks including a developed 2,500-acre heavy industrial park with direct access to the Union Pacific and Burlington Northern railroads as well as two interstate highways.
- Close proximity to other front range communities.
- University of Wyoming, Colorado State University, and University of Northern Colorado, with more than 50,000 students combined are all within 45-minute commuting distances.
- A major Fiber Switching Center with many high-speed data services including DSL, ATM, Frame Relay and ISDN.

ECONOMIC CONDITION AND OUTLOOK

According to the Wyoming Center for Business & Economic Analysis (WCBEA) during the first quarter of 2020 Cheyenne and Laramie County experienced partial shutdown of the economy beginning in March. Oil prices fell to their lowest levels in over a decade, at one point pushing futures into negative prices. Despite this economic downturn, some good numbers arose during the first quarter of 2020. The number of delinquent loans to credit unions declined over the quarter, and their net incomes rose over the year. Bankruptcy counts were down over the quarter and year. Retail sales were up from this time last year. Single-family construction increased in both volume and value.

The general level of economic activity in Laramie County – as measured by retail sales – increased 12.1 percent from one year ago and both total tax collections and tax receipts by local governments increased over the last year – tax collections rose by 2.8 percent and tax receipts rose by 8.2 percent from the first quarter of 2019 to the first quarter of 2020.

Residential construction values improved over the last year while residential construction numbers weakened over the last year in the city of Cheyenne and in the rural part of Laramie County. In the city of Cheyenne, the number of single-family building permits decreased from 33 in the first quarter of 2019 to 30 in the first quarter of 2020 (-9.1 %). Outside Cheyenne, single-family building permits decreased, from 48 in the first quarter of 2019 to 42 in the first quarter of 2020 (-12.5%). The average monthly value of single-family unit construction in the city increased 2.1 percent over the last year and increased 5.2 percent in the rural area of the county. (Note: March's numbers were not included due to COVID-19 restrictions).

Annual real estate sale prices continued to climb in the first quarter of 2020. In the city, the average sale price rose from \$256,962 in the first quarter of 2019 to \$284,545 in the first quarter of 2020 (10.7%). In the county, the year-over-year average sale price for homes rose by 4.0 percent, from \$413,223 in the first quarter of 2019 to \$429,832 in the first quarter of 2020.

The number of unemployed workers increased over the last year, from 1,819 in the first quarter of 2019 to 1,948 in the first quarter of 2020 (+7.1%). The number of unemployed workers also increased over the last quarter, from 1,594 in the fourth quarter of 2019 to 1,948 in the first quarter of 2020 (+22.2%).

The average monthly unemployment rate increased slightly over the last year, moving from 3.8 percent in the first quarter of 2019 to 4.0 percent in the first quarter of 2020. The unemployment rate rose more sharply over the last quarter, from an average monthly rate of 3.3 percent in the fourth quarter of 2019 to 4.0 percent in the first quarter of 2020.

Some of Laramie County's economic indicators were concerning in the first quarter of 2020. The coronavirus began shutting down parts of the economy in March. Schools moved to online classes and restaurants were limited to take away and drive thru service only. Oil prices fell to their lowest levels in over a decade. Housing indicators were mixed, with the average house price increasing in Cheyenne, but the number of single-family building permits decreasing. Labor numbers were negative, as unemployment rose above 4.0 percent and initial unemployment claims rose sharply over the year. Enplanements declined and commercial service was suspended in April.

CHEYENNE LABOR MARKET

	1Q 2018	1Q 2019	4Q 2019	1Q 2020	2 Year % Chg 1Q/2018 - 1Q/2020	1 Year % Chg 1Q/2019 - 1Q/2020	Qtrly % Chg 4Q/2019 - 1Q/2020
Avg Monthly Civilian Labor Force (LAUS)	47,690	48,080	48,245	49,184	3.13	2.30	1.95
Avg Monthly Employment (LAUS)	45,759	46,262	46,651	47,236	3.23	2.11	1.25
Avg Monthly Employment (CES)	45,600	46,433	47,200	46,700	2.41	0.58	-1.06
Avg Monthly Unemployment (LAUS)	1,930	1,819	1,594	1,948	0.93	7.09	22.21
Avg Monthly Unemployment Rate (LAUS)	4.1	3.8	3.3	4.0	-2.44	5.26	21.21
Avg Monthly Initial Unemployment Claims (LAUS)	77	54	58	73	-5.19	35.19	25.86
Avg Monthly Help Wanted Ads	517	714	349	338	-34.62	-52.66	-3.15

GENERAL BUSINESS ACTIVITY

	1Q 2018	1Q 2019	4Q 2019	1Q 2020	2 Year % Chg 1Q/2018 - 1Q/2020	1 Year % Chg 1Q/2019 - 1Q/2020	Qtrly % Chg 4Q/2019 - 1Q/2020
Total Retail Sales (\$000)	\$327,465	\$319,628	\$386,149	\$358,535	9.49	12.17	-7.15
Avg Monthly Enplanements - Cheyenne Regional Airport	89	1,059	1,114	921	934.83	-13.03	-17.32
Avg Monthly Auto Registrations New & Used	2,771	2,598	3,002	2,784	0.47	7.16	-7.26
Avg Monthly Bankruptcies	14	10	15	9	-35.71	-10.00	-40.00

Other significant economic news and events during the recent fiscal year included:

TBC Mfg. Inc. relocating to Cheyenne

Cheyenne LEADS began working with TBC Mfg. Inc. in March 2019. The company’s owners, Jeff and Karri Siebert, are currently located in Fountain, Colorado. The business’ new 18-20,000 square foot building will be located in the Cheyenne Business Parkway.

TBC Mfg. chose Cheyenne due to its strategic location in relation to its current and expected future clients. They also see great opportunities to be involved in and contribute to the community. “As owners, we appreciate the independent, friendly, family-oriented culture we’ve experienced in Cheyenne, for both ourselves and for future generations of our family and our employees,” they said.



Anja Bendel, Director of Business Development with Cheyenne LEADS, said, “I’m pleased that TBC Manufacturing has chosen our community. It was a very careful decision, and we agree with them that Cheyenne is a great fit for their manufacturing operations as well as their employees. We share many of the same values and know that they will not only create jobs but also become an important part of the community.”

“We appreciate that LEADS has been responsive and helpful from day one. They have acquainted us with the community. They’ve answered numerous questions and connected us to the resources necessary to make this move happen,” said Karri Siebert. “Cheyenne LEADS has supported us by welcoming our key employees and giving them informational tours, which helped them feel comfortable with the move, all while helping us find the perfect location for our new facility.”

They plan to begin construction of their new facility this spring.

About TBC Mfg. Inc.

TBC Mfg. Inc. is proud to be a family-owned business with a third generation actively involved in the daily operations. The company was founded by Karri’s father, Sam McGuire, in 1987. The company is a full-service manufacturing facility that provides financial stability for its employees. They are a complete small business with 10+ employees consisting of Sales, Engineering, Programming, and CNC Machining. TBC Mfg. Inc. is a tool and die company supplying tooling to major manufacturers around the country as well as internationally. They supply a diverse cross-section of industries including HVAC, Automotive, Aerospace and Furniture, with plans to expand services to other industries.

Stag Arms, relocating to Cheyenne

STAG ARMS



Stag's Board of Directors announced that Chad Larsen has been appointed Stag's President effective immediately. The Company also announced that it will be relocating to Cheyenne, WY, by the end of

the year. In June, the Company disclosed its decision to move from Stag's former headquarters in New Britain, CT, and initiated a national search for a new location.

In making this announcement, Elie Azar, Founder and CEO of White Wolf Capital, LLC, which owns a controlling interest in Stag Arms, said, "We decided it was time to do a complete refresh of the Company. We needed to solve for three things: visionary customer-centric leadership, a business-friendly, pro-growth economic environment, and a cultural climate that reflects Stag's brand image of independence and free-spiritedness. I am pleased to report that we have found a solution that hits all these points." To find a new location for the Company, Stag's Board of Directors conducted a rigorous process comparing dozens of potential sites against a stringent set of criteria. "Cheyenne came out on top on most of the individual criteria," said Azar, "and considering our requirements, it was by far the superior site. Not only is Wyoming an incredibly hospitable place to do business, it is also a top destination for outdoor recreation, including hunting and shooting sports, which reflects its citizens' unwavering support for the Second Amendment."

Stag began working with Cheyenne LEADS, the economic development organization for Cheyenne and Laramie County, in June of this year after they reached out offering their assistance. LEADS assisted with site location, workforce evaluation and navigating the community.

Cheyenne ranked the 19th best city to raise a family

The City of Cheyenne ranks as one of the best places to raise a family according to wallethub.com. Overall, Cheyenne ranks 19th among 180 cities across the country to raise a family based on five key dimensions and a data set of 47 key metrics to include health and safety, education, and childcare. Cheyenne totaled a score of 62.18 to earn the nineteenth-place distinction.



MAJOR INITIATIVES

For this year, the Board continues to take steps toward ensuring continued quality and quantity of water and wastewater services.

FY 2021 North City Expansion

During the FY 2021 budget year, the Board will begin the construction of a three-million-gallon elevated water tank and associated piping at the Buffalo Ridge Tank Site to support the continued growth of Cheyenne.

The FY2021 budget for this project is \$12,000,000.



The Project will:

- Provide enhanced services to the northern portion of Cheyenne.
- Provide needed expansion of water supply to the growing population of Cheyenne.

Other Initiatives

Effective January 1, 2020, the multi-tiered water rate for single family residential will not see an increase.

Water Volume Rate Charge Per 1,000 Gallons

Residential (in-city)		Jan 01, 2019	Jan 01, 2020	Jan 01, 2021
First Block	First 6,000	\$4.29	\$4.42	\$4.42
Second Block	Next 18,000	5.30	5.46	5.46
Third Block	Next 18,000	6.58	6.78	6.78
All Over	42,000	8.19	8.44	8.44

The volume rate charge per 1,000 gallons of drinking water for commercial users during these same time periods of January 1, 2019, January 1, 2020 and January 1, 2021 are as follows: \$4.93, \$5.00, and \$5.08, respectively.

The volume rate charge per 1,000 gallons for sewerage for all users during these same time periods of January 1, 2019, January 1, 2020 and January 1, 2021 are as follows: \$4.90, \$5.15, and \$5.15, respectively.

It should be noted that the above rates are for in-city users. Users of the system not within the city limits pay 1.5 times those rates.

Fiscal Year 2020 marked the release of the Board’s 21st Consumer Confidence Report, an annual report on the quality of the City’s drinking water. Once again, the Board was pleased to report that Cheyenne’s drinking water is safe and meets or exceeds all state and federal standards and requirements. Tests for 76 chemicals and potential contaminants during the calendar year revealed no violations.

The report concluded: Our goal is to provide the community of Cheyenne with safe, quality drinking water that meets federal and local requirements at the lowest cost. We encourage all of our water customers to learn about Cheyenne’s water system and the Safe Drinking Water Act requirements and to help us protect our valuable water sources, which are the heart of our community, our way of life and vital to our future.

Other noteworthy initiatives during FY 2020 included another ambitious round of water and sewer main rehabilitations. Water and sewer main rehabilitation is an annual priority to keep the City’s water distribution and wastewater collection systems in top shape.



Rate Study

The Board performs a comprehensive rate study roughly every five-years to determine appropriate rates, or charges, for utility services. These rates are calculated in order to recover enough revenue to cover infrastructure upgrades and day-to-day operating costs. Expertly designed rate studies are used to prepare for, and accomplish, strategic objectives while maintaining equity among customer classes. The previous rate study was performed in

conjunction with the 2013 Master Plan and its data is now outdated. This year's comprehensive rate study will include a revenue requirement analysis, cost of service analysis, and rate design. Changes in our customer base along with the ever-changing environment will elevate needed growth in the following areas: system development fees, water conservation, and reuse.

FOR THE FUTURE

Looking ahead, the Board is committed to maintaining a high-quality water and wastewater system that will meet the needs of a growing community in the 21st century. As the Board moves forward, there will be major emphasis on expanding the available water supplied to Cheyenne in order to facilitate future expansion of the city for both residential and commercial/industrial needs.

Major FY2021 budgeted projects include:

North Pressure Zone Interconnector & Expansion

This project will connect Deer Ave, Monterey Heights, and The Point pressure zones into the North Pressure Zone. This project improves the Board's ability to accommodate expansion and simplify our system to provide quality services. The FY2021 budget for this project is \$2,350,000.



Allison Draw South Interceptor

The Board is partnering with a developer to construct the Allison Draw South Interceptor. The project serves future development roughly between the South Cheyenne Water and Sewer District (SCWSD) and I-25. The project includes approximately 1.5 miles of 24" to 27" diameter sanitary sewer interceptor. The FY2021 budget for this project is \$2,747,700.

Other Items for 2021:

On June 22, 2020, the City Governing Body adopted the waterworks and sewer enterprise fund budgets as recommended by the Board for fiscal year 2021 (July 1, 2020 to June 30, 2021). The Board's combined water and sewer budgets for fiscal year 2021 of \$48,972,595 is \$14,622,545 less than fiscal year 2020's adjusted budget.

Relevant Financial Policies

During fiscal year 2020, the Board revised the travel reimbursement policy to coincide with the City's policy.

Administrative Controls

Internal controls are procedures designed to protect assets from loss, theft or misuse. Internal controls are in place to: check the accuracy of accounting data, promote operation efficiency, facilitate the preparation of financial statements, satisfy other reporting requirements, and to encourage compliance with managerial policies.

The Board is responsible for establishing a system of internal controls that provide reasonable assurance that these objectives are met. The concept of reasonable assurance stipulates that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of cost and benefits requires estimates and judgments by management. As with other internal controls, this system is subject to periodic review and evaluation by management or by the Board's independent auditor.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Board for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 42nd consecutive year that the Board has received this prestigious award.

In Conclusion

The preparation of the annual financial report on a timely basis was made possible by the dedication of the Administration Division staff. Each member of the Division has our sincere appreciation for the contributions made in the preparation of this report.

In closing, the Board Members and Management continue to provide valuable leadership, planning and direction for Cheyenne's water and wastewater systems. Serving nearly 76,000 residents, these systems will continue to play a vital role in the development and growth of our City for many years to come.

The Board, its management and employees are all dedicated to the goal of providing the Cheyenne area with the highest quality of water and wastewater services at the most economical cost.

Respectfully submitted,



Ashley Miller
Administration Manager/Assistant City Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Board of Public Utilities
City of Cheyenne, Wyoming**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

BOARD OF PUBLIC UTILITIES

**~ BOARD MEMBERS ~
~ JUNE 30, 2020 ~**



**Mary Guthrie – President
Board Member Since June 18, 2015
Term Expires June 01, 2021**



**Matt Pope – Secretary
Board Member Since September 09, 2013
Term Expires June 01, 2021**



**John Edwards – Board Member
Board Member Since June 08, 2018
Term Expires June 01, 2023**



**Allen Cunningham – Board Member
Board Member Since February 19, 2019
Term Expires June 01, 2025**



**Keith Zabka – Board Member
Board Member Since August 6, 2020
Term Expires June 1, 2025**

BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020

**ELECTED
AND**

APPOINTED OFFICIALS: POSITION: CURRENT TERM EXPIRES:

Marion J. Orr	Mayor	January 4, 2021
Mary B. Guthrie	Board President	June 1, 2021
Matthew L. Pope	Board Secretary	June 1, 2021
John Edwards	Board Member	June 1, 2023
Alan Cunningham	Board Member	June 1, 2025
Keith Zabka	Board Member	June 1, 2025

MANAGEMENT:

POSITION:

Bradley A. Brooks	Director
Ashley Miller	Manager, Administration Division
Bruce Hattig	Manager, Engineering and Water Resource
Clint Bassett	Manager, Water Treatment Division
Frank Strong	Manager, Operations and Maintenance Division
Matthew Buelow	Manager, Water Reclamation Division
Kathy Kellner	Manager, Human Resources

Water and Water Reclamation, and Wastewater Systems – Past, Present and Future

When Union Pacific Railroad construction crews wintered along the banks of Crow Creek in 1867, the little stream flowing onto the plains from the Rocky Mountains provided plenty of fresh water for the railroad camp and the town that grew up around it. In July of 1867 General Grenville Dodge, Chief Engineer for the Union Pacific platted the site for Cheyenne, largely due to the constant supply of water available from Crow Creek. Steam engines required large amounts of water to run successfully over Sherman Summit which Crow Creek would provide. Dodge envisioned Cheyenne as an important division point on the Union Pacific railroad line.



Before any tents or buildings were constructed, Crow Creek Crossing was selected as a strategic railroad hub and military outpost on the transcontinental railway. The crossing was approximately midway on the Union Pacific's length of track, which made it a great location for a depot, maintenance yards, military and supply posts.

Within a week of selecting the site, the City of Cheyenne was surveyed, and lots sold. Tent City Cheyenne sprang into existence. When the railroad crews reached Cheyenne on November 10, 1867, crowds of people were waiting for them. Cheyenne's population jumped to 3,000 from the time the route

was announced to the day tracks arrived. By February 1868 there were 6,000 residents in town.

Almost immediately after, the U.S. Cavalry established Fort D. A. Russell a few miles to the west. The fort began as a cavalry unit living in tents arranged into a diamond shape for protection from the wind. The cavalry provided protection to the railroad, protected the City of Cheyenne, guarded the Overland Trail and participated in the Great Sioux Indian Wars. By 1885, the fort had grown to eight infantry companies housed in brick buildings.



Throughout this growth, Crow Creek supplied water. The first water delivery system consisted of buckets of water pulled from Crow Creek or public wells. A barrel of Crow Creek water delivered by wagon to a home or business cost \$0.25.

The first water system was installed in 1877. Pipes distributed water from small reservoirs located near the modern-day Botanic Gardens and Ames Underpass to strategic commercial locations within Cheyenne. This water was mostly reserved for the railroad and fire protection, which was a major priority for early Cheyenne. When fires broke out, the lack of water meant fires could destroy entire sections of the City before being brought under control.

One such fire broke out on January 11, 1870. A defective flue at a liquor store started a fire that destroyed 80 buildings on two of the main blocks in Cheyenne. Without the water necessary to fight the fire, volunteer fire crews ran from building to building evacuating people, furniture, goods and supplies.

The early residents and businesses within Cheyenne recognized the economic and lifestyle enhancements that access to water provided. In 1882, these citizens petitioned City Council to allow homes and businesses to tap into the water system. Water use was not metered. Instead, customers were charged based on the number of bathrooms and types of water uses at the location. For example, an eight-room home with one bathroom and a stable paid \$17 per year in 1883.ⁱ

While an improvement over scooping water from Crow Creek, this early water system wasn't without challenges. The water was described as tasting terrible and many of the residents of Cheyenne considered the reservoirs in Cheyenne to be a source of disease.ⁱⁱ

A second challenge was water pressure. Water pressure was produced using steam engines. The engines required constant attention by City employees. By 1897, the City operated and maintained three pump stations.ⁱⁱⁱ

A third challenge was the limited supply of water. As with all-natural streams, Crow Creek flooded in the spring and produced trickles of water in the fall and winter.



To address these challenges, Cheyenne constructed a series of dams, pipelines, a water treatment plant and designed a water distribution system that used gravity to deliver water. Cheyenne constructed four dams on the three branches of Crow Creek between 1902 and 1911, Granite Springs Reservoir, Crystal Reservoir, South Crow Reservoir and North Crow Reservoir. Cheyenne also constructed the pipelines to carry the water approximately 25 miles to Cheyenne.

Surface water was treated at the Roundtop Water Treatment Plant, built on a hill west of Cheyenne in 1915. One of Wyoming's first conventional water treatment plants, Roundtop had the capacity to treat 12 million gallons of water a day (MGD).

This distribution system satisfied Cheyenne's water needs until an extended drought period in the mid-1930s. During this period, Cheyenne's water needs increased, and a water shortage was imminent. For the first time, Crow Creek was not able to supply enough water to meet Cheyenne's needs. City officials recognized the crisis and worked quickly to overcome it using groundwater from wells west of Cheyenne.



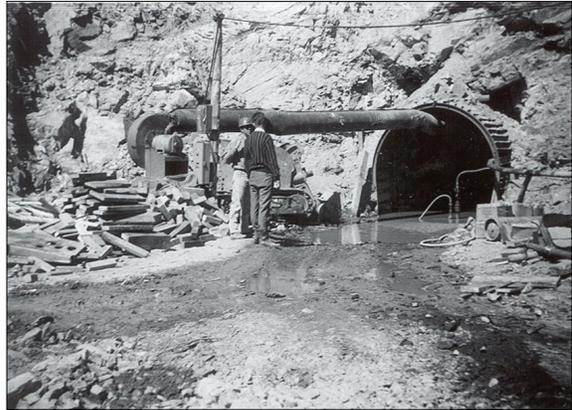
Seventy-seven years ago, on April 27, 1943, the City of Cheyenne established the Board of Public Utilities (Board) to manage and control the city's water and sewer systems. The Board began studying and addressing the long-range water and sewer needs of Cheyenne. One of their first tasks was to treat sewer waste. In 1949, the Board began construction on Cheyenne's first wastewater treatment plant (WWTP), Crow Creek WWTP. It was one of the first WWTPs in Wyoming and the Rocky Mountain Region.

With the steady growth of the city during the 1940s and 50s, it was evident that Cheyenne needed to develop an additional source of water. Because water rights in the North Platte River drainage were already appropriated

(assigned to other users), the Board had to look farther west. The Board found unappropriated water over 115 miles and three mountain ranges to the west in the headwaters of the Little Snake River running through the Sierra Madre Mountains on the western slope of the Continental Divide.

