

BOARD OF PUBLIC UTILITIES

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY:

**BOARD OF PUBLIC UTILITIES
ADMINISTRATION DIVISION**

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	i-ix
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	x
BOARD MEMBERS	xi
LIST OF PRINCIPAL OFFICIALS	xii
WATER DEVELOPMENT	xiii-xx
ORGANIZATIONAL CHART OF THE BOARD OF PUBLIC UTILITIES	xxi

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS <i>(Required Supplementary Information)</i>	5-19
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	20-21
Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Statement of Cash Flows	23-24
Notes to Financial Statements	25-47
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Board's Proportionate Share of the Net Pension Liability	48
Schedule of the Board's Contributions	49
Notes to Required Supplementary Information	50
SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule	51-52
Notes to Budgetary Comparison Schedule	53

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO STATISTICAL SECTION (UNAUDITED)	54
FINANCIAL TRENDS	
Net Position by Component	55-56
Combined Changes in Net Position	57
Combined Operating Revenues by Source	58
Combined Operating Expenses	59-60
Combined Nonoperating Revenues and Expenses	61

Continued

TABLE OF CONTENTS, *Continued*

STATISTICAL SECTION (UNAUDITED), *Continued*

REVENUE CAPACITY	
Water and Sewer Rates	62-63
Ten Largest Water Customers	64
Ten Largest Sewer Customers	65
DEBT CAPACITY	
Ratios of Outstanding Debt by Type	66
Sewer Fund - Legal Debt Margin Information	67
Waterworks Fund - Pledged Revenue Coverage	68
Sewer Fund - Pledged Revenue Coverage	69
DEMOGRAPHIC AND ECONOMIC INFORMATION	
Demographic and Economic Statistics	70
Principal Employers	71
Number of Employees by Identifiable Activity	72-73
OPERATING INFORMATION	
Operating and Capital Indicators	74-75
Water Delivered and Sold, and Wastewater Treated	76
Annual Tap Sales	77
Number of Water and Sewer Users by Type	78-79
Gallons per Capita per Day	80
Metered Water Sales by Customer Class and Operating and Debt Service Cost per 1,000 Gallons Sold	81-82

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 <i>GOVERNMENT AUDITING STANDARDS</i>	83-84
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Board of Public Utilities

Cheyenne Water and Sewer Departments

2416 Snyder Ave.
Cheyenne, Wyoming 82001
(307) 637-6460
www.cheyennebopu.org

Tuesday, October 10, 2023

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

The Board of Public Utilities (BOPU) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 is hereby submitted. The BOPU'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 reported in a manner intended to present fairly the financial position and results of operations of the City of Cheyenne's (the City) Waterworks and Sewer Enterprise Funds. All disclosures necessary to enable the reader to gain an understanding of the BOPU'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 auditing standards generally accepted in the United States of America as promulgated by the American Institute of Certified Public Accountants in its 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 shall be 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 BOPU's financial statements. The goal of the independent audit is to provide reasonable assurance that the BOPU's financial statements for the fiscal year ended June 30, 2023 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 BOPU's financial statements for the fiscal year ended June 30, 2023 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 BOPU's MD&A can be found immediately following the Independent Auditor's Report in the financial section.

THE REPORTING ENTITY AND SERVICES PROVIDED

Any city or town in the state of Wyoming that 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 BOPU's 80th anniversary. The BOPU 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 BOPU has exclusive control of all water and sewer utility systems owned by the City. The BOPU is charged with developing and supplying the City and its residents with water for domestic and industrial purposes and public use. Sanitary sewer facilities are provided for this same group of users.

The City's Governing Body, operating under the Mayor/City Council form of government, reviews and approves changes to the water and sewer rates and the Waterworks and Sewer Enterprise Fund budgets as recommended by the BOPU Board. The BOPU Board consists of five members appointed to staggered six-year terms by the Mayor with the advice and consent of the City Council.