The presence of the mountain range between the Sierra Madres and Cheyenne made the actual delivery of this water to Cheyenne cost prohibitive. In order to use the water, city leaders developed an intricate trans-basin system whereby water collected from the Little Snake River drainage could be traded for water from the closer and more deliverable Douglas Creek drainage located in the Snowy Range about 75 miles west of Cheyenne.

Water from the North Fork of the Little Snake River and its tributaries on the west side of the Divide is collected and diverted through a 3,500-foot-long tunnel to the eastern side of the Divide and stored in Hog Park Reservoir. This water is used as trade water. Hog Park Reservoir is on the west side of the North Platte River and Rob Roy Reservoir is on the east. When the Board releases water from Hog Park Reservoir into the North Platte River, the Board can collect water from the North Platte River at Rob Roy Reservoir.



Above: Construction of the Hog Park Tunnel.

Water released from Rob Roy Reservoir travels by gravity about 50 miles where it can be released into the Middle Crow Creek drainage near Vedauwoo, in the Laramie Mountains. The water then flows down creeks in the Crow Creek drainage to Granite and Crystal Reservoirs. Stage I of this system was completed in 1965.

Building on the successes of Cheyenne’s previous 100 years, the “Magic City of the Plains” continued to grow and expand. In the 1970s, the Board added to both its water and wastewater treatment capacities. Water treatment capacity increased with the construction of the first R.L. Sherard Water Treatment Plant. Wastewater treatment expanded with the construction of Dry Creek Wastewater Treatment Plant, followed by another expansion a decade later.

A drought in the late 1970s indicated the need for additional water and the Board began looking to expand water resources. In 1982, the Board began construction of Stage II of the Little Snake River-Douglas Creek System. The project enlarged both Rob Roy Reservoir and Hog Park Reservoir, installed 21 miles of diversion pipeline on the western slope of the Continental Divide and installed a second delivery pipeline from Rob Roy Reservoir to Granite and Crystal Reservoirs. On November 7, 1988, water flowed for the first time through the Stage II Water Delivery Pipeline. By 1991, the Board was operating both Stage I and Stage II at the same time.

The Cheyenne Water Supply Master Plan, completed in July 1994, concluded that due to considerable concrete deterioration, the Roundtop Water Treatment Plant was no longer reliable and recommended it be retired as soon as possible. In addition, the 1990s saw an increase in the number of regulated contaminants and more stringent drinking water regulations under the Safe Drinking Water Act. In order to meet the more stringent drinking water requirements, plant productivity at the Sherard Water Treatment Plant had to be reduced.

At the same time, the average peak daily demand for treated water grew from approximately 23.5 MGD in 1978 to about 33.5 MGD in 1998. In the 1990s, peak day demand reached 40 MGD and the highest peak week (seven- consecutive-day period) averaged 37.4 MGD. In an effort to meet growing demands for treated drinking water in the community, the Board launched two projects.



The first was the Northwest Area Raw Water Irrigation Project. This project switched irrigation of two golf courses and a City park to raw, untreated water instead of treated City drinking water. The project freed up as much as three MGD of treated water during peak summer day demands.

The second was the design and construction of a new 32 MGD R.L. Sherard Water Treatment Plant. The new Sherard plant replaced the 1915 Roundtop Water Treatment Plant and the original Sherard Water Treatment Plant. The new plant was designed to meet or exceed current and future drinking water requirements. It was also designed to be expanded, at some future date, to 50 MGD. The newly

constructed R.L. Sherard Water Treatment Plant began serving the community in the spring of 2002, just as a multiple-year drought peaked and another water shortage loomed.

At about the same time, the Wyoming Department of Environmental Quality reclassified Crow Creek below the allowable discharge parameters of Cheyenne’s wastewater treatment plants. Historically, the creek was classified for uses such as agriculture, industry, recreation, wildlife and scenic value. Under the new classification, designated uses were expanded to also include non-game fisheries, fish consumption, aquatic life other than fish, and primary contact recreation.

As a result, ammonia and chlorine could no longer be discharged into Crow Creek. This created the need to upgrade both of Cheyenne’s wastewater treatment plants.

Upgrades included biological treatment and disinfection. Biologic treatment was enhanced by improving contact with the water. At Crow Creek wastewater treatment plant, the previous biological treatment consisted of clarified wastewater sprayed across a rock media upon which beneficial bacteria grew. The beneficial bacteria consumed contaminants in the water. Contact with the water was limited by how long it took the water to flow down the rock. Freezing temperatures could also prevent water from contacting the rock. With the upgrades, beneficial bacteria float freely and attach to pasta-shaped plastic media while being mixed through the water in a series of basins. This method allows for increased contact with the water and increased contaminant removal. Both Dry Creek and Crow Creek Treatment Plants have implemented the more efficient biological treatment. Disinfection has also been upgraded from chlorine to ultra-violet light. The treated wastewater flows through a series of intense ultra-violet lights that disinfects the bacteria.

These upgraded treatment methods meant that Cheyenne had the ability to restore usefulness and value to wastewater. As a result, the Board changed the names of the wastewater treatment plants to water reclamation facilities (WRF). The construction also presented the Board with an opportunity to expand treatment capacity and provide an additional source of water, recycled water.

Like the droughts in the 1880s, 1930s and 1970s, the drought in the early 2000s resulted in increased water use when less water was available. Treated water use peaked at 39.5 MGD. With the combination of water demand, wastewater projects and drought, the Board seized upon an opportunity to realize an observation made by a Board President fifty years earlier.



Above: Purple pipe. The recycled water system includes a separate distribution system for recycled water.

“The story of the long struggle for water in Cheyenne is typical of the general situation of the arid West, and leads to the conclusion that in order to meet the demands of the future, the existing sources of water must be conserved, and that the residents of this area must learn to use water so that one gallon of the supply provided by nature will perform the duty of two gallons as it is now used.” He continued saying, “Probably the most promising source of additional water at Cheyenne is the reclamation of sewage effluent for industrial use.” – W. J. Dineen, circa 1951.

In the spirit of this observation, the Board added additional water treatment capabilities to the Crow Creek WRF. These additional treatment methods produced Class A reuse water, affectionately termed recycled water. Class A reuse water is the most stringent classification of reuse water in Wyoming and has the least restrictions on its use. Recycled water is a drought resistant source of water which will be available even during severe droughts.

The Board installed the first large-scale recycled water system in Wyoming and used the water to irrigate parks, athletic fields and

green spaces. This reduced peak summer treated water demand by as much as 3 MGD.

During the last decade, the Board continued to prepare for future water demands. In 2003, the Board adopted a water conservation program, which has successfully reduced water demand.

In 2003, the Board participated in the purchase of the Belvoir Ranch to expand ground water resources. Since the purchase, the Board and Wyoming Water Development Commission have studied the water resources on the ranch and ways to deliver the water to Cheyenne. Building a pipeline to the ranch is part of the Board's plans.

In 2007, the Board completed construction of a second delivery pipeline from Crystal Reservoir to the new Sherard Water Treatment Plant. The second pipeline added redundancy and increased supply capabilities in preparation for a future expansion of the plant.

In 2013, the Board completed phase II of the Southern Water Transmission Main. This main was needed to supply water to Cheyenne, add redundancy, and provide relief to the transmission mains that supply water to the northern parts of the City.

Also, in 2013, the Board produced a water and wastewater master plan. This plan identified and prioritized the projects the Board needed to accomplish to be able to supply water into the future.

Phase III of the Southern Water Transmission Main continued to the east and north of the city, eventually tying into the existing water system near the Holly Frontier Refinery. Phase III was completed in fiscal year 2019 and completes the loop around the southern section of the city.

Phase I of the Southern Sewer Interceptor Main runs from the Crow Creek Water Reclamation Facility to the south and west ending in the vicinity of Artesian Road in south Cheyenne. Phase I was completed in fiscal year 2019.

Looking ahead, Cheyenne moves into the 21st century with an excellent water supply, adequate treatment capacities and the ability to expand both treatment and delivery of water resources. This was accomplished due to the vision of current and past City leaders, Board Members and Board staff. With current growth rates, per capita water use, conservation efforts and recycled water capabilities, the Board expects Cheyenne's water resources to meet supply demand into the 2040's. But, as history has taught us, someday, Cheyenne will once again need more water and/or face another drought.

Nearly 150 years have passed, and rail cars still rumble through town. Missiliers inhabit the military barracks once used by cavalry. Cattle still graze the grasslands surrounding town. And water is still the precious and limited resource that makes it all possible.



Above: Construction of the Southern Water Transmission Main Phase II.

ⁱ 1883 City Ordinance Concerning the Water Supply for the City of Cheyenne

ⁱⁱ Cheyenne Daily Leader, December 7, 1895

ⁱⁱⁱ History of Utilities, believed to come from preparation work for Cheyenne, the Magic City of the Plains, Centennial Committee, 1967.



The City of Cheyenne Board of Public Utilities Source of Supply Water System



Little Snake River Diversion Pipeline

(Constructed 1960's - Stage I
& Enlarged 1980's - Stage II)



Rob Roy Dam & Reservoir

(Constructed 1966 & Enlarged 1985)



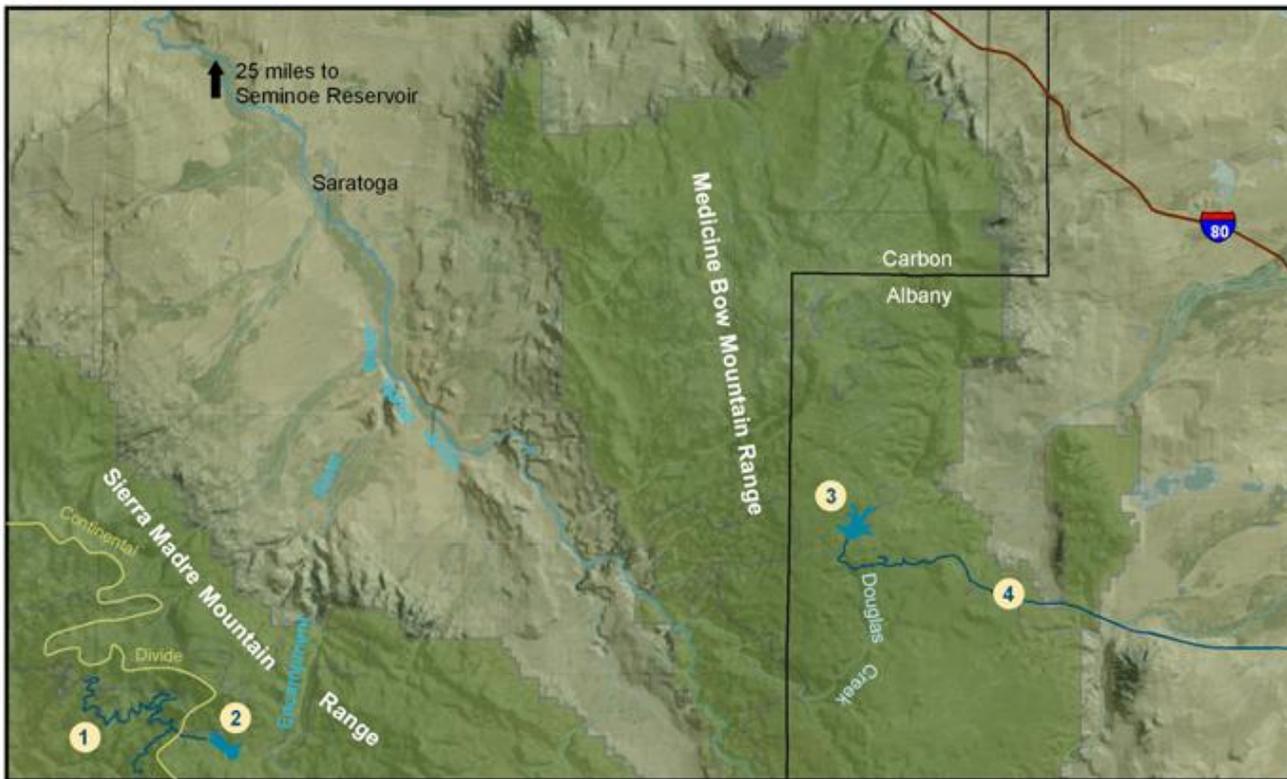
Granite Springs Dam & Reservoir

(Constructed 1902-1904
Rehab in 1986)



South Crow Dam & Reservoir

(Constructed 1911 - Rehab in 2003)



Hog Park Dam & Reservoir

(Constructed 1966 & Enlarged 1985)



Lake Owen Dam & Reservoir

(Constructed 1962)



Crystal Lake Dam & Reservoir

(Constructed 1909-1910
Rehab in 1986)



North Crow Dam & Reservoir

(Constructed 1911
Rehab in 1994)



This map has been prepared by and for the use of The Board of Public Utilities and may contain inaccuracies. Any reliance thereon by third parties is done so at their sole risk.



This map has been made possible through the Cheyenne/Laramie County Cooperative GIS Program. Data contained hereon is for informational purposes only.

Upper North Crow Dam & Reservoir
(Constructed 1930 - Rehab in 1994)



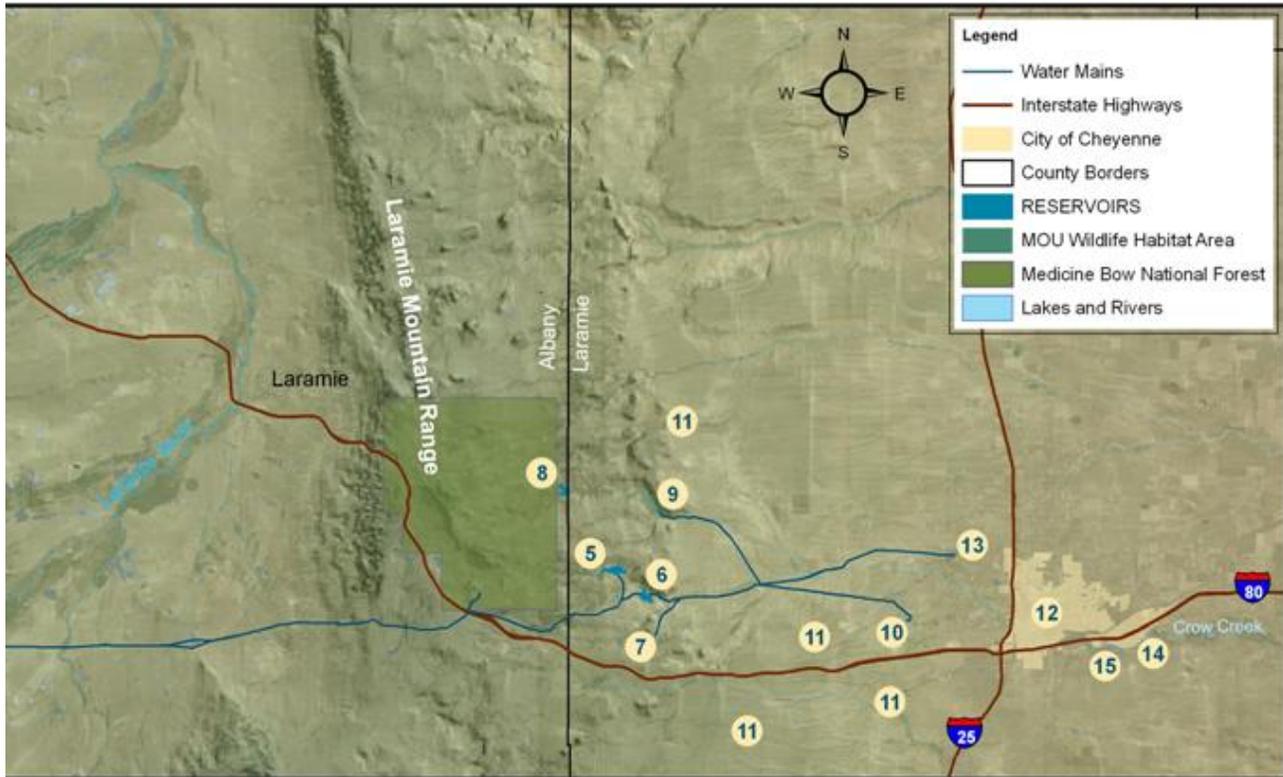
Wells High Plains Aquifer



Roundtop Water Treatment Plant
(Constructed 1915 - Closed 2002)



Crow Creek Water Reclamation Facility
(Constructed late 1940's - Recycle abilities added in 2007)



Sherard Water Treatment Plant
(Operation 2002 - Present)



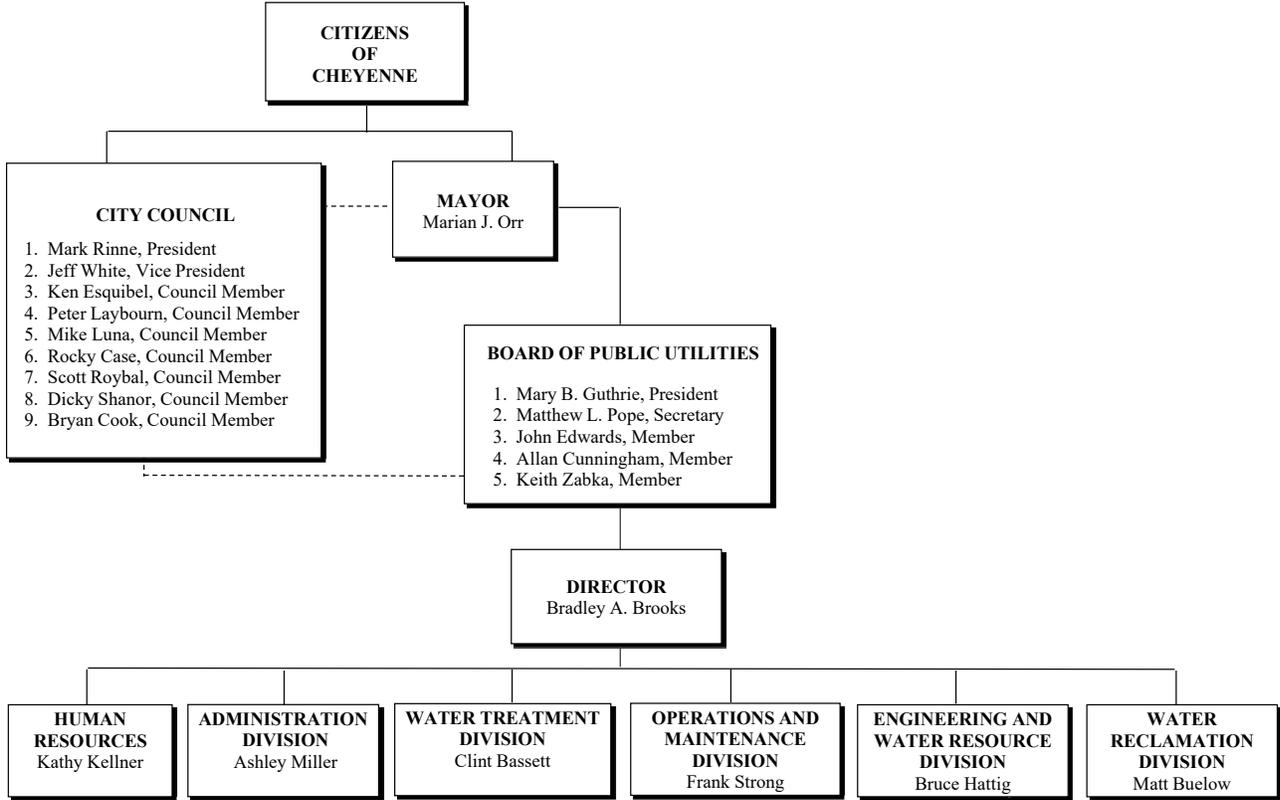
Cheyenne, Wyoming
(Population 55,314 - Board of Public Utilities Customers 21,667)



Dry Creek Water Reclamation Facility
(Constructed early 1970's Expanded late 1980's and 2007)

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**WATER AND SEWER DEPARTMENTS
ORGANIZATIONAL CHART
JUNE 30, 2020**





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,
Members of the City Council, and
Members of the Board of Public Utilities
City of Cheyenne, Wyoming Board of Public Utilities
Cheyenne, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Cheyenne, Wyoming Board of Public Utilities (the "Board"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Board as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Board are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities and each major fund of the City of Cheyenne, Wyoming that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of the City of Cheyenne, Wyoming as of June 30, 2020, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4-17, Schedule of the Board's Proportionate Share of the Net Pension Liability, on page 43, and Schedule of the Board's Contributions and Notes to Required Supplementary Information, on pages 44 and 45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Budgetary Comparison Schedule, Notes to Budgetary Comparison Schedule, Introductory Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule and the related Notes to Budgetary Comparison Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 12, 2020, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

McGee, Hearne & Paig, LLP

Cheyenne, Wyoming
October 12, 2020

**CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management of the Board of Public Utilities (the “Board”) offers readers of the Board’s financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2020.

Readers are encouraged to consider the information presented here along with additional information presented in our letter of transmittal.

FINANCIAL HIGHLIGHTS

The Board’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$310,208,617 (net position). Of this amount, \$34,459,246 (unrestricted net position) is available to meet the Board’s ongoing obligations to citizens and creditors.

The Board’s total net position increased by \$7,508,161 during fiscal year 2020. This increase can be attributed to capital contributions and an increase in operating revenues.

Investment income received for the current year was \$872,696 and decreased \$158,229 from the previous fiscal year. The yield on bank certificates of deposit (“CDs”) remained constant during the fiscal year at 0.28% on 90-day CDs. The CD’s were withdrawn at maturity and moved to WYO-STAR II as it offers a higher yield of 7.37% at fiscal year end. Returns on WYO-STAR I fund investment yields decreased from 2.32% at the beginning of the fiscal year to 2.16% at fiscal year end. The COVID-19 economic crisis and the reduction in investments to pay down debt accounted for the decrease in return as compared to the prior fiscal year. Rates are expected to decline for the first half of fiscal year 2021.

Operating revenue for the Waterworks Fund increased \$1,799,213 and the Sewer Fund increased \$110,940 during the fiscal year. The revenue increase in the waterworks operating revenue was largely due to dryer weather in the summer of 2020 increasing outdoor irrigation and a 3% rate increase effective January 1, 2020. Revenue increases in the sewer operating revenue were attributed to a 5% rate increase effective January 1, 2020.

The total indebtedness of the Board decreased \$9,338,891 (14.6%) from \$64,030,449 to \$54,691,558 during the current fiscal year due a decrease in loan advances, debt service payments and retirement of debt by paying off three water loans. For additional information, please refer to Note 4 of the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Board’s basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, established a financial reporting model for state and local governments. This financial report complies with GASB Statement No. 34.

FINANCIAL STATEMENTS

The business-type activities financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the government is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Position presents information showing how the Board's net position changed during the most recent fiscal year.

Both financial statements distinguish functions of the Board that are principally intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The business-type activities of the Board include Waterworks and Sewer Enterprise Fund activities.

The basic financial statements of the Board presented as business-type activities of the enterprise funds are found on pages 18-22 of this report.

The Statement of Cash Flows presents cash receipts and payments of the Board during a period of time. Its purpose is to assess the Board's ability to generate future net cash flows and meet its obligations as they come due.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Board are categorized as proprietary funds.

Proprietary Funds

The Board maintains a single type of proprietary fund called enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for the waterworks and sewer activities.

Proprietary funds provide the same type of information, as do government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewer Departments, which are the only funds of the Board.

The basic proprietary fund financial statements are represented by individual fund columns and also can be found on pages 18-22 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 23-42 of this report.

OTHER INFORMATION

Required supplementary information regarding the Net Pension Liability is included in this report on pages 43-45. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Board's budget comparison – budget versus actual. This supplementary information can be found on pages 46-48 of this report.

Financial Analysis

Since the Board has only business-type activities, accounted for as two enterprise funds (Waterworks and Sewer), the following discussion will be related to the combining of those two funds as expressed by the business-type activities total of the financial statements.

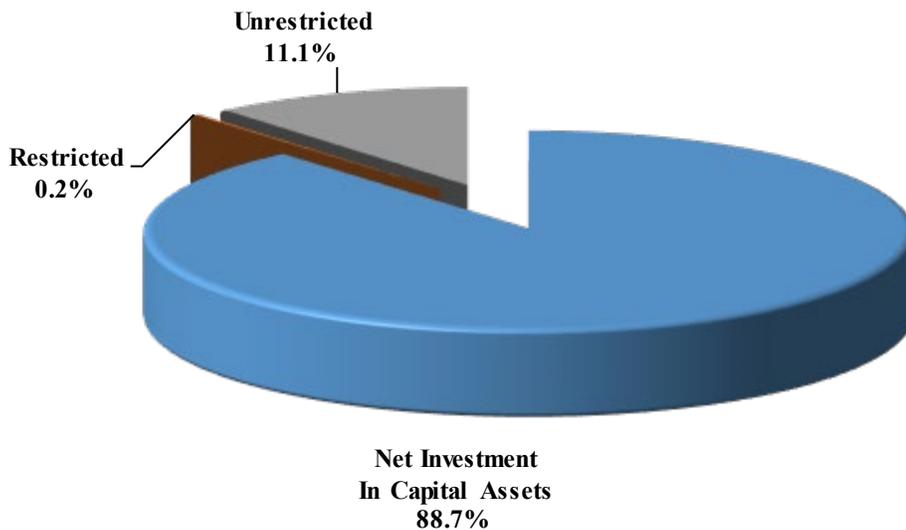
Business-Type Activities Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, total net position increased by \$7,508,161 during fiscal year 2020.

The largest portion of the Board's net position, \$275,249,371 (88.7%) reflects its net investment in capital assets (e.g., dams, reservoirs, water and sewer treatment plants, extensive miles of water and sewer mains, land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets and any vouchers payable related to those assets.

The Board uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Board'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.

Net Position Categories as of June 30, 2020:



Net Position:

	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total Business-Type Activities (\$1,000s)	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 33,918	\$ 35,632	\$ 18,421	\$ 18,290	\$ 52,339	\$ 53,922
Capital assets	239,323	241,208	91,815	91,763	331,138	332,971
Total assets	273,241	276,840	110,236	110,053	383,477	386,893
Deferred outflows of resources	959	2,715	233	804	1,192	3,519
Total assets and deferred outflows of resources	274,200	279,555	110,469	110,857	384,669	390,412
Long-term liabilities outstanding	30,582	38,227	29,853	33,869	60,435	72,096
Other liabilities	7,707	9,990	4,661	5,310	12,368	15,300
Total liabilities	38,289	48,217	34,514	39,179	72,803	87,396
Deferred inflows of resources	1,243	236	415	78	1,658	314
Total liabilities and deferred inflows of resources	39,532	48,453	34,929	39,257	74,461	87,710
Net investment in capital assets	214,129	209,023	61,121	57,621	275,250	266,644
Restricted	500	500	-	-	500	500
Unrestricted	20,039	21,579	14,419	13,978	34,458	35,557
Total net position	\$ 234,668	\$ 231,102	\$ 75,540	\$ 71,599	\$ 310,208	\$ 302,701

The remaining balance of unrestricted net position \$34,459,246 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Board reports positive balances in all categories of net positions. The same situation held true for the prior fiscal year.

Changes in Net Position Over the Last Ten Years:

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenue/ (Expenses)	Income (Loss) before Capital Contribution	Capital Contribution	Change in Net Position
2011	\$ 26,575,116	\$ 25,151,232	\$ 1,423,884	\$ (685,814)	\$ 738,070	\$ 5,958,598	\$ 6,696,668
2012	28,594,129	26,005,418	2,588,711	(179,719)	2,408,992	4,381,020	6,790,012
2013	28,417,091	26,474,263	1,942,828	(543,390)	1,399,438	3,765,449	5,164,887
2014	28,030,122	27,483,943	546,179	2,855,489	3,401,668	19,083,507	22,485,175
2015	28,223,658	27,605,751	617,907	2,906,969	3,524,876	2,554,040	6,078,916
2016	31,243,040	29,990,481	1,252,559	2,380,668	3,633,227	4,051,165	7,684,392
2017	32,881,259	30,735,969	2,145,290	2,176,250	4,321,540	4,131,540	8,453,080
2018	34,518,439	31,800,359	2,718,080	2,228,947	4,947,027	8,634,681	13,581,708
2019	33,403,006	33,329,702	73,304	2,259,035	2,332,339	2,774,694	5,107,033
2020	35,313,159	33,035,590	2,277,569	2,419,841	4,697,410	2,810,751	7,508,161

Net position increased by \$7,508,161 during fiscal year 2020 to \$310,208,617 from \$302,700,456 at the end of fiscal year 2019. This is attributed to donated utilities and increased operating revenues.

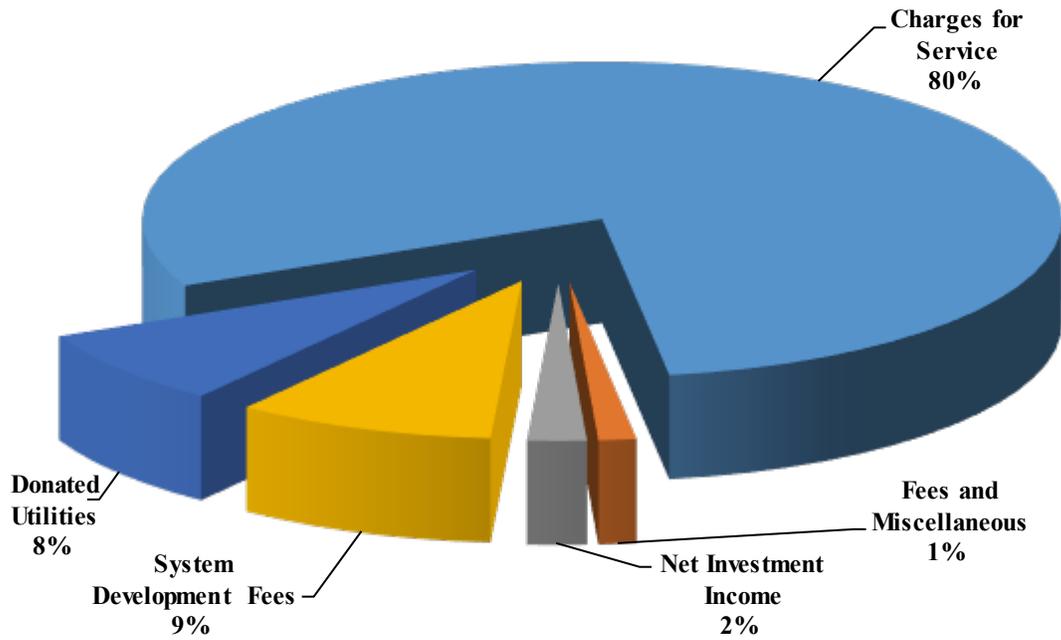
Business-Type Activities – Revenues and Expenses:

The following schedules present a summary of Waterworks and Sewer Enterprise Fund operating revenues for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

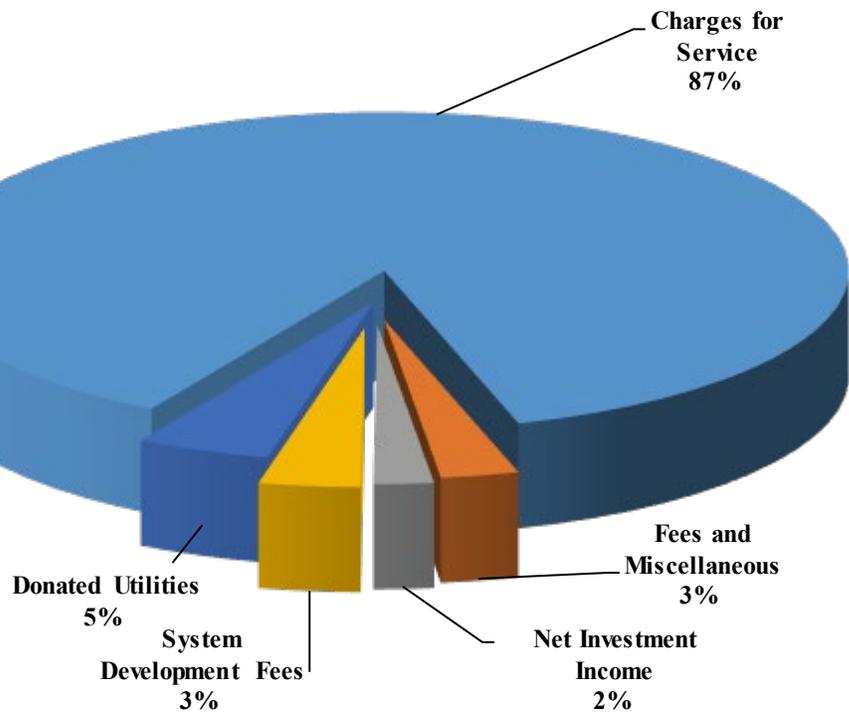
Revenue:

Revenue Source	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total (\$1,000s)		Increase/ Decrease from Fiscal Year 2019	Percentage of Increase/ Decrease	Fiscal Year 2019
	2020	% of Total	2020	% of Total	2020	% of Total			
Operating Revenue									
Sales and charges for service	\$ 21,236	80%	\$13,307	87%	\$34,543	82%	\$2,150	6.6%	\$32,393
Fees and miscellaneous	355	1%	415	3%	770	2%	(\$241)	-23.8%	1,011
Total operating revenue	21,591	81%	13,722	90%	35,313	84%	\$1,909	5.7%	33,404
Nonoperating Revenue									
Net investment income	555	2%	318	2%	873	2%	(\$158)	-15.3%	1,031
System development fees	2,431	9%	540	3%	2,971	7%	\$477	19.1%	2,494
Total nonoperating revenue	2,986	11%	858	5%	3,844	9%	\$319	9.0%	3,525
Capital Grants	-	0%	-	0%	-	0%	(1,066)	-100.0%	1,066
Donated Utilities	2,096	8%	714	5%	2,810	7%	1,101	64.4%	1,709
Gross revenue	\$ 26,673	100%	\$ 15,294	99%	\$ 41,967	100%	\$ 2,263	5.7%	\$ 39,704

Water Revenue by Source:



Sewer Revenue by Source:



Gross revenues, including interest and transfers, totaled \$41,967,885 for fiscal year 2020, a 5.7% increase from fiscal year 2019. The increase was largely due to rate increases (water 3% and sewer 5%) and increased system development fees.

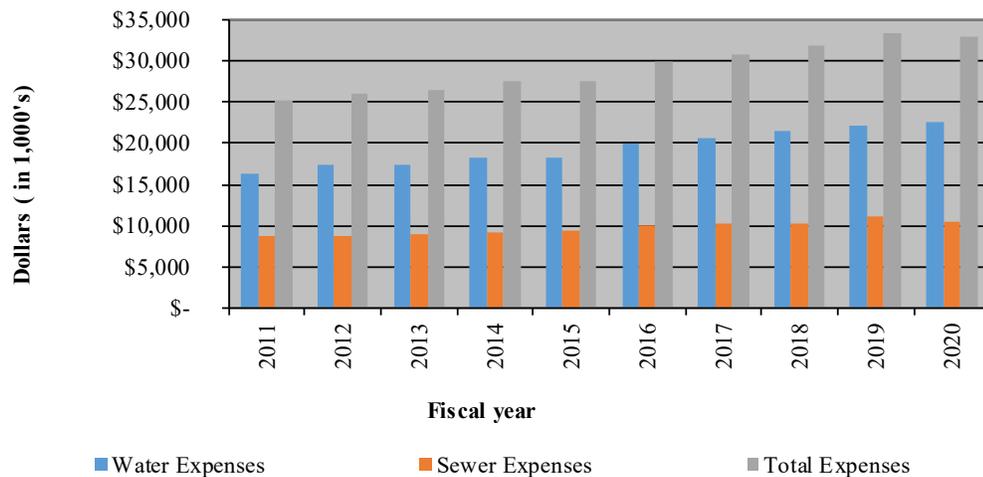
System development fees increased \$477,146 compared to fiscal year 2019. Fiscal year 2020 fees totaled \$2,971,279 compared to \$2,494,133 in fiscal year 2019. In fiscal year 2020, there were 348 water and sewer permits issued compared to 590 permits in fiscal year 2019.

Sewer usage for residential and some commercial users is calculated each year to establish each customer's winter-quarter average – the basis for their monthly sewer charges.

Since July 1, 2004, residential customers (single family and multi-family) are charged on a tiered rate schedule, which increases in relation to increases in water used.

The following schedules present a summary of the Waterworks and Sewer Enterprise Fund operating expenses for fiscal year 2020, and the percentage of increases and decreases in relation to prior year amounts.

Operating Expenses:



	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total (\$1,000s)		Increase/ Decrease from Fiscal Year 2019	Percentage of Increase/ Decrease	Fiscal Year 2019
	2020	% of Total	2020	% of Total	2020	% of Total			
Operating Expenses									
Source of supply	\$ 1,615	7%	\$ -	0%	\$ 1,615	5%	\$ 170	12%	\$ 1,445
Water treatment	2,069	9%	-	0%	2,069	6%	\$ 51	3%	2,018
Transmission and distribution	2,458	11%	-	0%	2,458	7%	\$ (66)	-3%	2,524
Sewer collection lines	-	0%	1,110	10%	1,110	3%	\$ (433)	-28%	1,543
Water reclamation	-	0%	2,423	21%	2,423	7%	\$ (191)	-7%	2,614
Engineering									
and water resources	1,196	5%	383	3%	1,579	5%	\$ 179	13%	1,400
Administrative and general	5,023	22%	2,427	21%	7,450	22%	\$ (430)	-5%	7,880
Information technology									
and customer service	935	4%	312	3%	1,247	4%	\$ (102)	-8%	1,349
Depreciation	9,163	39%	3,922	35%	13,085	37%	\$ 529	4%	12,556
Total operating expenses	22,459	97%	10,577	93%	33,036	96%	(293)	-1%	\$ 33,329
Nonoperating									
Interest expense	648	3%	776	7%	1,424	4%	151	12%	1,273
Total expenses	\$ 23,107	100%	\$ 11,353	100%	\$ 34,460	100%	(142)	0%	\$ 34,602

Total Operating Expenses, excluding depreciation, decreased from fiscal year 2019 by \$823,038.

Salaries and Wages increased \$126,127 or 1.7% during fiscal year 2020. Fiscal year 2020 Salaries and Wages totaled \$7,630,552 compared to \$7,504,425 in fiscal year 2019. The increase was primarily from market adjustments for fiscal year 2020.

Employee Benefits increased \$295,383 or 7% during fiscal year 2020.

Contractual Services decreased \$60,499 or 4.7% during fiscal year 2020.

Materials and Supplies increased \$166,331 or 7.3% during fiscal year 2020. The increase was mainly due to maintenance of UV equipment for wastewater treatment and chemical cost for water treatment.

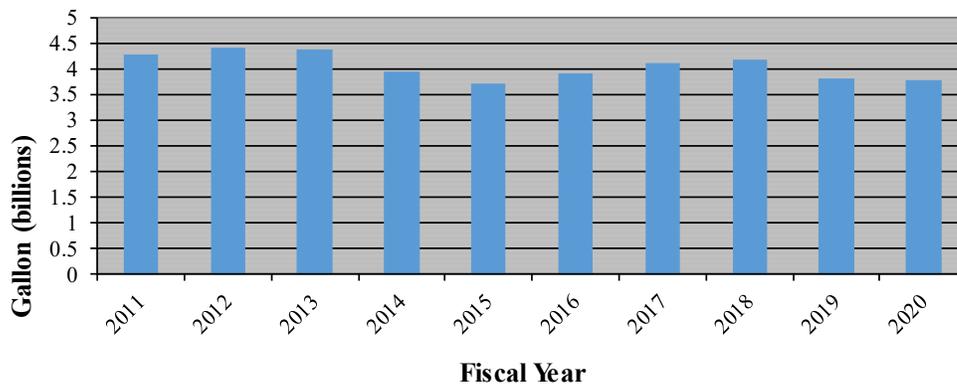
Supportive service expenses (electricity, gas, telephone, postage, etc.) totaled \$1,942,593 for fiscal year 2020 which was a \$245,116 decrease from fiscal year 2019.

Interest expense on bonds and loans totaled \$1,424,134 for fiscal year 2020 and was included in the above schedule of operating expenses. This was an 11.9% increase from fiscal year 2019.

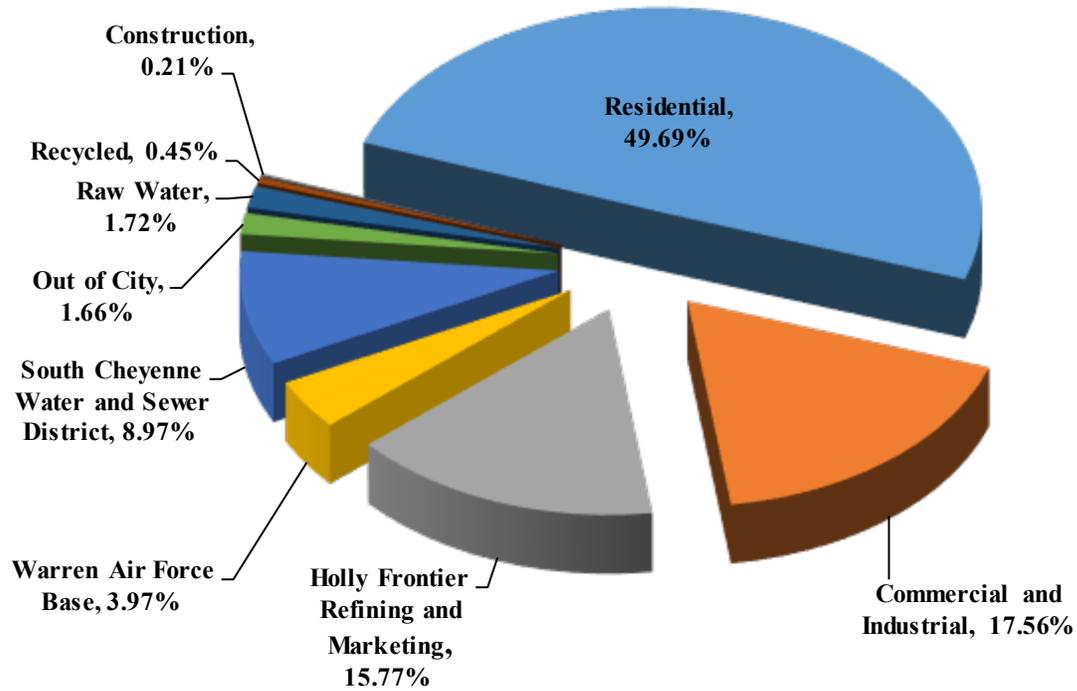
Metered Water Consumption History:

During fiscal year 2020, the Board sold 3.782 billion gallons of water as compared to 3.823 billion gallons in fiscal year 2019. The decrease can be attributed to extremely wet conditions in July/August 2019 resulting in decreased outdoor irrigation. There was a reduction in commercial and industrial use which was a result of COVID-19 economic crisis during March through June of 2020. Billed water consumption has averaged 4.042 billion gallons of water over the last ten fiscal years.