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

The BOPU provides water and sewer services for the City, F.E. Warren Air Force Base, and the South Cheyenne Water and Sewer District, as well as several residential and commercial customers and ranchers located outside of the City. These services include the operation and maintenance of water supplies (groundwater, 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 transcontinental 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 (now F.E. Warren Air Force Base) on the western side of the city. Since the creation of Fort D.A. Russell, there has been a military presence in Cheyenne, and it 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 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 of 64,610 as of July 2022, with an additional 36,113 throughout Laramie County. The City has been designated a Standard Metropolitan Statistical Area (population of 50,000 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.
- Laramie County Community College is located in Cheyenne, with 5,000 students.
- 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, most of Laramie County's economic indicators were a mixed bag in the first quarter of 2023. The downturn in activity is likely a response to high inflation and higher interest rates to combat inflation. The unemployment rate stayed low, hovering around 4% during the quarter, but it was higher than the first quarter of 2022. Enplanements are 75% higher than one year ago. Bankruptcies are near record lows. Retail sales were up from one year ago, but over half of the major retail subsectors, like home furniture and electronics, saw declines in revenue. However, tax collections and receipts are higher than last year. Oil production prices are down from last year. Construction permits for single-family homes and overall were down over the last year. Home prices are marginally higher than the first quarter of 2022, but the number of homes sold decreased. Tourism figures, like hotel occupancy and museum visitor counts, were generally positive over the last year.

Laramie County labor data for the first quarter of 2023 were mixed for the year and over the quarter. Local Area Unemployment Statistics (LAUS) data showed an increase in employment over the quarter and a decrease over the year. Current Employment Statistics (CES) data showed a decrease in the number of jobs in Laramie County over the quarter and over the year. Over the year, LAUS data showed a decrease of 15 workers (-0.03%), while CES data indicated a decrease of 166 jobs (-0.4%) from the first quarter of 2022 to the first quarter of 2023. From the fourth quarter of 2022 to the first quarter of 2023, LAUS data reported an increase of 543 workers (+1.1%) and CES data indicated a decrease of 600 jobs during the same time period (-1.3%). It is important to keep in mind the difference between LAUS and CES data. LAUS data is based on a survey of households, and CES data is based on a survey of employers. LAUS data indicated that more Laramie County residents were working, while CES data reflects a count of jobs, not workers, and showed an increase in the number of jobs in the county.

Single-family construction in Cheyenne decreased over the year and over the quarter. The number of single-family building permits decreased from 105 in the first quarter of 2022 to 12 in the first quarter of 2023 (-88.6%). Over the quarter, the number of permits decreased from 18 to 12 (-33.3%). Outside of Cheyenne, single-family building permits decreased over the year but increased over the quarter. The number fell from 45 in the first quarter of 2022 to 20 in the first quarter of 2023 (-55.6%). Over the first quarter of 2023, the number increased from 16 in the fourth quarter of 2022 to 20 in the first quarter of 2023 (+25%). The City also added 32 units of multi-family housing during the first quarter of 2023.

Laramie County is continuing to see housing prices cool off in the first quarter of 2023. In the City, the average sales price rose slightly from \$344,478 in the first quarter of 2022 to \$350,255 in the first quarter of 2023 (+1.7%). However, over the quarter, housing prices decreased 2.1%. In the county, the year-over-year average sales price for homes rose by 3.7%, from \$558,896 in the first quarter of 2022 to \$579,681 in the first quarter of 2023. Over the quarter, prices rose 4.1%. We should see this trend continue as interest rates continue to rise to help combat inflation.

CHEYENNE LABOR MARKET

	1Q 2021	1Q 2022	4Q 2022	1Q 2023	2 Year % Chg 1Q/2021 - 1Q/2023	1 Year % Chg 1Q/2022 - 1Q/2023	Qtrly % Chg 4Q/2022 - 1Q/2023
Avg Monthly Civilian Labor Force (LAUS)	50,085	50,403	49,690	50,523	0.87	0.24	1.68
Avg Monthly Employment (LAUS)	47,041	48,513	47,955	48,498	3.10	-0.03	1.13
Avg Monthly Employment (CES)	45,533	47,233	47,667	47,067	3.37	-0.35	-1.26
Avg Monthly Unemployment (LAUS)	2,494	1,789	1,735	2,025	-18.81	13.19	16.71
Avg Monthly Unemployment Rate (LAUS)	5.0	3.6	3.5	4.0	-20.00	11.11	14.29
Avg Monthly Initial Unemployment Claims (LAUS)	160	65	62	66	-58.75	1.54	6.45
Avg Monthly Help Wanted Ads	379	420	292	299	-21.11	-28.81	2.40

The number of unemployed workers increased over the year and over the quarter. The number of unemployed workers increased from 1,789 in the first quarter of 2022 to 2,025 in the first quarter of 2023 (+13.2%). The number increased from 1,735 in the fourth quarter of 2022 to 2,025 in the first quarter of 2023 (+16.7%). Correspondingly, the average monthly unemployment rate also rose over the year and over the quarter, increasing from 3.6% in the first quarter of 2022 to 4.0% in the first quarter of 2023 and from 3.5% in the fourth quarter of 2022 to 4.0% in the first quarter of 2023.