Metered Water Sales:



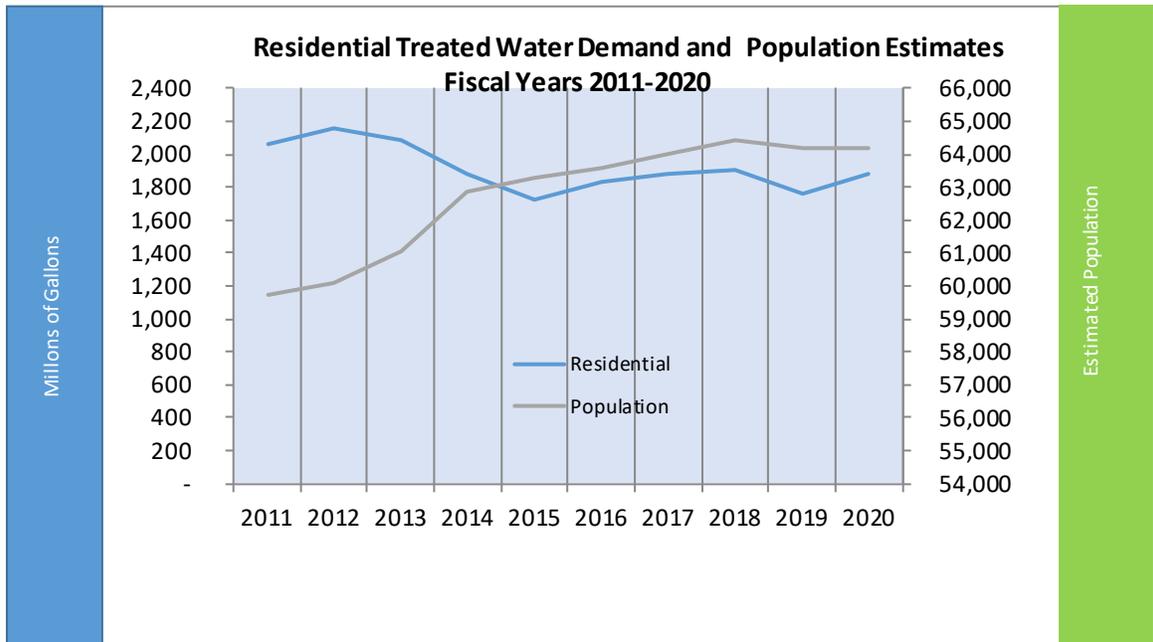
Metered Water Sales by Customer Class:



Per Capita Consumption:

Fiscal Year	Population Estimate	Residential Metered Water Use Only	Gallons per Capita per Day Residential Use	Total City Metered Water Use Only	Gallons per Capita per Day Total City Use
2011	59,739	2,057,439,000	94.36	3,512,364,000	161.08
2012	60,096	2,152,263,000	98.12	3,657,056,000	166.72
2013	61,055	2,079,444,000	93.31	3,620,334,000	162.46
2014	62,845	1,883,289,000	82.10	3,277,123,000	142.87
2015	63,254	1,725,254,000	74.73	3,073,629,000	133.13
2016	63,590	1,827,595,000	78.74	3,305,945,000	142.43
2017	64,019	1,880,860,000	80.49	3,386,465,000	144.93
2018	64,413	1,908,840,000	81.19	3,472,373,000	147.69
2019	64,156	1,762,892,000	75.28	3,174,183,000	135.55
2020	64,165	1,880,928,000	80.31	3,141,819,000	134.15

Residential Treated Water Demand and Population Estimates:



Financial Analysis of the Board’s Enterprise Funds

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

Proprietary Funds

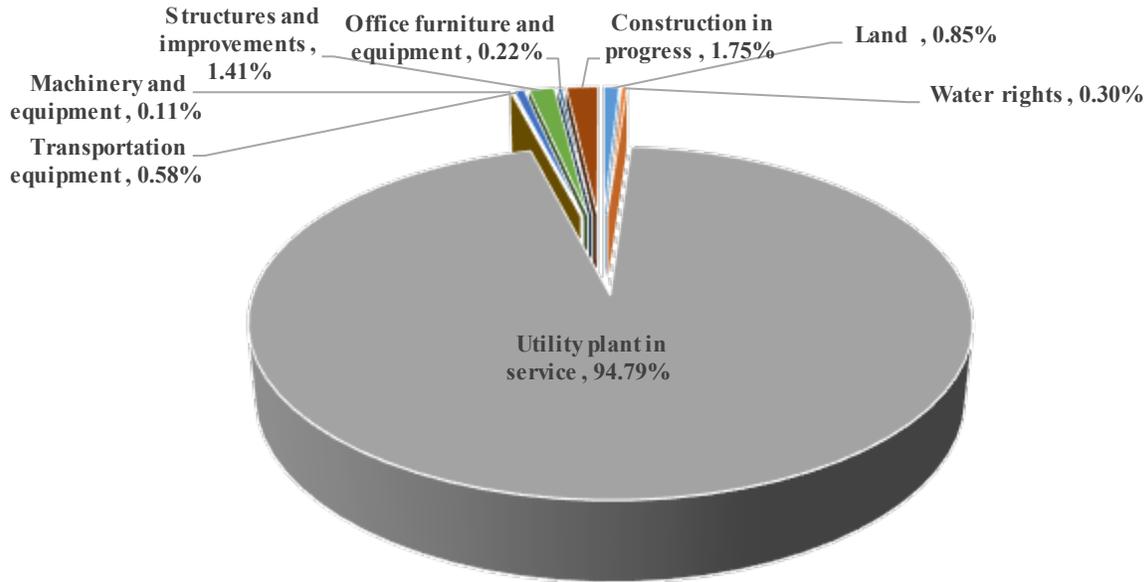
The Board’s proprietary funds provide the same type of information found in the business-type activities financial statements, but in more detail.

Unrestricted net position of the Waterworks Enterprise Fund totaled \$20,039,585 at the end of the current fiscal year. Unrestricted net position of the Sewer Enterprise Fund totaled \$14,419,661 at the end of the current fiscal year. The total change in net position for both funds, from the previous fiscal year was \$3,566,227 and \$3,941,934, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Board’s business-type activities.

Capital Assets (Property, Plant, and Equipment)

As of June 30, 2020, the capital assets of the Board, net of accumulated depreciation, totaled \$331,138,415. This investment in capital assets includes land, water rights, dams, reservoirs, well fields, water collection and transmission pipelines, water and wastewater treatment plants, water distribution and sewer collection mains and systems, buildings, machinery, vehicles and equipment.

Capital Asset Allocation:



Capital Assets Net of Depreciation:

	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total Business-Type Activities	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,588	\$ 4,588	\$ 545	\$ 545	\$ 5,133	\$ 5,133
Water rights	1,798	1,798	-	-	\$ 1,798	1,798
Utility plant in service	419,850	415,732	155,888	154,972	\$ 575,738	570,704
Machinery and equipment	519	519	172	172	\$ 691	691
Transportation equipment	2,661	2,603	868	848	\$ 3,529	3,451
Structures and improvements	6,426	6,426	2,158	2,158	\$ 8,584	8,584
Office furniture and equipment	992	992	346	346	\$ 1,338	1,338
Construction in progress	6,922	3,820	3,713	673	\$ 10,635	4,493
Less accumulated depreciation	(204,433)	(195,270)	(71,874)	(67,951)	(276,307)	(263,221)
Total	\$ 239,323	\$ 241,208	\$ 91,816	\$ 91,763	\$ 331,138	\$ 332,971

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

- Completion of Rob Roy Sluice Gate Replacement.
- Completion of Floc Basin Rehab at the water treatment facility.
- Contributed capital (water distribution mains, hydrants, sewer collection mains, and manholes) from development projects.
- Improvements and upgrades to water distribution and sewer collection mains.

At the close of fiscal year 2020, the Board had transferred the following projects from construction work in progress to Capital Assets:

BOARD OF PUBLIC UTILITIES - CWIP
Transferred to Capital Assets

Water Projects

HP/RR Gate Replacment - FY19	\$ 223,514
FLOC Basin Rehab	662,345
Civic Center Commons	641,077
Total Water Projects	\$ 1,526,936

Sewer Projects

Civic Center Commons	\$ 18,953
Total Sewer Projects	\$ 18,953

Additional information on the Board's capital assets can be found in Note 3 on page 29 of this report.

Long-Term Debt

At the end of the current fiscal year, the Board had total bonded debt outstanding of \$54,691,558. Of this amount, \$5,030,000 is the 2013 Water Revenue Note and the remainder of \$49,661,558 are loans from the State of Wyoming for various water and sewer projects.

The total indebtedness of the Board decreased by \$9,338,891 (14.6%) from \$64,030,449 to \$54,691,558 during the current fiscal year.

Outstanding Debt: General Obligation Bonds and State Loans:

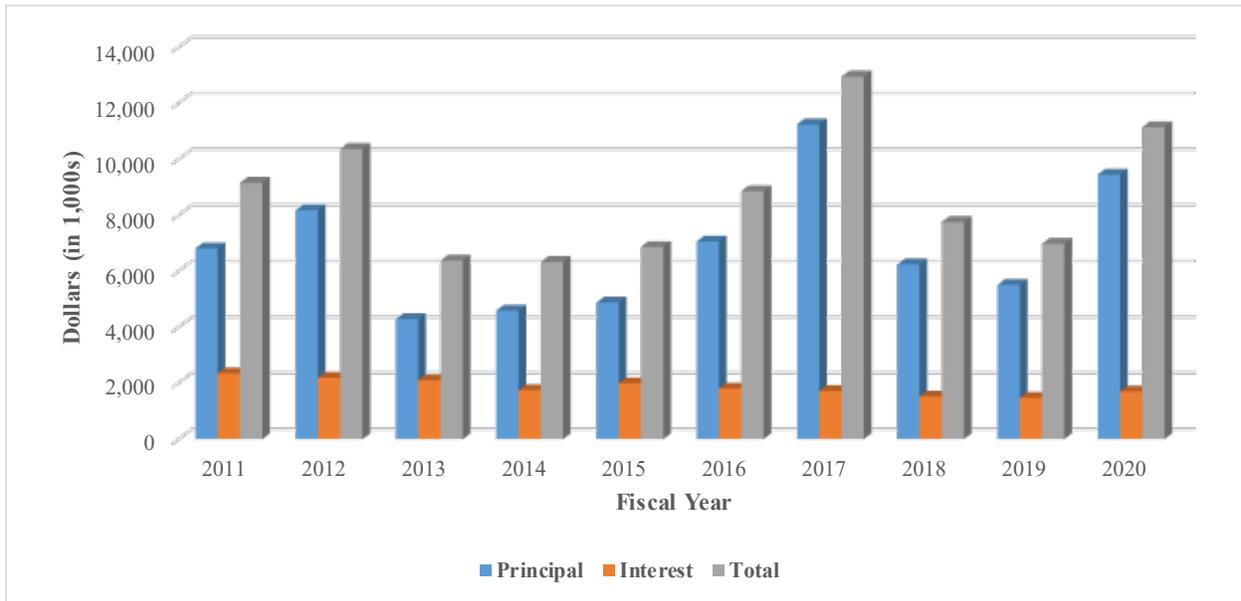
	Waterworks		Sewer		Total	
	Enterprise Fund		Enterprise Fund		Business-Type Activities	
	2020	2019	2020	2019	2020	2019
Revenue refunding note	\$ 5,030,000	\$ 5,880,000	\$ -	\$ -	\$ 5,030,000	\$ 5,880,000
Loans from the						
State of Wyoming	19,779,910	25,444,305	29,881,648	32,706,144	49,661,558	58,150,449
Total	\$ 24,809,910	\$ 31,324,305	\$ 29,881,648	\$ 32,706,144	\$ 54,691,558	\$ 64,030,449

During fiscal year 2020, proceeds from the issuance of debt totaled \$107,419 as follows:

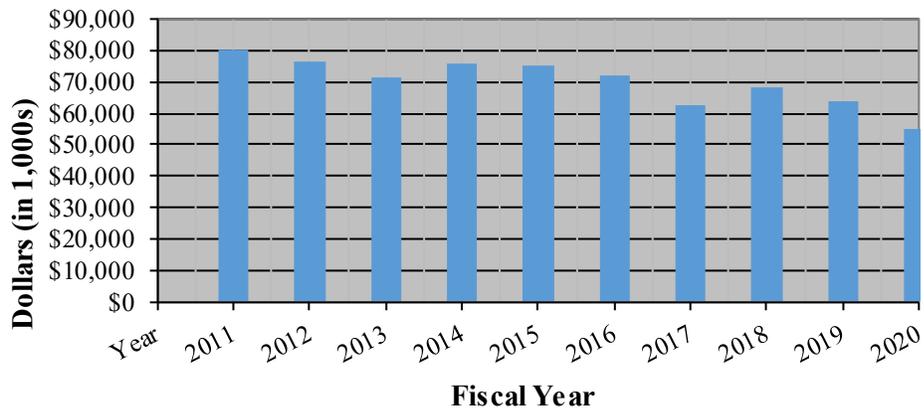
Project	Advance	Funding Source
DWSRF #133: RLS Hydroelectric Project	\$ 107,419	Wyoming State Lands and Investments
	\$ 107,419	

The Board paid \$850,000 of the 2013 Refunding Revenue Note, paid \$8,596,310 of additional State of Wyoming water and sewer loans. This included paying off three water loans.

Annual Debt Payment:



Total Principal Debt Outstanding:



The general obligation bonds are paid from the revenue of the water system.

At the end of fiscal year 2009, Standard and Poor’s upgraded the Board’s investment rating from AA- to AA. Standard’s and Poor upgraded the rating based on Cheyenne’s status as a regional trade center, state capital, and service-based economy, and because of the Board’s strong financial management, strong debt service, low water rates, adequate water supply, and the water treatment plant’s available capacity. Standard and Poor’s also described the Board’s financial outlook as “stable.”

For additional information on long-term debt, please refer to Note 4 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For calendar year 2021, expectations are the Greater Cheyenne economy would have an economic downturn across most economic sectors. During the first quarter of 2020 Cheyenne and Laramie County experienced partial shutdown of the economy beginning in March. Oil prices fell to their lowest levels in over a decade, at one point pushing futures into negative prices. Despite this economic downturn, some good numbers arose during the first quarter of 2020. The number of delinquent loans to credit unions declined over the quarter, and their net incomes rose over the year. Bankruptcy counts were down over the quarter and year. Retail sales were up from this time last year. Single-family construction increased in both volume and value.

According to the Wyoming Center for Business & Economic Analysis (WCBEA) the average monthly unemployment rate increased slightly over the last year, moving from 3.8 percent in the first quarter of 2019 to 4.0 percent in the first quarter of 2020. The unemployment rate rose more sharply over the last quarter, from an average monthly rate of 3.3 percent in the fourth quarter of 2019 to 4.0 percent in the first quarter of 2020.

Over the last year, the supply of homes for sale in the City of Cheyenne decreased by 7.1% from a monthly average of 140 units for sale in 2019 to a monthly average of 130 units for sale in 2020. The number of single-family residential building permits issued decreased from 2019 to 2020 by 9.1%. The average sales price for homes in the City of Cheyenne rose 6.0 percent over the last quarter and 10.7 percent over the year. The average sales price rose to \$284,545 during the first quarter of 2020, up from \$268,524 in the fourth quarter of 2019 and \$256,952 in the first quarter of 2019.

Even though rate increases were justified, the Board had decided not to request any increase to any FY2021 rates due to the current COVID-19 pandemic economic conditions.

These factors were considered in preparing the Board's budget for the 2021 fiscal year (July 1, 2020 to June 30, 2021).

This financial report is designed to provide a general overview of the Board of Public Utilities' 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 Board of Public Utilities, Administration Manager, 2416 Snyder Avenue, Cheyenne, Wyoming 82001.

BASIC FINANCIAL STATEMENTS

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2020

ASSETS	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Current Assets			
Cash and cash equivalents	\$ 2,425,119	\$ 638,240	\$ 3,063,359
Investments	25,219,671	16,036,344	41,256,015
Restricted assets:			
Cash and cash equivalents	238,759	-	238,759
Due from other governments	69,332	-	69,332
City of Cheyenne sanitation account	2,106,882	-	2,106,882
Receivables:			
Accounts, consumers, net	1,296,890	825,018	2,121,908
Estimated unbilled usage	2,102,814	885,087	2,987,901
Accrued interest	18,181	11,560	29,741
Inventories	439,976	24,338	464,314
Prepaid expenses	591	-	591
Total current assets	33,918,215	18,420,587	52,338,802
Noncurrent Assets			
Capital assets:			
Land	4,587,691	545,003	5,132,694
Water rights	1,797,968	-	1,797,968
Utility plant in service	419,849,990	155,887,873	575,737,863
Machinery and equipment	519,500	171,840	691,340
Transportation equipment	2,660,831	867,881	3,528,712
Structures and improvements	6,425,936	2,158,201	8,584,137
Office furniture and equipment	991,707	345,761	1,337,468
Construction in progress	6,921,816	3,712,798	10,634,614
	443,755,439	163,689,357	607,444,796
Less accumulated depreciation	(204,432,705)	(71,873,676)	(276,306,381)
Total noncurrent assets	239,322,734	91,815,681	331,138,415
Total assets	273,240,949	110,236,268	383,477,217
Deferred loss on refunding	259,647	-	259,647
Pension-related deferred outflows	699,769	233,256	933,025
Deferred outflows of resources	959,416	233,256	1,192,672

Continued

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS, *Continued***

June 30, 2020

LIABILITIES	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Current Liabilities			
Vouchers payable	\$ 762,665	\$ 669,730	\$ 1,432,395
Accrued compensated absences and early retirement	317,162	212,475	529,637
Accrued interest on general obligation bonds and loans	192,696	254,521	447,217
Current portion of general obligation bonds and loans	2,229,873	2,894,911	5,124,784
Unearned fees and deposits	1,675,842	360,448	2,036,290
Due to other City of Cheyenne funds	2,528,191	269,262	2,797,453
Total current liabilities	7,706,429	4,661,347	12,367,776
Noncurrent Liabilities			
Accrued compensated absences and early retirement	584,790	393,991	978,781
Net pension liability	7,417,535	2,472,512	9,890,047
General obligation bonds and loans, net of current position, deferred amount on refunding, and unamortized bond premium	22,580,037	26,986,737	49,566,774
Total noncurrent liabilities	30,582,362	29,853,240	60,435,602
Total liabilities	38,288,791	34,514,587	72,803,378
Deferred inflows of resources	1,243,421	414,473	1,657,894
NET POSITION			
Net Investment in Capital Assets	214,128,568	61,120,803	275,249,371
Restricted for Debt Service and Capital Improvements	500,000	-	500,000
Unrestricted	20,039,585	14,419,661	34,459,246
Total net position	\$ 234,668,153	\$ 75,540,464	\$ 310,208,617

See Notes to Financial Statements.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Operating Revenues			
Sales and charges for services	\$ 21,236,291	\$ 13,307,490	\$ 34,543,781
Fees and miscellaneous	354,521	414,857	769,378
Total operating revenues	21,590,812	13,722,347	35,313,159
Operating Expenses			
Source of supply	1,615,195	-	1,615,195
Water treatment	2,069,031	-	2,069,031
Transmission and distribution	2,458,197	-	2,458,197
Sewer collection lines	-	1,109,534	1,109,534
Water reclamation	-	2,423,284	2,423,284
Engineering and water resources	1,195,214	382,920	1,578,134
Administrative and general	5,023,325	2,426,831	7,450,156
Information technology and customer service	935,012	311,738	1,246,750
Depreciation	9,162,818	3,922,491	13,085,309
Total operating expenses	22,458,792	10,576,798	33,035,590
Operating income (loss)	(867,980)	3,145,549	2,277,569
Nonoperating Revenues (Expenses)			
System development fees	2,431,107	540,172	2,971,279
Investment income:			
Net increase in fair value of investments	115,110	73,595	188,705
Interest income	439,395	244,596	683,991
Interest and bond amortization expense	(647,767)	(776,367)	(1,424,134)
Total nonoperating revenues	2,337,845	81,996	2,419,841
Income before contributions	1,469,865	3,227,545	4,697,410
Capital Contributions			
Donated utilities	2,096,362	714,389	2,810,751
Total capital contributions	2,096,362	714,389	2,810,751
Change in net position	3,566,227	3,941,934	7,508,161
Net Position, beginning of year	231,101,926	71,598,530	302,700,456
Net Position, end of year	\$ 234,668,153	\$ 75,540,464	\$ 310,208,617

See Notes to Financial Statements.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2020**

	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 20,298,243	\$ 13,915,089	\$ 34,213,332
Cash payments to suppliers	(4,625,901)	(2,179,390)	(6,805,291)
Cash payments to employees	(8,364,264)	(4,513,094)	(12,877,358)
Change in City sanitation account	91,666	-	91,666
Net cash provided by operating activities	7,399,744	7,222,605	14,622,349
Cash Flows from			
Capital and Related Financing Activities			
System development fees	2,000,560	485,320	2,485,880
Proceeds from issuance of debt	59,022	-	59,022
Principal paid on general obligation/revenue bonds and loan debt maturities	(6,621,814)	(2,824,496)	(9,446,310)
Interest paid on debt	(699,873)	(993,520)	(1,693,393)
Acquisition and construction of capital assets	(5,701,420)	(3,883,706)	(9,585,126)
Net cash (used in) capital and related financing activities	(10,963,525)	(7,216,402)	(18,179,927)
Cash Flows from Investing Activities			
Interest on cash and investments	555,006	317,176	872,182
Purchase of investments	-	(3,027,967)	(3,027,967)
Redemption of investments	3,554,106	1,164,500	4,718,606
Net cash provided by (used in) investing activities	4,109,112	(1,546,291)	2,562,821
Net increase (decrease) in cash and cash equivalents	545,331	(1,540,088)	(994,757)
Cash and Cash Equivalents			
Beginning	2,118,547	2,178,328	4,296,875
Ending	\$ 2,663,878	\$ 638,240	\$ 3,302,118

Continued

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**STATEMENT OF CASH FLOWS, *Continued*
PROPRIETARY FUNDS
Year Ended June 30, 2020**

	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (867,980)	\$ 3,145,549	\$ 2,277,569
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	9,162,818	3,922,491	13,085,309
Pension liability	(2,124,602)	(708,201)	(2,832,803)
Deferred outflow - pension	1,712,043	570,681	2,282,724
Deferred inflow - pension	1,007,601	335,867	1,343,468
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities:			
Receivables	(1,292,569)	192,742	(1,099,827)
Inventories	8,132	988	9,120
Vouchers payable	(16,818)	(75,365)	(92,183)
Due to other funds	(123,369)	(57,139)	(180,508)
Accrued compensated absences	(157,178)	(105,008)	(262,186)
City sanitation account	91,666	-	91,666
Net cash provided by operating activities	\$ 7,399,744	\$ 7,222,605	\$ 14,622,349
Noncash Investing, Capital, and Financing Activities			
Amortization of deferred refunding loss and debt premiums	\$ (43,624)	\$ -	\$ (43,624)
Donated asset acquisitions	2,096,362	714,389	2,810,751
Change in fair value of investments	115,110	73,595	188,705
Purchase of capital assets in accounts payable	643,903	813,230	1,457,133

See Notes to Financial Statements.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations: The City of Cheyenne, Wyoming Board of Public Utilities (the “Board”) provides all water and sewer services for the City of Cheyenne, Wyoming (the “City”), Warren Air Force Base, and the South Cheyenne Water and Sewer District. These services include obtaining an adequate source of water supply, water treatment, wastewater collection, and water reclamation. These activities are accounted for in the Waterworks and Sewer Funds.

A summary of the Board’s significant accounting policies follows:

Reporting entity: The Board is comprised of the Waterworks and Sewer Enterprise Funds of the City, the primary government, which is financially accountable for the Board. These financial statements present only the Waterworks and Sewer Enterprise Funds and are not intended to present fairly the financial position and results of operations of the City, in conformity with accounting principles generally accepted in the United States of America.

The Board is not financially accountable for any other organizations and, thus, includes only the financial activity of the various funds of the Board. The following Wyoming State Statutes were considered in defining the reporting entity:

§15-7-401. Establishment; powers and duties generally.

Any city or town in Wyoming, which owns and operates a municipal waterworks, a sanitary sewer system, a sewage disposal plant or an electric utility distribution system may establish a board of commissioners to be known as the board of public utilities. The board of public utilities shall manage, operate, maintain and control such plants and make all rules and regulations necessary for their safe, economical and efficient operation and management. The board may also improve, extend or enlarge the plants as provided in this article.

§15-7-404. Specific powers and duties; vouchers, etc.; civil service or pension system.

The Board of Public Utilities has exclusive control of all municipally owned waterworks, sanitary sewer systems and sewage disposal plants, as specified by ordinance. The Board is charged with producing and supplying the city or town and its inhabitants with water for domestic and industrial purposes, and for public use, and may sell and dispose of any surplus outside of the city or town. The Board may also furnish surplus sanitary sewer facilities to persons outside of the city or town.

Measurement focus, basis of accounting, and financial statement presentation: The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Major proprietary funds: The waterworks and sewer funds account for the activities of the Board. The Board operates the water reclamation plant, sewage pumping stations and collection systems, and the water distribution system.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Board's enterprise funds (the waterworks fund and sewer fund) are charges to customers for sales and services. The Board 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 nonoperating revenues and expenses.

Net Position: Net position represents the difference between assets, deferred outflow of resources, liabilities, and deferred inflow of resources. Net investment in capital assets consists of capital assets and capital-related deferred outflow of resources, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and any vouchers payable related to those assets. Net position is reported as restricted when there are limitations imposed by creditors, grantors, or laws or regulations of other governments. Funds required to be set aside for the repair and maintenance of capital assets that were funded by State of Wyoming loans are deemed restricted. The remaining net position is reported as unrestricted.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Deposits and investments: The Board'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.

Investments consist of participation in the State Treasurer's Investment Pools (WYO-STAR I and WYO-STAR II), which are reported at fair value at June 30, 2020. The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Board considers fair value measurements as of June 30, 2020 for WYO-STAR I and WYO-STAR II to be completed by the pool using matrix pricing model and the market approach (Level 2).

Restricted assets: Restricted assets include assets held for the City sanitation, as well as amounts due from the State of Wyoming on requested loan advances.

Due to other City of Cheyenne funds: Regarding the City of Cheyenne sanitation account, the Board bills and collects the City's fees for sanitation services. The funds collected are remitted to the treasury of the City twice per month.

Accounts receivable: Accounts receivable are shown on the Statement of Net Position, net of allowances for doubtful accounts of \$51,272.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Estimated unbilled usage: Unbilled utility usage represents the unbilled utility services that have been provided but not billed.

Inventories: Inventories of supplies are accounted for at cost on the first-in, first-out method.

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

Depreciation has been provided over the following estimated useful lives computed by the straight-line method:

	<u>Years</u>
Utility plant in service:	
Waterworks system	10 -50
Sewer system	10 -40
Machinery and equipment	5 -10
Transportation equipment	5
Structures and improvements	40
Office furniture and equipment	3 - 5

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

Accrued compensated absences: Nonexempt full-time and part-time employees 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 work week 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 work week, 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.

The liability for compensated absences is accrued as these benefits are accumulated. Vacation leave accumulates as follows:

<u>Months of Service</u>	<u>Vacation Hours Accrued per Month</u>
0 to 48	8
49 to 96	10
97 to 144	12
145 to 192	14
Over 192	16

**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

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

Employees 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
120 to 159	7.5
80 to 119	5
40 to 79	2.5
39 or less	No accrual

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.

Water and sewer services used by the City: The City is not billed for water or sewer services used.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Deferred outflows/inflows of resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and thus will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time.

The Board has recognized deferred outflows of resources and deferred inflows of resources in the financial statements in accordance with presentation requirements for Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The Board also recognizes a deferred outflow of resources for its loss on refunding, which is amortized over the life of the related debt.

Defined benefit pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS), and additions to/deductions from the WRS's fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents, and Investments

Cash and cash equivalents, investments, and restricted cash and cash equivalents as of June 30, 2020, as classified in the accompanying financial statements, consist of the following:

Statement of Net Position:

Deposits with financial institutions:	
Cash	\$ 3,302,118
Deposits with Wyoming State Treasurer:	
WYO-STAR	41,256,015
	<u>\$ 44,558,133</u>
Cash and cash equivalents	\$ 3,063,359
Investments	41,256,015
Restricted cash and cash equivalents	238,759
	<u>\$ 44,558,133</u>

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

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Board's investment policy does not contain any specific provisions intended to limit the Board's exposure to credit risk. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under the investment agreements with WYO-STAR I and WYO-STAR II (collectively "WYO-STAR"), the Board has invested monies at a variable and fixed contract rate of interest, respectively. There is no rating available for the WYO-STAR investments; however, under Wyoming State Statutes underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board 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. Certain deposits held in Board bank accounts are insured by Federal deposit insurance or are collateralized with securities held by the custodian bank under safekeeping or Federal Reserve receipts in the name of the Board and the financial institution. As of June 30, 2020, the Board had bank balances on deposit of \$4,638,567. These deposits were fully collateralized or insured, as required by Wyoming State Statutes.

In addition to the applicable Wyoming State Statutes, the Board's policy requires all deposits to be collateralized at 105% of the amount invested including accrued interest to further reduce its exposure to custodial credit risk. At June 30, 2020, the Board's deposits were fully collateralized as required by Board policy.

**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

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 Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Wyoming State Statutes limit the type of investments the Board can use. Wyoming State Statutes limit investments primarily to securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government; therefore, reducing the Board's exposure to custodial credit risk for its investments.

Concentration of credit risk: The Board's policy does not allow more than 50% of the total investment portfolio to be invested in any one single security type and to 5% in any one single obligor, with the exception of funds held in WYO-STAR. Therefore, no further disclosure regarding concentrations of credit risk is required.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Board's investments are held in external pooled investment accounts, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the Board attempts to match its investment maturities to expected cash flow needs. The Board's investment policy requires that the investment portfolio have a minimum level of three months of budgeted operating expenditures in short-term investment to be maintained to provide sufficient liquidity for expected disbursements. With this investment focus, investments are expected to reach maturity with limited gains or losses. At June 30, 2020, the Board's investments met this policy.

The maturities and applicable interest rates of the Board's investments are displayed in the following Interest Rate Risk Table.

Investment Type	Fair Value	Interest Rate	Investment Maturities	
			Less Than 1 Year	6 -10 Years
State Treasurer's Investment Pool				
WYO-STAR I	\$ 38,130,970	2.16%	\$ 38,130,970	\$ -
WYO-STAR II	3,125,045	7.37%	-	3,125,045
	<u>\$ 41,256,015</u>		<u>\$ 38,130,970</u>	<u>\$ 3,125,045</u>

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

A summary of changes in capital assets follows:

	Balance June 30, 2019	Additions	Retirement and Transfers	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 5,132,694	\$ -	\$ -	\$ 5,132,694
Water rights	1,797,968	-	-	1,797,968
Construction in progress	4,493,246	7,687,257	(1,545,889)	10,634,614
Total capital assets not being depreciated	11,423,908	7,687,257	(1,545,889)	17,565,276
Capital assets being depreciated:				
Utility plant in service	570,703,925	5,033,938	-	575,737,863
Machinery and equipment	691,340	-	-	691,340
Transportation equipment	3,451,125	77,587	-	3,528,712
Structures and improvements	8,584,137	-	-	8,584,137
Office furniture and equipment	1,337,468	-	-	1,337,468
Total capital assets being depreciated	584,767,995	5,111,525	-	589,879,520
Less accumulated depreciation for:				
Utility plant in service	256,205,773	12,566,857	-	268,772,630
Machinery and equipment	643,417	10,041	-	653,458
Transportation equipment	2,862,643	227,530	-	3,090,173
Structures and improvements	2,215,078	250,314	-	2,465,392
Office furniture and equipment	1,294,161	30,567	-	1,324,728
Total accumulated depreciation	263,221,072	13,085,309	-	276,306,381
Total capital assets being depreciated, net	321,546,923	(7,973,784)	-	313,573,139
Total capital assets, net	\$ 332,970,831	\$ (286,527)	\$ (1,545,889)	\$ 331,138,415

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 4. Bonds and Loans

The following is a summary of debt transactions of the Board for the year ended June 30, 2020:

	Balance	Debt		Balance	Current	Long-Term
	as of	Issued	Retired	as of		
	June 30, 2019			June 30, 2020	Portion	Portion
Waterworks Fund:						
CWSRF						
081 Phase II Reuse 2008	\$ 779,440	\$ -	\$ 62,606	\$ 716,834	\$ 64,149	\$ 652,685
084 Administrative Building 2007	198,154	-	13,088	185,066	13,415	171,651
115 Administrative Building 2009	1,310,264	-	86,540	1,223,724	88,704	1,135,020
143 Holliday Reuse 2015	675,000	-	37,500	637,500	37,500	600,000
DWSRF						
023 RLS Refinance 2002	2,414,207	-	2,414,207	-	-	-
034 Water Main Rehabilitation 2003	262,981	-	41,156	221,825	42,185	179,640
056 Western Hills 2005	493,399	-	49,553	443,846	50,792	393,054
065 Southern Water Main 2007	2,931,028	-	262,250	2,668,778	268,717	2,400,061
079 30" Water Main/WAFB	3,600,295	-	238,741	3,361,554	244,710	3,116,844
106 Administrative Building 2009	1,310,264	-	86,540	1,223,724	88,704	1,135,020
120 Southern Water Main Ph II 2012	5,952,717	-	331,956	5,620,761	340,255	5,280,506
133 RLS Hydroelectric Project 2013	688,745	107,419	-	796,164	-	796,164
177 Southern Water Main Ph III 2016	2,797,970	-	117,836	2,680,134	120,742	2,559,392
2013 Water Revenue Note	5,880,000	-	850,000	5,030,000	870,000	4,160,000
Stage I Rehabilitation Loan 1993	1,058,565	-	1,058,565	-	-	-
Sherard Plant State WDWRP Loan 2000	971,276	-	971,276	-	-	-
Total Waterworks Fund	31,324,305	107,419	6,621,814	24,809,910	2,229,873	22,580,037
Sewer Fund:						
CWSRF						
046 CWSRF Loan 2004	14,848,291	-	1,967,014	12,881,277	2,016,190	10,865,087
060 WAFB/Parsley 2006	1,531,043	-	137,087	1,393,956	140,467	1,253,489
084 Administrative Building 2007	66,051	-	4,363	61,688	4,472	57,216
115 Administrative Building 2009	436,755	-	28,847	407,908	29,568	378,340
133 Crow Creek Plant Improvements 2013	4,187,249	-	216,056	3,971,193	221,457	3,749,736
144 Southern Sewer Interceptor 2016	1,300,000	-	51,336	1,248,664	52,602	1,196,062
159 Southern Sewer Interceptor 2018	9,900,000	-	390,946	9,509,054	400,587	9,108,467
DWSRF						
106 Administrative Building 2009	436,755	-	28,847	407,908	29,568	378,340
Total Sewer Fund	32,706,144	-	2,824,496	29,881,648	2,894,911	26,986,737
Total Waterworks and Sewer Funds	\$ 64,030,449	\$ 107,419	\$ 9,446,310	\$ 54,691,558	\$ 5,124,784	\$ 49,566,774

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

**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

On December 27, 2013, the Board entered into an agreement with Colorado State Bank and Trust to authorize an advanced refunding of a portion of the 2007 Refunding Revenue Water Bonds. The Board received an \$8,740,000 Refunding Revenue Water Note with an annual interest rate of 2.41% with the proceeds to be deposited in a special fund and trust account to be used to refund, pay, discharge, and redeem the portion of the refunded bonds outstanding and maturing on or after December 1, 2016. The costs from the advance refunding include a deferred loss of \$525,305, which is being charged to operations through the year 2025 using the effective interest method. The Board completed the advance refunding to reduce its total debt service payments over the next 12 years by \$1,065,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$700,000. As of June 30, 2020, the deferred loss on refunding totaled \$259,647 and is classified as a deferred outflow of resources.

Long-term debt payable as of June 30, 2020 consists of the following:

2013 Refunding Revenue Water Note, original amount of \$8,740,000 due in annual principal installments ranging from \$215,000 to \$955,000 through December 2025; interest at 2.41%. Note originated to refinance the callable portion 2007 Water Revenue Bonds secured by pledge of revenues from the City's water system tap and user fees and system development fees, net of premiums. \$ 5,030,000

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #034, original amount of \$825,000, with interest at 2.5% due annually on December 1. Annual principal and interest payments are \$47,729 through 2025 for funding of the City's Water Main Rehabilitation Project for Fiscal Year 2004. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment. \$ 221,825

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #056, original amount of \$1,300,000, with interest at 2.5%, due annually on March 1. Annual principal and interest payments are \$61,885 through 2028. Secured by the pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments. \$ 443,846

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**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #065, original amount of \$5,600,000 for the Southern Water Transmission Main - Phase I Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$334,582 through 2029. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	\$ 2,668,778
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #079, original amount of \$5,130,509 for the 30" Transmission Line Replacement Project, with interest at 2.5% due annually on September 1. Annual principal and interest payments are \$329,107 through 2031. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	\$ 3,361,554
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #106, original amount of \$3,500,000 for the construction phase of the Administration Building Project, with interest at 2.5% due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	1,631,632
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #120, original amount of \$7,494,828 for the design and construction of Phase II of the Southern Water Transmission Main, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$480,772 per year through 2034. Secured by the pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.	\$ 5,620,761
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #133, advances on a \$4,900,000 loan for the construction of the Hydro-Electric Generation Project. Interest thereon is at 0.0% for a term of twenty years. Upon completion of project, loan shall be granted principal forgiveness up to 25% of the loan, not to exceed \$1,225,000. The payments are currently estimated at \$245,000 per year. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual payment.	\$ 796,164

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**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #159, advances on \$9,900,000 loan for Southern Sewer Interceptor Main. Interest thereon is at 2.5% for a term of twenty years. The payments are currently estimated at \$635,057 per year. Secured by pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	\$ 9,509,054
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #177, original amount of \$5,280,000 for the design and construction of Phase III of the Southern Water Transmission Main, with interest at 2.5% due annually on March 1. This loan is also granted principal forgiveness up to 25% of the loan, not to exceed \$1,320,000. Annual principal and interest payments are \$186,808 per year through 2038. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual payment.	\$ 2,680,134
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #046, original amount of \$36,450,000, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$2,338,163 through 2026 for the Dry and Crow Creek Rehab construction project. Secured by the pledge and assignment of revenues generated from the City's wastewater user fees necessary to meet the annual loan payment.	\$ 12,881,277
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #060, original amount of \$2,900,000 loan, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$174,898 through 2029. Secured by the pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	\$ 1,393,956
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #081, original amount of \$1,280,000 for the extension of Cheyenne's Recycled Water System Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$81,843 through 2030. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	\$ 716,834

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**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

Due to the State of Wyoming, Office of State Lands and Investments,
CWSRF Loan #084, original amount of \$375,000 loan for the planning phase
of the Administration Building Project, with interest at 2.5% due annually on
June 1. Annual principal and interest payments are \$24,055 through 2032.
Secured by pledge and assignment of revenues from the City's wastewater
user fees necessary to meet the annual loan payment. \$ 246,754

Due to the State of Wyoming, Office of State Lands and Investments,
CWSRF Loan #115, original amount of \$3,500,000 for the construction phase
of the Administration Building Project, with interest at 2.5% due annually on
June 1. Annual principal and interest payments are \$159,062 through 2032.
Secured by pledge and assignment of revenues from the City's wastewater
user fees necessary to meet the annual loan payment. \$ 1,631,632

Due to the State of Wyoming, Office of State Lands and Investments,
CWSRF Loan #133, original amount of \$5,000,000 for Crow Creek Plant
Improvements Project with interest at 2.5% due annually on June 15. Annual
principal and interest payments are \$320,736 through 2039. Secured by pledge
and assignment of revenues from the City's wastewater user fees necessary
to meet the annual loan payment. \$ 3,971,193

Due to the State of Wyoming, Office of State Lands and Investments,
CWSRF Loan #143, original amount of \$875,000 for Holliday Park Reuse
Project with interest at 0.0%. Principal payments of \$37,500 are due annually
in September through 2037. Secured by pledge and assignment of revenues
from the City's wastewater user fees necessary to meet the annual loan
payment. \$ 637,500

Due to the State of Wyoming, Office of State Lands and Investments,
CWSRF Loan #144, original amount of \$1,300,000 for Southern Sewer
Interceptor Main with interest at 2.5% due annually on December 1. Annual
principal and interest payments are \$83,391 through 2039. Secured by pledge
and assignment of revenues from the City's wastewater user fees necessary
to meet the annual loan payment. \$ 1,248,664

Total general obligation bonds and loans \$ 54,691,558

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

The annual debt service requirements of the long-term debt and current principal maturities as of June 30, 2020 are as follows:

	Waterworks Fund		Sewer Fund	
	Principal	Interest	Principal	Interest
2021	\$ 2,229,873	\$ 567,728	\$ 2,894,911	\$ 742,878
2022	2,282,777	513,616	2,967,081	670,708
2023	2,381,307	458,143	3,041,049	596,739
2024	2,435,869	401,288	3,116,862	520,927
2025	2,491,377	343,006	3,194,565	443,224
2026-2030	7,995,577	1,061,375	7,323,727	1,337,668
2031-2035	4,119,081	296,069	4,692,064	674,944
2036-2040	794,432	40,032	2,651,389	170,151
2041-2042	79,617	-	-	-
	<u>\$ 24,809,910</u>	<u>\$ 3,681,257</u>	<u>\$ 29,881,648</u>	<u>\$ 5,157,239</u>

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

The Board has pledged and assigned future water system and wastewater user fees to meet the annual debt requirements. Proceeds from the debt have been used to improve, expand, and replace the distribution system, source of supply, and treatment facilities. The proportion of pledged revenues to total revenues is not estimable because annual total fees fluctuate annually. Principal and interest paid for the current year was \$10,826,820. Net customer revenues totaled \$35,313,159 for the year. At year end, pledged future revenues totaled \$63,530,054, which is the amount of the remaining principal and interest on outstanding debt.

Interest expense: During the year ended June 30, 2020, the Board incurred \$1,380,510 of interest.

**BOARD OF PUBLIC UTILITIES
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NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitments

Plan description: Substantially all employees of the Board are provided with pensions through the Public Employee Pension Plan – a statewide cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). The authority to establish and amend benefits and contributions rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plan by Wyoming State Statutes § 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained through the WRS website, located at <http://retirement.state.wy.us/About/Reports?Label=Financial#categories>.

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

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average over 15 years.