GENERAL BUSINESS ACTIVITY

	1Q 2021	1Q 2022	4Q 2022	1Q 2023	2 Year % Chg 1Q/2021 - 1Q/2023	1 Year % Chg 1Q/2022 - 1Q/2023	Qtrly % Chg 4Q/2022 - 1Q/2023
Total Retail Sales (\$000)	\$369,097	\$407,246	\$445,962	\$427,824	15.91	5.05	-4.07
Avg Monthly Enplanements - Cheyenne Regional Airport	407	974	2,095	1,705	318.92	75.05	-18.62
Avg Monthly Auto Registrations New & Used	2,938	2,860	3,223	2,979	1.40	4.16	-7.57
Avg Monthly Bankruptcies	9	4	8	6	-33.33	50.00	-25.00

The general level of economic activity in Laramie County, as measured by retail sale,- increased 5% from one year ago. Both total tax collections and tax receipts by local governments increased over the last year; tax collections rose by 11% and tax receipts rose by 10.9% from the first quarter of 2022 to the first quarter of 2023.

Source: <https://www.wyomingeconomicdata.com>

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

Searing Industries

Searing Industries, a steel tubing manufacturer, completed an 80,000-square-foot expansion to its facility on June 13, 2023.

Dating back to 1948, Richard Searing was one of the first workers to ever run a tube mill in the United States. He went on to become the president and owner of three different tubing operations prior to starting Searing Industries with his sons, Jim and Lee, in 1985. Richard Searing passed away in 1998, and the company has continued to excel under the leadership of brothers Jim and Lee Searing.

Priding itself on quality, expertise and service, Searing Industries, working with some the most skilled employees in trade, has become one of the country's most respected and sought-after manufacturers.

The 100%-American-owned company, headquartered in Rancho Cucamonga, California, runs five mechanical tube mills; a structural mill; and cutting, chamfering, and deburring equipment, with slitting, laser capabilities and paint lines.

UMC Technology Ltd. (UMC)

UMC, a fencing and wire machinery manufacturer, is expanding to Cheyenne. UMC began the construction of a 20,000-square-foot facility in the summer of 2022.

UMC specializes in the manufacturing of wire fence machines and recently released its patented UMC Fence Lokk Machine (FLM) series. UMC's underlying philosophy is more than just building machines; it strives to contribute to creating technologies that help improve the world we live in.

UMC's FLM is the only fabricated fence machine in the world capable of producing two different types of fence knot with the same machine. Combining decades of experience and innovation, UMC has been able to deliver a high-speed, versatile, state-of-the-art machine with integrated safety and wide-ranging functionality.

The design principles were to (1) create value for fence manufacturers by offering a machine that gives knot-type flexibility and is safe and simple to operate, (2) lower the cost of entry for companies that may be looking to enter the fabricated fence sector or for existing producers looking to expand their product range, and (3) offer features to end-use consumers that will enhance the welfare and protection of livestock or people interacting with a fabricated fence.

As a result of widespread consultation with the fencing industry, UMC has delivered a fabricated fence machine that can be changed from one knot type to another within a few hours, achieving cost and time savings for manufacturers. Other benefits of this new design include increased productivity and knot quality, reduced downtime, and an improved operator environment.

Wright & McGill Co. (Eagle Claw Fishing Tackle)

Wright & McGill Co., a fishing tackle company, is expanding to Cheyenne. It has purchased 60 acres to build a new manufacturing plant and broke ground on January 17, 2023.

Wright & McGill Co. has a rich history that dates back over 90 years and began when two young anglers, Drew McGill and Stan Wright, formed the Wright & McGill Co. in 1925. The innovative hook company that is now Eagle Claw all started when McGill was spending time doing what he loves most, fly fishing in the upper Colorado River, and saw two large eagles swoop down and catch fish with their large talons. That moment inspired the design of the Eagle Claw fishhooks. Today, Eagle Claw is considered the most innovative fishhook company in the world and is the only fishhook manufacturer in the U.S.