Service Retirement Tier 2: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

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

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

Contributions: Per Title § 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2020, member contributions were required to be 8.75% of compensation and employer contributions were required to be 8.87% of compensation. In accordance with Title § 9-3-412(c)(ii) of Wyoming State Statutes, the Board has elected to pay 6.25% of the member's contribution in addition to the employer's contribution. Total contributions to the pension plan from the Board were \$1,150,716 for the year ended June 30, 2020.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2020, the Board reported a liability of \$9,890,047 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Board's proportion of the net pension liability was based on the relationship of the Board's total contributions to the plan for the year ended December 31, 2019 to the contributions of all participating employers for the same period. At December 31, 2019, the Board's proportion was 0.4209%, which was an increase from its December 31, 2018 proportion of 0.4178%.

For the year ended June 30, 2020, the Board recognized pension expense of \$1,455,770. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (192,047)
Changes of assumptions	337,225	-
Net difference between projected and actual earnings on pension plan investments	-	(1,465,847)
Changes in proportion and differences between contributions and proportionate share of contributions	256,573	-
Contributions subsequent to the measurement date	339,227	-
	<u>\$ 933,025</u>	<u>\$ (1,657,894)</u>

The amount of \$339,227 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (70,267)
2022	(324,555)
2023	(9,876)
2024	(659,398)
	<u>\$ (1,064,096)</u>

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Actuarial assumptions: The total pension liability in the January 1, 2019 valuation was determined using the following actuarial assumptions adopted by the Wyoming Retirement Systems Board effective August 23, 2017 and applied to all periods included in the measurement:

Inflation:	2.25%
Salary increases:	2.50% - 6.50%, including inflation
Payroll growth rate:	2.50%
Investment rate of return:	7.00%, net of pension plan investment expense, including inflation

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

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each major asset class is included in the pension plan's target asset allocation for the fiscal year 2019. These best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Cash	2.00%	-0.20%	-0.20%
Fixed Income	21.00%	1.32%	1.67%
Equity	48.50%	5.43%	7.42%
Marketable Alternatives	19.00%	3.46%	4.33%
Private Markets	9.50%	4.46%	5.58%
Total	100.00%		

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

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate: The following presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Board’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1 percentage-point higher (8.00%) than the current rate:

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability	\$ 14,942,194	\$ 9,890,047	\$ 5,673,567

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, at 6101 Yellowstone Road, Cheyenne, Wyoming 82002, or may be accessed through the WRS website at <http://retirement.state.wy.us/home/About/Reports?Label=Financial#categories>

Defined Contributions Plans. Board employees have the option to participate in one of two defined contribution plans. These defined contribution plans include the Wyoming Deferred Compensation Program (457 Plan) administered by the Wyoming Retirement System and a defined contribution plan administered by VALIC Financial Advisors. Employees are allowed to contribute the maximum amount per Internal Revenue Service guidelines. The total employee contributions for the years ended June 30, 2020 and 2019 were \$207,996 and \$221,864, respectively. Beginning July 1, 2008, the Board elected to match an employee’s contribution up to \$25 per month. The total matching contributions for the years ended June 30, 2020 and 2019 were \$32,775 and \$30,625, respectively.

Note 6. Due from Other Governments

Amounts due from other governments of \$69,332 as of June 30, 2020 are from other governmental entities in connection with the construction of various projects. The amount due represents pay requests received from contractors for work done through June 2020. Upon receipt of these pay requests, the Board applies to other governmental entities for grant and/or loan monies to pay contractors.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 7. Accrued Compensated Absences and Early Retirement

Compensated absences and early retirement obligations have been accrued in the financial statements of the Board and consist of the following at June 30, 2020:

	Waterworks Fund	Sewer Fund	Total
Vacation leave	\$ 374,719	\$ 254,977	\$ 629,696
Compensatory/administrative time	82,410	54,940	137,350
Sick leave	273,858	182,572	456,430
Early retirement obligation	170,965	113,977	284,942
	<u>\$ 901,952</u>	<u>\$ 606,466</u>	<u>\$ 1,508,418</u>

Changes in the liability for compensated absences and early retirement obligation are as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Compensated Absences and Early Retirement					
Waterworks Fund	\$ 1,059,130	\$ 138,615	\$ (295,793)	\$ 901,952	\$ 317,162
Sewer Fund	711,474	81,872	(186,880)	606,466	212,475
	<u>\$ 1,770,604</u>	<u>\$ 220,487</u>	<u>\$ (482,673)</u>	<u>\$ 1,508,418</u>	<u>\$ 529,637</u>

Note 8. Related-Party Transactions

The Board collects sanitation charges on behalf of the City. At June 30, 2020, the Board had cash and receivables relating to the City's sanitation charges of \$2,345,642. The Board also owed the City \$451,811 for fuel charges, legal fees, and the Board's share of construction projects.

Note 9. Major Customers

For the year ended June 30, 2020, the Board had two customers who each accounted for more than 10% of the Board's billed water and/or sewer revenues as follows:

	Water	Sewer	Total
Holly Frontier Refining and Marketing	\$ 2,861,408	\$ 1,465,968	\$ 4,327,376
South Cheyenne Sewer and Water District	1,695,527	1,784,684	3,480,211

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 10. Commitments

As of June 30, 2020, the Board 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 2020, the amounts below represent the activity pertaining to the respective contract as a whole.

	Expended to June 30, 2020	Total Contract	Total Commitment at June 30, 2020
Waterworks Fund:			
VOL 10- I.T. Projects	\$ 775,194	\$ 990,380	\$ 215,186
HP/RR Gate Replacement- 19	223,515	346,801	123,286
AEM Wellfield Survey	172,686	184,352	11,666
Evers (Bishop-Vandehi)- 16	495,553	930,995	435,442
Buffalo Ridge Booster Station	21,050	3,960,000	3,938,950
Prairie-Frontier - 17	9,664	13,534	3,870
FY20 Water Rehabs	549,128	4,679,608	4,130,480
26th Street Phase II	10,064	56,849	46,785
Water Main Rehabs - 19	3,096,038	3,273,085	177,047
Hydroelectric Generator	806,488	1,535,664	729,176
Filter Media and Rehab	380,376	639,627	259,251
FLOC Basin Rehab	555,537	648,185	92,648
	<u>7,095,293</u>	<u>17,259,080</u>	<u>10,163,787</u>
Sewer Fund:			
FY19 Sewer Rehabs	2,249,732	3,088,715	838,983
FY20 Sewer Rehabs	100,244	144,617	44,373
26th Street Phase II	749	75,686	74,937
Evers (Vandehi-Bishop)- 16	528,121	931,385	403,264
Sludge Dewatering	227,697	449,155	221,458
2013 MST PLAN VOL 10 PRJT	193,014	330,127	137,113
Fiber Optic Line DC-CC	174,340	412,015	237,675
	<u>3,473,897</u>	<u>5,431,700</u>	<u>1,957,803</u>
	<u>\$ 10,569,190</u>	<u>\$ 22,690,780</u>	<u>\$ 12,121,590</u>

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO FINANCIAL STATEMENTS

Note 11. Risk Management

The Board 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.

As of June 30, 2020, the Board 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 participating entities are responsible for paying premiums into the pool, which are calculated annually and are based upon actuarially sound and recognized pooling practices. The pool is responsible for determining the amounts of the premiums charged to the entities and is also responsible for managing the pool's assets. The entities have the right to submit claims for losses incurred. The pool has the right to collect premiums and admit or terminate members for nonpayment of premiums. The Board management considers the assets of WARM to be sufficient to cover any claims that may be incurred by its members.

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

The Board pays into the State Worker's Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative costs.

REQUIRED SUPPLEMENTARY INFORMATION

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEE PENSION PLAN
Last 7 Fiscal Years***

	Board's proportion of the net pension liability	Board's proportionate share of the net pension liability	Board's covered payroll	Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.3772%	\$ 5,735,039	\$ 6,463,729	88.73%	81.10%
2015	0.3621%	6,390,668	6,307,367	101.32%	79.08%
2016	0.3838%	8,940,291	6,855,922	130.40%	73.40%
2017	0.3979%	9,619,011	7,127,606	134.95%	73.42%
2018	0.4072%	9,280,567	7,177,501	129.30%	76.35%
2019	0.4178%	12,722,850	7,409,311	171.71%	69.17%
2020	0.4209%	9,890,047	7,604,611	130.05%	76.83%

** The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains ten years of data.*

See Notes to Required Supplementary Information.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**SCHEDULE OF THE BOARD'S CONTRIBUTIONS
PUBLIC EMPLOYEE PENSION PLAN
Last 7 Fiscal Years***

	<u>Statutorial required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014	\$ 465,964	\$ 465,964	\$ -	\$ 6,544,388	7.12%
2015	512,031	512,031	-	6,719,564	7.62%
2016	586,407	586,407	-	7,006,054	8.37%
2017	602,689	602,689	-	7,200,585	8.37%
2018	608,519	608,519	-	7,270,239	8.37%
2019	645,547	645,547	-	7,524,834	8.58%
2020	678,924	678,924	-	7,654,160	8.87%

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

See Notes to Required Supplementary Information.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

SUPPLEMENTARY INFORMATION

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020**

	Waterworks Fund			
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget
	Original	Final		
Operating Revenues				
Sales and charges for services	\$ 21,069,300	\$ 21,069,300	\$ 21,236,291	\$ 166,991
Fees and miscellaneous	405,200	405,200	354,521	(50,679)
Total operating revenues	21,474,500	21,474,500	21,590,812	116,312
Nonoperating Revenues				
Investment income	389,000	389,000	554,505	165,505
System development fees	2,206,700	2,206,700	2,431,107	224,407
Donated utilities	-	-	2,096,362	2,096,362
Total nonoperating revenues	2,595,700	2,595,700	5,081,974	2,486,274
Total revenues	24,070,200	24,070,200	26,672,786	2,602,586
Operating Expenses				
Source of supply	1,752,900	1,960,329	1,615,195	(345,134)
Water treatment	2,717,200	2,854,599	2,069,031	(785,568)
Transmission and distribution	2,590,450	2,636,932	2,458,197	(178,735)
Sewer collection lines	-	-	-	-
Water reclamation	-	-	-	-
Engineering and water resources	1,236,775	1,247,339	1,195,214	(52,125)
Administrative and general	4,885,100	5,206,203	5,023,325	(182,878)
Information technology and customer service	1,101,000	1,153,500	935,012	(218,488)
Total operations	14,283,425	15,058,902	13,295,974	(1,762,928)
Nonoperating Expenditures				
Capital purchases	763,550	926,550	552,248	(374,302)
Construction work in progress	7,902,000	16,484,452	4,628,920	(11,855,532)
Debt service, interest	715,300	713,900	604,143	(109,757)
Debt service, principal	6,622,100	6,623,500	6,621,814	(1,686)
Total other expenditures	16,002,950	24,748,402	12,407,125	(12,341,277)
Total expenditures	30,286,375	39,807,304	25,703,099	(14,104,205)
Excess (deficiency) of revenues over expenditures	\$ (6,216,175)	\$ (15,737,104)	\$ 969,687	\$ 16,706,791

Sewer Fund

Budgeted Amounts		Actual Budget Basis	Variance with Final Budget
Original	Final		
\$ 13,246,700	\$ 13,246,700	\$ 13,307,490	\$ 60,790
551,500	551,500	414,857	(136,643)
<u>13,798,200</u>	<u>13,798,200</u>	<u>13,722,347</u>	<u>(75,853)</u>
90,100	90,100	318,191	228,091
649,000	649,000	540,172	(108,828)
-	-	714,389	714,389
<u>739,100</u>	<u>739,100</u>	<u>1,572,752</u>	<u>833,652</u>
<u>14,537,300</u>	<u>14,537,300</u>	<u>15,295,099</u>	<u>757,799</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,448,700	1,583,477	1,109,534	(473,943)
3,213,950	3,317,375	2,423,284	(894,091)
395,325	401,548	382,920	(18,628)
2,480,200	2,604,113	2,426,831	(177,282)
<u>367,200</u>	<u>384,700</u>	<u>311,738</u>	<u>(72,962)</u>
<u>7,905,375</u>	<u>8,291,213</u>	<u>6,654,307</u>	<u>(1,636,906)</u>
341,870	926,870	202,635	(724,235)
5,440,000	10,850,253	3,058,337	(7,791,916)
808,300	808,300	776,367	(31,933)
2,911,200	2,911,200	2,824,496	(86,704)
<u>9,501,370</u>	<u>15,496,623</u>	<u>6,861,835</u>	<u>(8,634,788)</u>
<u>17,406,745</u>	<u>23,787,836</u>	<u>13,516,142</u>	<u>(10,271,694)</u>
<u>\$ (2,869,445)</u>	<u>\$ (9,250,536)</u>	<u>\$ 1,778,957</u>	<u>\$ 11,029,493</u>

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NOTES TO BUDGETARY COMPARISON SCHEDULE

Budget control: The Board procedures for establishing the budget each year are as follows:

1. Operational budgets are submitted by the Division Managers to the Director in February of each year.
2. During April of each year, these budgets are reviewed and refined as necessary by the Division Managers and the Director.
3. The Director submits the proposed budget to the Board the first of May of each year. The overall budget includes proposed expenses and the means of financing them.
4. In early May, the Board approves the tentative budget and submits it to the Cheyenne City Council.
5. During May, the tentative budget is reviewed by the City of Cheyenne Financial Committee and revisions are made, if necessary.
6. Public hearings are conducted at City Hall to obtain taxpayer comments during June of each year.
7. Prior to June 30, the budget is legally enacted through passage of an ordinance for the fiscal year beginning July 1 of each year.
8. The Division Managers are authorized to transfer budgeted amounts between expense classifications within their divisions. The Director is authorized to approve transfers of less than \$25,000 affecting capital accounts. All other transfers must be approved by the Board and any revisions that alter the total expenditures of any fund must be approved by the City Council.
9. Formal budgetary integration is employed as a management control device during the year for all funds of the Board. Budgets are legally adopted for all funds. Expenses cannot exceed budgeted amounts at the individual department level based upon original and/or supplemental appropriations as approved by the City Council. All appropriations lapse at year end.

Budgets are prepared for Board funds on the accrual basis of accounting. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America except that depreciation, pension expense, and change in fair value of investments are not budgeted and capital purchases and principal payments are budgeted as an expense.

STATISTICAL SECTION (UNAUDITED)

This part of the City of Cheyenne, Wyoming Board of Public Utilities' 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 government'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 source, the water and sewer fees.

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.

Operating Information

These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**NET POSITION BY COMPONENT
(Unaudited)
Last Ten Fiscal Years**

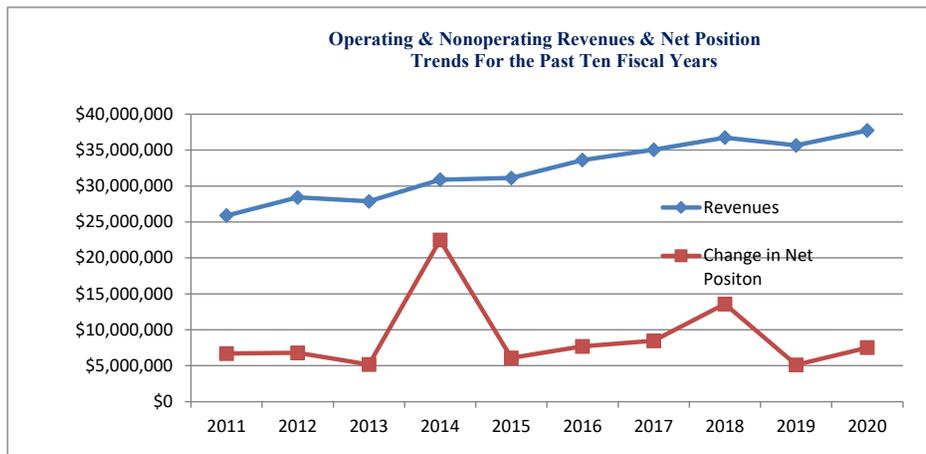
	2011	2012	2013	2014
Primary government:				
Net investment in capital assets	\$ 207,125,040	\$ 212,588,231	\$ 215,502,795	\$ 234,533,472
Restricted	1,289,594	1,389,594	1,389,594	1,103,001
Unrestricted	24,280,698	25,507,519	27,757,842	31,498,933
Total primary government net position	\$ 232,695,332	\$ 239,485,344	\$ 244,650,231	\$ 267,135,406

2015	2016	2017	2018	2019	2020
\$ 240,632,987	\$ 247,414,892	\$ 255,737,548	\$ 266,767,253	\$ 266,643,536	\$ 275,249,371
1,103,001	500,000	500,000	500,000	500,000	500,000
26,138,255	27,643,743	27,774,167	30,326,170	35,556,920	34,459,246
<u>\$ 267,874,243</u>	<u>\$ 275,558,635</u>	<u>\$ 284,011,715</u>	<u>\$ 297,593,423</u>	<u>\$ 302,700,456</u>	<u>\$ 310,208,617</u>

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**COMBINED CHANGES IN NET POSITION
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Income (Loss) before Capital Contribution	Capital Contributions	Change in Net Position
2011	26,575,116	25,151,232	1,423,884	(685,814)	738,070	5,958,598	6,696,668
2012	28,594,129	26,005,418	2,588,711	(179,719)	2,408,992	4,381,020	6,790,012
2013	28,417,091	26,474,263	1,942,828	(543,390)	1,399,438	3,765,449	5,164,887
2014	28,030,122	27,483,943	546,179	2,855,489	3,401,668	19,083,507	22,485,175
2015	28,223,658	27,605,751	617,907	2,906,969	3,524,876	2,554,040	6,078,916
2016	31,243,040	29,990,481	1,252,559	2,380,668	3,633,227	4,051,165	7,684,392
2017	32,881,259	30,735,969	2,145,290	2,176,250	4,321,540	4,131,540	8,453,080
2018	34,518,439	31,800,359	2,718,080	2,228,947	4,947,027	8,634,681	13,581,708
2019	33,403,006	33,329,702	73,304	2,259,035	2,332,339	2,774,694	5,107,033
2020	35,313,159	33,035,590	2,277,569	2,419,841	4,697,410	2,810,751	7,508,161



**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

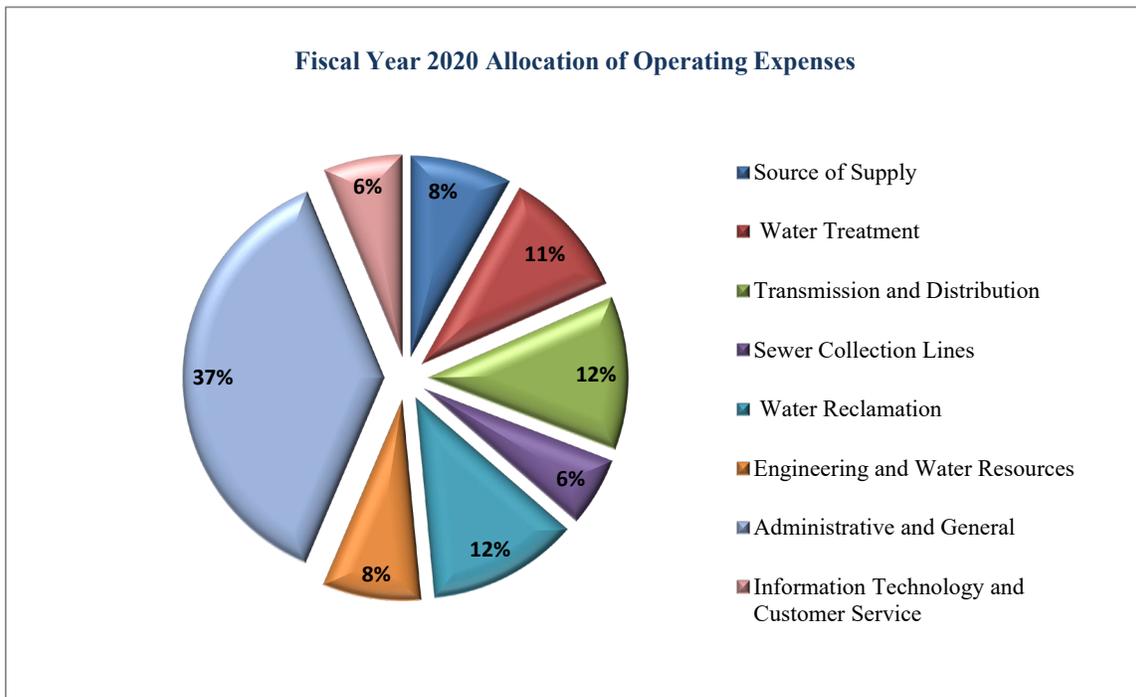
**COMBINED OPERATING REVENUES BY SOURCE
(Unaudited)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Water Sales</u>	<u>Sewer Charges</u>	<u>Fees and Miscellaneous</u>	<u>Total</u>
2011	\$ 17,517,713	\$ 8,279,468	\$ 777,935	\$ 26,575,116
2012	19,136,331	8,699,568	758,230	28,594,129
2013	18,727,876	8,913,119	776,096	28,417,091
2014	17,210,780	9,737,163	1,082,179	28,030,122
2015	16,927,691	10,203,095	1,092,872	28,223,658
2016	19,264,134	11,013,457	965,449	31,243,040
2017	20,331,453	11,793,475	756,331	32,881,259
2018	21,305,003	12,300,941	912,495	34,518,439
2019	19,383,845	13,008,656	1,010,505	33,403,006
2020	21,236,291	13,307,490	769,378	35,313,159

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**COMBINED OPERATING EXPENSES
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	Source of Supply	Water Treatment	Transmission and Distribution	Sewer Collection Lines	Water Reclamation	Engineering and Water Resources
2011	1,129,193	2,032,733	1,893,363	1,073,547	2,303,619	1,046,353
2012	1,245,052	2,222,510	1,975,019	1,112,374	2,305,548	1,078,469
2013	1,218,162	1,779,324	2,015,765	1,109,167	2,360,921	1,136,793
2014	1,426,207	1,846,817	2,052,179	1,144,516	2,348,946	1,199,393
2015	1,334,981	1,869,151	2,040,958	1,181,757	2,400,409	1,204,863
2016	1,351,996	1,874,575	2,074,783	1,239,039	2,473,365	1,338,086
2017	1,412,417	2,182,952	2,111,073	1,145,985	2,504,492	1,339,279
2018	1,955,042	1,933,235	2,449,095	1,309,261	2,472,745	1,454,326
2019	1,444,920	2,018,472	2,524,185	1,543,025	2,614,490	1,399,688
2020	1,615,195	2,069,031	2,458,197	1,109,534	2,423,284	1,578,134

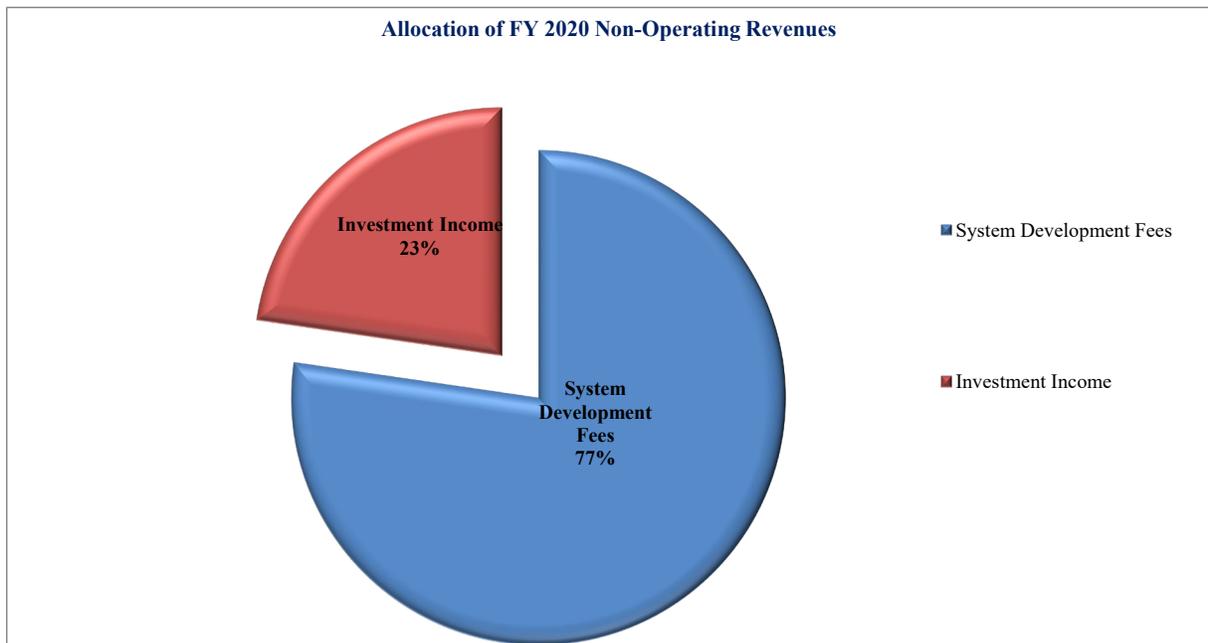


Administrative and General	Information Technology and Customer Service	Subtotal, Expenses before Depreciation	Depreciation	Total Operating Expenses
4,122,194	947,699	14,548,701	10,602,531	25,151,232
4,362,575	1,044,593	15,346,140	10,659,278	26,005,418
5,118,473	1,004,269	15,742,874	10,731,389	26,474,263
5,603,288	1,049,253	16,670,599	10,813,344	27,483,943
5,249,576	1,132,188	16,413,883	11,191,868	27,605,751
6,530,009	1,157,416	18,039,269	11,951,212	29,990,481
6,727,482	1,185,779	18,609,459	12,126,510	30,735,969
6,781,904	1,177,920	19,533,528	12,266,831	31,800,359
7,879,510	1,349,029	20,773,319	12,556,383	33,329,702
7,450,156	1,246,750	19,950,281	13,085,309	33,035,590

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**COMBINED NONOPERATING REVENUES AND EXPENSES
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	System Development Fees	Investment Income	Insurance Proceeds and Gain/Loss on Disposal of Assets	Other Income	Intergovernmental Revenues	Specific Purpose Tax	Interest Expense	Total Nonoperating Revenues/ Expenses
2011	\$ 1,655,563	\$ 147,225	\$ -	\$ -	\$ -	\$ -	\$ (2,488,602)	\$ (685,814)
2012	1,928,153	77,077	-	-	-	-	(2,184,949)	(179,719)
2013	1,532,008	18,990	-	-	-	-	(2,094,388)	(543,390)
2014	4,151,596	101,738	248,729	26,939	-	-	(1,673,513)	2,855,489
2015	4,480,380	68,815	7,925	-	-	-	(1,650,151)	2,906,969
2016	4,014,691	144,963	21,625	-	-	-	(1,800,611)	2,380,668
2017	3,553,222	102,756	42,640	-	-	-	(1,522,368)	2,176,250
2018	3,110,333	319,220	96,516	-	-	-	(1,297,122)	2,228,947
2019	2,494,133	1,030,925	7,000	-	-	-	(1,273,023)	2,259,035
2020	2,971,279	872,696	-	-	-	-	(1,424,134)	2,419,841



**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**WATER AND SEWER RATES
(Unaudited)
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015
Water Rates					
Residential single family:					
First block - First 6,000	\$ 3.46	\$ 3.46	\$ 3.60	\$ 3.72	\$ 3.85
Second block - Next 18,000	4.29	4.29	4.46	4.61	4.77
Third block - Next 18,000	5.32	5.32	5.53	5.72	5.91
All over - 42,000	6.61	6.61	6.88	7.11	7.36
Residential multi family:					
First block - First 3,000 per unit	3.46	3.46	3.60	3.72	3.85
Second block - Next 9,000 per unit	4.29	4.29	4.46	4.61	4.77
Third block - Next 9,000 per unit	5.32	5.32	5.53	5.72	5.91
All over - 21,000 per unit	6.61	6.61	6.88	7.11	7.36
All other treated (range)	3.78-4.29	3.78-4.29	3.94-4.65	4.08-4.81	4.23-4.97
Raw water (range)	2.24	2.24	2.33	2.41	2.49
Reclaimed water	1.82	1.82	1.89	1.95	2.02
Recycled water	3.24	3.24	3.37	3.48	3.60
Monthly service fee range (based on meter size)					
	4.80-163.37	4.80-163.37	4.99-170.06	5.16-175.84	5.34-181.82
Sewer Rates					
Rate charge (per 1,000 gallons)	\$ 3.46	\$ 3.46	\$ 3.74	\$ 3.91	\$ 4.21
Monthly service fee range (based on meter size)					
	3.93-67.21	3.93-67.21	4.09-69.95	4.27-73.10	4.48-76.76

Note: Rates shown are inside City rates; outside City rates are 1.5 times the rates shown.

	2016	2017	2018	2019	2020
\$	3.97	\$ 4.05	\$ 4.17	\$ 4.29	\$ 4.42
	4.91	5.01	5.15	5.30	5.46
	6.09	6.21	6.39	6.58	6.78
	7.58	7.73	7.96	8.19	8.44
	3.97	4.05	4.17	4.29	4.42
	4.91	5.01	5.15	5.30	5.46
	6.09	6.21	6.39	6.58	6.78
	7.58	7.73	7.96	8.19	8.44
	4.36-5.12	4.45-5.22	4.58-5.37	4.93-5.53	5.08-5.70
	2.56	2.61	2.69	2.77	2.85
	2.08	2.12	2.18	2.24	2.31
	3.71	3.78	3.89	4.00	4.12
	5.50-187.27	5.61-191.02	5.77-196.75	5.94-202.65	6.12-208.73
\$	4.43	\$ 4.62	\$ 4.76	\$ 4.90	\$ 5.15
	4.61-79.06	4.70-80.64	4.84-83.06	4.98-85.55	5.23-89.83

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**TEN LARGEST WATER CUSTOMERS
(Unaudited)
Current Year and Nine Years Ago**

Customer	Fiscal Year 2020		Fiscal Year 2020	
	Billed Water Revenues		Gallons (1,000's)	
	Amount	%	Amount	%
Holly Frontier Refining & Marketing	\$ 2,861,408	13.47%	596,545	15.77%
South Cheyenne Water and Sewer District	1,695,527	7.98%	339,309	8.97%
F.E. Warren Air Force Base	762,232	3.59%	148,843	3.94%
Laramie County School Dist #1	406,171	1.91%	75,198	1.99%
Microsoft Corporation	325,641	1.53%	41,449	1.10%
State of Wyoming	146,595	0.69%	27,479	0.73%
Cheyenne Country Club	197,411	0.93%	67,300	1.78%
Dish Purchasing Corporation	91,050	0.43%	17,817	0.47%
Department of Veterans Affairs	104,070	0.49%	21,330	0.56%
Cheyenne Housing Authority	77,147	0.36%	14,312	0.38%
Subtotal (10 largest)	\$ 6,667,252	31.40%	1,349,582	35.68%
Balance from other customers	\$ 14,569,039	68.60%	2,432,906	64.32%
Grand total	\$ 21,236,291	100.00%	3,782,488	100.00%

Customer	Fiscal Year 2011		Fiscal Year 2011	
	Billed Water Revenues		Gallons (1,000's)	
	Amount	%	Amount	%
Frontier Oil & Refinery	\$ 2,780,535	15.87%	746,791	17.50%
F.E. Warren Air Force Base	1,282,722	0.00%	325,916	7.64%
South Cheyenne Water and Sewer District	1,262,462	7.32%	323,243	7.57%
Laramie County School District No.1	365,416	2.09%	89,599	2.10%
State of Wyoming	216,042	1.23%	51,214	1.20%
Cheyenne Regional Medical Center	95,496	0.41%	23,627	0.55%
Cheyenne Housing Authority	86,362	0.55%	21,035	0.49%
Pinewood Village	71,564	0.49%	18,136	0.42%
Department of Veterans Affairs	70,803	0.40%	17,699	0.41%
Frontier Mall	63,399	0.36%	15,634	0.37%
Subtotal (10 largest)	\$ 6,294,801	35.93%	1,632,894	38.26%
Balance from other customers	\$ 11,222,912	64.07%	2,635,141	61.74%
Grand total	\$ 17,517,713	100.00%	4,268,035	100.00%

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**TEN LARGEST SEWER CUSTOMERS
(Unaudited)
Current Year and Nine Years Ago**

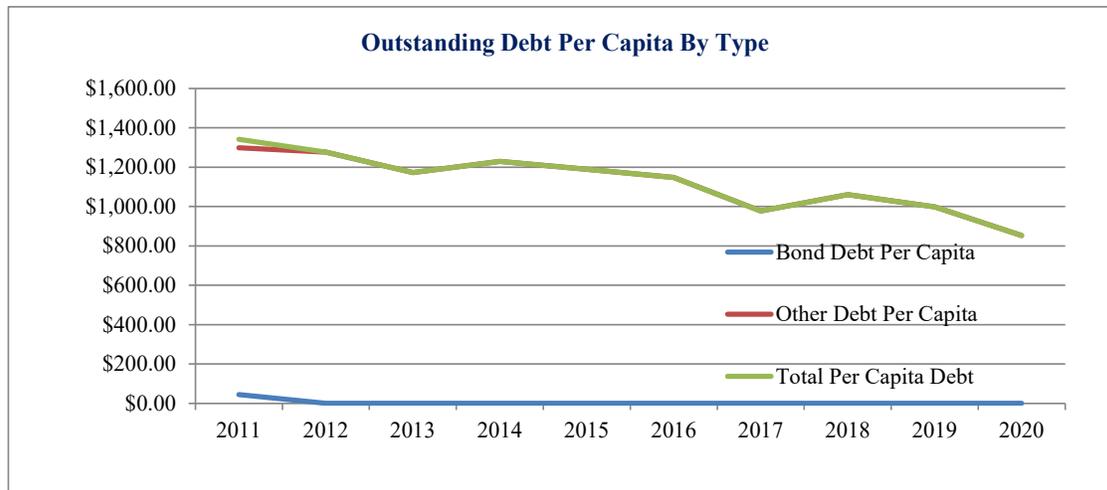
Customer	Fiscal Year 2020		Fiscal Year 2020	
	Billed Sewer Revenues		Sewer Gallons (1,000's)	
	Amount	%	Amount	%
Holly Frontier Refining & Marketing	\$ 1,465,968	11.03%	291,141	12.37%
South Cheyenne Sewer and Water District	1,784,684	13.41%	355,843	15.11%
Wyoming Appartments LLC	1,331,923	10.01%	271,700	11.54%
F.E. Warren Air Force Base	489,090	3.68%	97,337	4.13%
Microsoft Corporation	108,238	0.81%	12,643	0.54%
Laramie County School District #1	106,880	0.80%	19,993	0.85%
State of Wyoming	64,742	0.49%	12,404	0.53%
Cheyenne Housing Authority	60,214	0.45%	10,451	0.44%
Walmart Distribution Center	58,810	0.44%	7,796	0.33%
Dish Purchasing Corporation	58,063	0.44%	11,520	0.49%
Subtotal (10 largest)	\$ 5,528,612	41.55%	1,090,828	46.33%
Balance from other customers	\$ 7,778,878	58.45%	1,263,619	53.67%
Grand total	\$ 13,307,490	100.00%	2,354,447	100.00%

Customer	Fiscal Year 2011		Fiscal Year 2011	
	Billed Sewer Revenues		Sewer Gallons (1,000's)	
	Amount	%	Amount	%
South Cheyenne Water and Sewer District	\$ 860,792	10.40%	253,035	11.90%
F.E. Warren Air Force Base	479,454	5.79%	140,615	6.61%
Frontier Oil & Refinery	100,948	1.22%	25,801	1.21%
Cheyenne Regional Medical Center	78,877	0.95%	22,759	1.07%
Laramie County School District No.1	71,322	0.86%	19,707	0.93%
State of Wyoming	62,439	0.75%	16,798	0.79%
Cheyenne Housing Authority	55,714	0.67%	14,623	0.69%
Wal-Mart Distribution Center	52,374	0.63%	10,271	0.48%
Pinewood Village	47,052	0.57%	13,632	0.64%
Frontier Mall	40,215	0.49%	11,585	0.54%
Subtotal (10 largest)	\$ 1,849,187	22.33%	528,826	24.87%
Balance from other customers	\$ 6,430,281	77.67%	1,597,563	75.13%
Grand total	\$ 8,279,468	100.00%	2,126,389	100.00%

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**RATIOS OF OUTSTANDING DEBT BY TYPE
(Unaudited)
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt			Other Debt			Total Debt
	General Obligation Bonds	Per Capita	As a Share of Personal Income	Notes and Refunding Revenue Bonds	Per Capita	As a Share of Personal Income	All Notes/Bonds
2011	\$ 2,615,000	43.77	0.10%	\$ 77,546,824	1,298.09	2.90%	\$ 80,161,824
2012	-	-	0.00%	76,662,873	1,275.67	2.58%	76,662,873
2013	-	-	0.00%	71,545,772	1,171.82	2.46%	71,545,772
2014	-	-	0.00%	75,878,271	1,229.45	2.50%	75,878,271
2015	-	-	0.00%	75,171,561	1,188.41	2.41%	75,171,561
2016	-	-	0.00%	72,072,190	1,146.82	2.33%	72,072,190
2017	-	-	0.00%	62,549,494	977.05	1.98%	62,549,494
2018	-	-	0.00%	68,303,303	1,060.40	2.15%	68,303,303
2019	-	-	0.00%	64,030,449	998.04	2.03%	64,030,449
2020	-	-	0.00%	54,691,558	852.48	1.73%	54,691,558



**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**SEWER FUND
LEGAL DEBT MARGIN INFORMATION
(Unaudited)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2011	\$ 20,900,257	-	\$ 20,900,257	0.00%
2012	21,327,661	-	21,327,661	0.00%
2013	21,847,014	-	21,847,014	0.00%
2014	23,105,605	-	23,105,605	0.00%
2015	24,088,253	-	24,088,253	0.00%
2016	25,325,684	-	25,325,684	0.00%
2017	26,553,503	-	26,553,503	0.00%
2018	27,429,211	-	27,429,211	0.00%
2019	23,389,951	-	23,389,951	0.00%
2020	30,965,064	-	30,965,064	0.00%

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**WATERWORKS FUND
PLEDGED REVENUE COVERAGE
(Unaudited)
Last Ten Fiscal Years**

(1) Fiscal Year	(2) Water* Gross Revenues	(3) Expenses**	(4) Net Revenues Available for Debt Service	(6) Debt Service***			(8) Coverage Ratio****
				(5) Principal	(6) Interest	(7) Total	
2011	\$ 19,379,192	\$ 8,979,938	\$ 10,399,254	\$ 4,862,348	\$ 1,429,762	\$ 6,292,110	1.65
2012	21,038,714	9,865,383	11,173,331	6,185,564	1,310,423	7,495,987	1.49
2013	20,266,843	10,017,855	10,248,988	3,494,377	1,559,833	5,054,210	2.03
2014	21,248,671	10,765,898	10,482,773	2,411,738	1,127,753	3,539,491	2.96
2015	19,989,573	10,481,000	9,508,573	2,669,343	1,230,045	3,899,388	2.44
2016	22,173,104	11,553,006	10,620,098	4,600,459	1,106,343	5,706,802	1.86
2017	22,350,483	12,065,681	10,284,802	6,797,789	989,086	7,786,875	1.32
2018	24,535,960	12,900,076	11,635,884	3,967,990	863,593	4,831,583	2.41
2019	22,496,205	13,349,935	9,146,270	4,147,847	877,457	5,025,304	1.82
2020	24,576,424	13,295,274	11,281,150	6,621,814	699,873	7,321,687	1.54

* Gross revenue does not include capital contributions.

** Total expenses exclusive of depreciation, amortization and interest.

*** Debt service includes general obligation debt which is secured by a pledge of specific revenue stream (water revenue).

**** Column (4) divided by column (7).

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**SEWER FUND
PLEDGED REVENUE COVERAGE
(Unaudited)
Last Ten Fiscal Years**

(1) Fiscal Year	(2) Sewer* Gross Revenues	(3) Expenses**	(4) Net Revenues Available for Debt Service	(5) (6) (7) Debt Service			(8) Coverage Ratio***
				Principal	Interest	Total	
2011	\$ 9,062,959	\$ 5,568,763	\$ 3,494,196	\$ 1,941,889	\$ 916,115	\$ 2,858,004	1.22
2012	9,560,645	5,480,757	4,079,888	1,990,398	875,883	2,866,281	1.42
2013	9,701,246	5,725,019	3,976,227	2,095,725	887,892	2,983,617	1.33
2014	11,310,453	5,904,701	5,405,752	2,211,174	807,121	3,018,295	1.79
2015	12,791,205	5,932,883	6,858,322	2,199,687	757,339	2,957,026	2.32
2016	13,251,215	6,486,263	6,764,952	2,451,648	854,584	3,306,232	2.05
2017	14,229,394	6,543,778	7,685,616	4,436,586	724,348	5,160,934	1.49
2018	13,508,548	6,633,452	6,875,096	2,267,475	651,867	2,919,342	2.36
2019	14,438,859	7,423,384	7,015,475	2,325,635	593,705	2,919,340	2.40
2020	14,580,710	6,654,307	7,926,403	2,824,496	993,520	3,818,016	2.08

* Gross revenue does not include capital contributions.

** Total expenses exclusive of depreciation, amortization and interest.

*** Column (4) divided by column (7).

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

DEMOGRAPHIC AND ECONOMIC STATISTICS

(Unaudited)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Personal Income (Thousands of Dollars)*</u>	<u>Per Capita Income*</u>	<u>Unemployment Rate *</u>	<u>School Enrollment*</u>
2011	59,739	\$ 4,120,894	\$ 44,734	7.6%	14,865
2012	60,096	4,572,791	49,443	6.9%	14,982
2013	61,055	4,795,529	50,755	6.1%	15,022
2014	62,845	4,969,568	51,870	4.9%	14,893
2015	63,254	4,744,712	49,225	4.2%	15,392
2016	63,590	4,836,235	49,796	4.6%	15,087
2017	64,019	4,971,731	50,563	4.1%	15,122
2018	64,413	5,150,637	52,039	3.7%	15,283
2019	64,156	**	**	3.3%	15,826
2020	64,165	**	**	3.8%	**

Source: Wyoming Center for Business and Economic Analysis -
"Economic Indicators for Greater Cheyenne - Annual Trends Edition."

* For Laramie County

** Information not yet available

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

PRINCIPAL EMPLOYERS

(Unaudited)

Current Year and Nine Years Ago

Employer	Product	2019 *	
		Employees	Percentage of Total
F. E. Warren A.F.B.	Military	4,177	6.15%
State of Wyoming	Government Services	3,755	5.53%
Laramie County School District No. 1	Education K-12	2,289	3.37%
Cheyenne Regional Medical Center	Health Care	1,900	2.80%
Federal Government	Government Services	1,728	2.54%
Wyoming National Guard	Military	1,130	1.66%
Veterans Affairs Medical Center	Health Care	980	1.44%
Sierra Trading Post	Outlet Catalog/Retail	878	1.29%
Union Pacific Railroad	Transportation, Rail	660	0.97%
City of Cheyenne	Municipal	568	0.84%
		<u>18,065</u>	<u>26.59%</u>
All other employers		<u>49,874</u>	<u>73.41%</u>
Total employees		<u><u>67,939</u></u>	<u><u>100.00%</u></u>

Employer	Product	2011	
		Employees	Percentage of Total
F. E. Warren A.F.B.	Military	3,820	6.13%
State of Wyoming	Government Services	3,379	5.42%
Laramie County School District No.1	Education K-12	2,157	3.46%
Federal Government	Government Services	1,804	2.89%
Cheyenne Regional Medical Center	Health Care	1,618	2.59%
Wyoming National Guard	Military	744	1.19%
Sierra Trading Post	Outlet Catalog/Retail	595	0.95%
Union Pacific Railroad	Transportation, Rail	594	0.95%
Veterans Affairs Medical Center	Health Care	586	0.95%
City of Cheyenne	Municipal	550	0.88%
		<u>15,847</u>	<u>25.42%</u>
All other employers		<u>46,505</u>	<u>74.58%</u>
Total employees		<u><u>62,352</u></u>	<u><u>100.00%</u></u>

Source: Wyoming Center for Business and Economic Analysis -
"Economic Indicators for Greater Cheyenne - Annual Trends Edition."

* Information not yet available for 2020.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY

(Unaudited)

Last Ten Fiscal Years

	2011	2012	2013	2014
Administration				
General and administrative	8	8	8	8
Customer service	6	6	6	6
Information technology	4	4	4	4
Meter information techs	5	5	5	5
Subtotal	23	23	23	23
Water Treatment				
Management/support staff	2	2	2	2
Plant supervisor/operators	13	13	13	13
Laboratory staff	2	2	2	2
Wellfield group	3	3	3	3
Source of Supply	-	-	-	-
Subtotal	20	20	20	20
Operation and Maintenance				
Source of supply	-			
Transmission and distribution	13	13	13	13
Sewer collection	12	12	12	12
Support services	11	11	11	11
Sup. dist. and col. fac. staff	5.5	5.5	5.5	5.5
Subtotal	41.5	41.5	41.5	41.5
Engineering and Water Resources				
Engineering staff	7	7	7	7
Inspections and locates	4	4	4	4
Instrumentation and telemetry	4	4	4	4
Source of supply	6	6	6	6
Subtotal	21	21	21	21
Water Reclamation				
Management/support staff	5	5	5	5
Laboratory staff	2	2	2	2
Plant supervisors/operators	16	16	16	16
Subtotal	23	23	23	23
Total	128.5	128.5	128.5	128.5

Budgeted Positions as of June 30,					
2015	2016	2017	2018	2019	2020
8	8	8	8	8.5	9
6	6	6	6	6	7
4	4	4	4	4	5
5	5	5	5	5	5
23	23	23	23	23.5	25
2	2	2	2	2	2
13	13	13	13	13	13
2	2	2	2	2	2
3	3	3	3	3	3
-	-	-	-	-	6
20	20	20	20	20	26
13	13	13	13	13	13
12	14	14	15	15	15
11	11	11	11	11	11
5.5	5.5	5.5	5.5	5.5	6
41.5	43.5	43.5	44.5	44.5	44.5
7	8	8	8	8	8
4	4	4	4	4	4
4	5	5	5	5	5
6	6	6	6	6	-
21	23	23	23	23	17
6	6	6	6	6	6
2	2	2	2	2	2
16	16	16	16	16	16
24	24	24	24	24	24
129.5	133.5	133.5	134.5	135.0	136.5

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

OPERATING AND CAPITAL INDICATORS

(Unaudited)

Last Ten Fiscal Years

	2011	2012	2013	2014
Water Treatment				
Raw Water Collection Mains (miles)	49	49	49	49
Raw Water Transmission Mains (miles)	222	222	222	222
Treated Water Transmission Mains (miles)	67	67	67	67
Treated Water Distribution Mains (miles)	364	374	379	389
Gallons of treated water storage (millions)	35	35	35	35
Reservoir levels at June 30 (acre feet*)	41,108	37,756	36,990	39,832
Water treatment plant capacity (mgd)	32	32	32	32
Peak day **	September 21, 2010	June 18, 2012	June 26, 2013	July 8, 2013
Peak day (mgd)	28.42	28.70	29.70	29.27
Peak month **	August 2010	June 2012	August 2012	July 2013
Peak month (million gallons)	697.66	695.76	767.65	699.86
Total water delivered (acre feet)	14,815	16,176	15,272	13,377
Average daily demand (mgd)**	13.230	14.40	13.63	11.94
Recycled Water				
Miles of delivery pipeline	14.99	14.99	14.99	14.99
Treatment capacity (mgd)	4.0	4.0	4.0	4.0
Total recycled water delivered (acre feet)	566.42	585.05	546.05	330.24
Peak day	July 14, 2010	June 6, 2012	July 20, 2012	July 3, 2013
Peak day (mgd)	2.39	2.14	2.23	2.05
Water Reclamation***				
Miles of sewer collection mains	310	319	323	327
Water reclamation capacity (mgd)	17.0	17.0	17.0	17.0
Peak month	July 2010	July 2011	May 2012	May 2014
Peak month (million gallons)	332.8	323.4	298.8	313.3
Peak month average per day (mgd)	10.74	10.43	9.64	10.10
Total wastewater treated (000 gallons)	3,283,370	3,236,048	3,199,300	3,297,782
Average (mgd)	9.00	8.85	8.77	9.04

* 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 325,851 gallons of water.

** Peak day/Peak month and Average Daily Demand: Includes treated water, raw water and recycled water delivered to the community of Cheyenne.

*** Wastewater influent

2015	2016	2017	2018	2019	2020
49	49	49	49	49	49
222	222	222	222	222	222
67	68	75	76	78	78
389	395	398	399	407	407
35	35	36.5	36.5	36.5	36.5
39,678	39,791	40,272	39,078	39,815	39,815
32	32	32	32	32	32
July 21, 2014	June 22, 2016	July 20, 2016	July 5, 2017	July 11, 2018	Sept 2, 2019
25.79	26.11	30.32	25.93	28.15	26.71
July 2014	Aug 2015	Jul 2016	Jul 2017	Jul 2018	Aug 2019
651.13	699.17	732.46	704.65	608.34	693.65
13,587	14,088	14,692	13,480	13,096	14,495
12.13	12.58	13.12	12.79	11.69	12.94
13.59	14.99	14.00	14.00	14.00	14.00
4.0	4.0	4.0	4.0	4.0	4.0
155.84	167.62	341.64	478.93	389.91	617.21
July 8, 2014	June 21, 2016	June 28, 2017	June 13, 2018	August 31, 2018	September 3, 2019
1.24	1.24	1.89	2.57	2.07	2.14
327	331	337	327	335	335
17.0	17.0	17.0	17.0	17.0	17
May 2015	July 2015	May 2017	May 2018	June 2019	July 2019
326.1	344.5	264.1	279.5	310.31	305.15
10.52	11.11	12.70	9.01	10.34	9.84
2,948,876	3,159,522	2,928,120	3,011,040	3,127,340	3,025,704
8.08	8.63	8.03	8.25	8.56	8.28

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**WATER DELIVERED AND SOLD
AND WASTEWATER TREATED**

(Unaudited)

Last Ten Fiscal Years

Fiscal Year	Gallons of Water Delivered	Gallons of Water Sold	Gallons of Water Used by City	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Billed	Total Direct Rate	
	(a)	(b)	(c)	(d)	(e)	(f)	Water (g)	Sewer (h)
2011	4,828	4,218	366	244	5.05%	2,126	4.15	3.46
2012	5,271	4,419	425	427	8.10%	2,183	4.33	3.46
2013	5,022	4,373	394	255	5.08%	2,160	4.28	3.46
2014	4,359	3,927	310	122	2.80%	2,209	4.36	3.91
2015	4,427	3,694	370	363	8.20%	2,183	4.62	4.21
2016	4,435	3,921	326	188	4.24%	2,242	4.81	4.43
2017	4,788	4,097	417	274	5.72%	2,298	4.96	4.62
2018	4,731	4,166	445	120	2.54%	2,299	5.11	5.35
2019	4,267	3,823	315	129	3.02%	2,354	5.07	5.52
2020	4,723	3,782	396	545	11.54%	2,354	5.41	5.70
10-year average	<u>4,685</u>	<u>4,042</u>	<u>376</u>	<u>267</u>	<u>5.69%</u>	<u>2,241</u>		

Note:

Gallons are presented in millions.

- (a) Water delivered to the community of Cheyenne for consumption; metered dates are from July 1 to June 30.
- (b) Gallons of water sold are based upon bills issued from July 1 or June 30; meter read dates for these bills do not coincide with July 1 through June 30. Due to monthly billing cycles, this number may include some metered use from June of the prior fiscal year and not include some metered use from June of the current year.
- (c) Gallons used by the City is based upon meter read dates and vary beginning mid-May and ending in June; the City is not billed for water use.
- (d) Unbilled water use is a calculated value. Billing cycles (see footnote (b)), weather conditions, and peak demands near the beginning and end of the fiscal year can cause this value to be inaccurate on a fiscal year basis. Please use the 10-year average when evaluating unbilled water use. Examples of unbilled use includes fire fighting activities, hydrant use, hydrant and main flushing, and water main breaks.
- (e) Average is computed by taking the gallons of water unbilled (d) divided by gallons of water delivered (a).
- (f) Gallons wastewater billed are based on billings for period July 1 through June 30.
- (g) For fiscal years 2003 onward, the rates were based on a tiered system; the direct rate was computed by taking the total water sales divided by the total gallons sold.
- (h) The sewer rate presented is the inside City rate per 1,000 gallons and does not include the monthly service fee.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**ANNUAL TAP SALES
(Unaudited)
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Water Meter Taps Sold</u>	<u>Sewer Taps Sold</u>	<u>Total Taps</u>
2011	55	42	97
2012	258	239	497
2013	325	317	642
2014	272	242	514
2015	172	131	303
2016	530	483	1,013
2017	257	228	485
2018	200	129	329
2019	312	278	590
2020	180	168	348



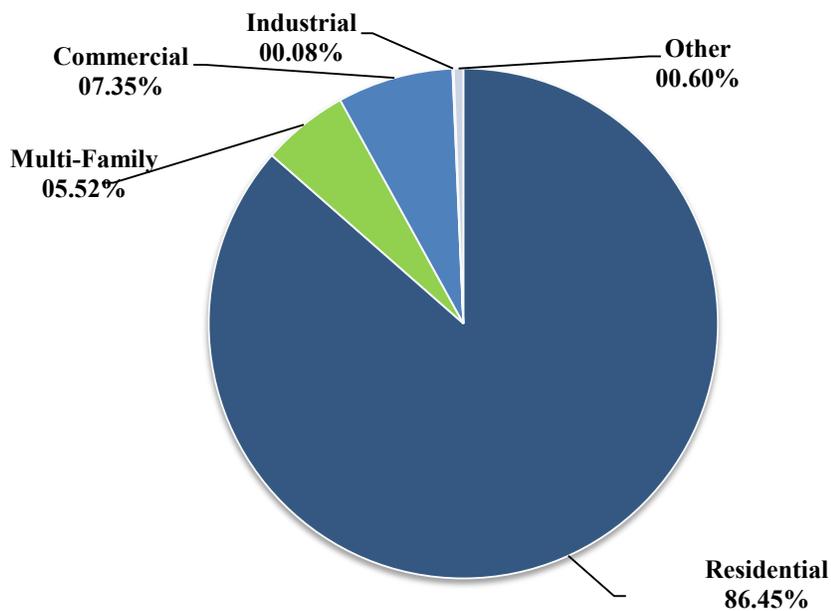
**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**NUMBER OF WATER AND SEWER USERS BY TYPE
(Unaudited)
Last Ten Fiscal Years**

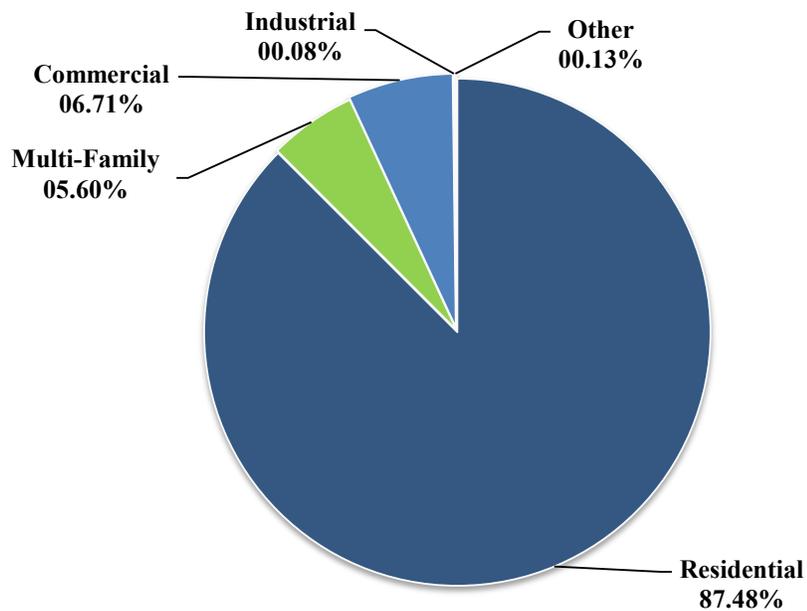
Fiscal Year	Water				
	Residential	Multi-Family	Commercial	Industrial	Other
2011	19,311	1,210	1,660	21	149
2012	19,460	1,249	1,680	21	198
2013	19,917	1,266	1,677	21	151
2014	19,913	1,250	1,695	21	180
2015	20,195	1,250	1,711	17	152
2016	20,382	1,257	1,721	21	168
2017	20,618	1,271	1,735	21	159
2018	20,844	1,295	1,772	22	177
2019	20,986	1,314	1,766	24	178
2020	21,178	1,352	1,800	20	147

Note:

Information is from customer billing records from June 30 of every year.



Sewer					Total	
Residential	Multi-Family	Commercial	Industrial	Other	Water	Sewer
19,241	1,210	1,545	20	12	22,351	22,028
19,365	1,246	1,563	21	13	22,608	22,208
19,565	1,251	1,561	20	15	23,032	22,412
19,831	1,252	1,592	20	23	23,059	22,718
20,120	1,251	1,605	20	25	23,325	23,021
20,300	1,257	1,619	20	27	23,549	23,223
20,530	1,272	1,618	20	25	23,804	23,465
20,742	1,294	1,637	22	25	24,110	23,720
20,892	1,310	1,634	22	25	24,268	23,883
20,936	1,341	1,607	18	30	24,497	23,932



**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**GALLONS PER CAPITA PER DAY
(Unaudited)
Last Ten Fiscal Years**

Calendar Year	City Population Estimate*	Residential Meter Water Use - Only (000 Gallons)	Gallons per Capita per Day Residential Use	Total City** Metered Water Use - Only (000 Gallons)	Gallons per Capita per Day Total In-City Use
2011	59,739	2,057,439	94.36	3,512,364	161.08
2012	60,096	2,152,263	98.12	3,657,056	166.72
2013	61,055	2,079,444	93.31	3,620,334	162.46
2014	62,845	1,883,289	82.10	3,277,123	142.87
2015	63,254	1,725,254	74.73	3,073,629	133.13
2016	63,590	1,827,595	78.74	3,305,945	142.43
2017	64,019	1,880,860	80.49	3,386,465	144.93
2018	64,413	1,908,840	81.19	3,472,373	147.69
2019	64,156	1,762,892	75.28	3,174,183	135.55
2020	64,165	1,880,928	80.31	3,141,813	134.15

* Wyoming Center for Business and Economic Analysis.

** Does not include population or metered water use outside the City for F. E. Warren Air Force Base, South Cheyenne Sewer and Water District, or other outside City customers.

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**METERED WATER SALES BY CUSTOMER CLASS AND OPERATING
AND DEBT SERVICE COST PER 1,000 GALLONS SOLD**

(Unaudited)

Last Ten Fiscal Years in (000 Gallons)

Fiscal Year	Residential	Commercial and Industrial	Holly Frontier Refining and Marketing	Total In-City Metered Water Sales	F.E. Warren Air Force Base	South Cheyenne Sewer and Water District	Outside City	Raw Water
2011	2,057,439	710,916	744,009	3,512,364	324,206	323,243	19,026	63,989
2012	2,152,263	770,326	734,467	3,657,056	297,063	350,224	19,996	69,948
2013	2,079,444	720,911	819,979	3,620,334	255,285	357,885	26,880	71,441
2014	1,883,289	686,023	709,881	3,279,193	180,714	326,086	27,746	104,216
2015	1,725,254	694,585	653,790	3,073,629	189,640	313,828	29,781	61,452
2016	1,827,595	760,494	717,856	3,305,945	177,298	321,242	38,695	55,614
2017	1,880,860	714,806	790,799	3,386,465	174,401	336,733	63,312	92,226
2018	1,908,840	716,843	846,690	3,472,373	182,857	346,075	72,589	60,905
2019	1,762,892	678,390	732,901	3,174,183	162,078	336,601	69,864	53,724
2020	1,880,928	664,346	596,545	3,141,819	148,843	339,309	62,629	65,078

* Excluding depreciation.

Recycled Water	Oil and Gas	Construction	Total Water Sales (Gallons)	Total Water Operating Expenses*	Operating Cost per 1,000	Total Water Debt Service	Debt Cost per 1,000
20,205	1,909	3,093	4,268,035	8,979,938	2.10	6,292,110	1.47
20,008	54	4,972	4,419,321	9,865,383	2.23	7,495,987	1.70
21,320	19	19,447	4,372,611	10,017,855	2.29	5,054,210	1.16
17,122	515	13,235	3,948,827	10,765,898	2.73	3,539,491	0.90
16,032	2,099	7,732	3,694,193	10,481,000	2.84	3,899,388	1.06
13,348	936	8,606	3,921,684	11,553,006	2.95	5,706,802	1.46
18,380	-	25,903	4,097,420	12,065,681	2.94	7,786,875	1.90
14,284	3,144	13,444	4,165,671	12,900,076	3.10	4,831,583	1.16
17,313	48	10,041	3,823,852	13,349,936	3.49	5,025,304	1.31
16,912	-	7,898	3,782,488	13,295,274	3.51	7,321,687	1.94

COMPLIANCE SECTION



**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***

To the Honorable Mayor,
Members of the City Council, and
Members of the Board of Public Utilities
City of Cheyenne, Wyoming Board of Public Utilities
Cheyenne, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the City of Cheyenne, Wyoming Board of Public Utilities (the “Board”), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board’s basic financial statements, and have issued our report thereon dated October 12, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2020-001, which we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board's Response to Findings

The Board's response to the finding identified in our audit is described in the accompanying Exhibit I, Corrective Action Plan. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
October 12, 2020

**BOARD OF PUBLIC UTILITIES
CITY OF CHEYENNE, WYOMING**

**SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2020**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

II. FINANCIAL STATEMENT FINDING

2020-001: Audit Adjustments

Criteria: An internal control structure should be designed to identify the adjusting journal entries that are significant to the Board's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition/Context: Various audit adjustments were proposed and recorded. The most significant of those adjustments include, but are not limited to:

- To properly state property, plant, and equipment, including construction in progress.
- To properly roll forward equity accounts from the prior year.
- To properly recognize loan principal reduction.
- To record revenues received in the form of donated utilities.

Effect: Prior to the proposed audit adjustments, the financial statements were not properly stated in accordance with U.S. GAAP.

Cause: The Board's personnel have experience in financial statements prepared in accordance with U.S. GAAP. However, as a result of full turnover in the accounting department and implementation of a new financial processing system, certain required adjustments were not identified or calculated, depending on the situation, by Board personnel.

Recommendation: We recommend the Board implement a control system to identify and capture all year-end accounting adjustments.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. See Exhibit I.

**EXHIBIT I:
CORRECTIVE ACTION PLAN**



Board of Public Utilities

Cheyenne Water and Sewer Departments

2416 Snyder Ave.
P.O. Box 1469
Cheyenne, Wyoming 82003
(307) 637-6460
www.cheyennebopu.org

MEMORANDUM

TO: Amber M. Nuse, CPA, CTFA
Stephanie Pickering, CPA

FROM: Ashley Miller
Administration Manager

DATE: October 12, 2020

RE: 2020 Financial Report
Audit Finding Corrective Action Plan

The response and Corrective Action Plan to the fiscal year 2020 finding is below.

2020-001: Audit Adjustments

Response and Corrective Action Plan:

In fiscal year 2020 the Board underwent a change in leadership of the Administration Division Manager and its two-person Accounting Department. The Administration Manager was hired mid-July, the Accounting Supervisor in August, and Accountant in September of 2019. Additionally, in October, the Board converted from a legacy system of HTE to a new and more dynamic financial system – Tyler Technologies. It has been identified that not all reconciliations had been completed for several accounts throughout the fiscal year 2020. This led to the discovery that multiple prior period adjustment entries were needed which affected the contra accounts, accrued leave liability, capital assets and several construction work in progress accounts. The accounting department worked with MHP to identify the errors and make the necessary corrections. As a result, all reconciliations have been completed through June 30, 2020 and all future reconciliations will be done on a monthly basis.

Contact Person: Ashley Miller, Administration Manager

Anticipated Date of Completion: September 30, 2020