The company manufactures and distributes premium-quality fishhooks, rods, reels, terminal tackle, and ice fishing products throughout the U.S. and in over 40 countries worldwide. It proudly outfit anglers with the Eagle Claw, Lazer Sharp, TroKar, and Wright & McGill brands. Eagle Claw is proud to continue its tradition and bring an additional manufacturing facility to Wyoming.

Microsoft Corporation (Microsoft)

Microsoft has announced two new data centers to be built in Cheyenne, with one in the Cheyenne Business Parkway and another in Bison Business Park.

The two new data centers will be built with sustainable designs and operations in mind, contributing to Microsoft's commitment to being carbon negative. Microsoft is engaging in significant efforts toward water conservation and preserving Cheyenne's water resources as a top priority. Microsoft's current and new data centers will apply adiabatic cooling, which uses outside air instead of water for cooling when temperatures are below 85 degrees Fahrenheit. This process uses less electricity and up to 90% less water than other water-based cooling systems. Microsoft has already invested over \$500,000 in sustainability grants to local organizations that help preserve Wyoming's natural environment, including Crow Creek Revival, which aims to promote, enhance, restore, and revitalize the region's key watershed.

Not only will Microsoft's data centers be built with sustainability top of mind, but Microsoft's presence in Wyoming will also have a real economic and community impact on the residents. Microsoft currently employs over 200 employees and vendors in the region, and this expansion will create even more jobs for the community, including more than 700 positions during peak construction. In addition to building data centers, Microsoft is investing in new water, sewer, and road infrastructure to create easier access to Bison Business Park, which will also support the growth of new businesses in Wyoming.

Source: www.cheyenneleads.org

MAJOR INITIATIVES

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

North City Zone Improvements

The project includes a new 3,000,000-gallon elevated tank and a 24" pipeline into an existing transmission pipe on Storey Boulevard. The project supports growth southeast and east of the new tank. The project replaces two other previously planned projects: New Round Top Tank and Rehabilitation of the Buffalo Ridge Pump Station. The Federal Aviation Administration has indicated no challenge to the project. Impacted flight paths will be addressed by the airport. The project will be designed and constructed with contracted resources. The project is budgeted at \$14,500,000.



Hydroelectric Generation Facility



In fiscal year 2021, the BOPU broke ground on the much-anticipated Hydroelectric Generation Facility, which will use pressure to generate electricity. Water that enters the plant will be diverted to a 950-kilowatt, four-jet, vertical-axis turbine. This turbine was selected because it will provide the greatest power output at multiple flows and provides the best value. The generator is expected to produce approximately 4,000,000 kilowatt hours annually. The turbine is housed in a steel frame building approximately 36 feet by 36 feet wide and at least 40 feet tall. The turbine, generator, switchgear, controls, and ancillary equipment are located on the second floor. Water leaving the generator is collected in a basin

approximately 25 feet tall. This elevation is needed to provide enough head pressure to allow water to flow through the water treatment plant’s treatment processes.

The generator began producing electricity in the spring/summer of 2023 and is expected to reach final completion in the fall of 2023. Once completed, the generator will, at times, service all of the R.L. Sherard Water Treatment Plant’s electrical needs and allow for the excess generation capacity to be sold back to the electrical service provider.

Other Initiatives

On January 1, 2023, the multi-tiered water rate for single-family residential saw an increase in rates, and additional increases will go into place on January 1, 2024.

	Jan. 1, 2022	Jan. 1, 2023	Jan. 1, 2024
Water Volume Rate Charge per 1,000 Gallons:			
Residential (in-city):			
First Block - First 6,000	\$4.64	\$4.90	\$ 5.29
Second Block - Next 18,000	5.73	6.05	6.53
Third Block - Next 18,000	7.12	7.52	8.12
All Over - 42,000	8.86	9.36	10.11

The volume rate charge per 1,000 gallons of drinking water for commercial users during these same time periods of January 1, 2022, 2023 and 2024 are \$5.30, \$5.60 and \$6.05, respectively.

The volume rate charge per 1,000 gallons for sewerage for all users during these same time periods of January 1, 2022, 2023 and 2024 are \$5.41, \$5.67 and \$6.24, 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 2023 marked the release of the BOPU’s 24th Annual Consumer Confidence Report on the quality of the City’s drinking water. Once again, the BOPU 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 that the BOPU's 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's 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 fiscal year 2023 included another ambitious round of water and sewer main rehabilitations. Water and sewer main rehabilitations are an annual priority to keep the City's water distribution and wastewater collection systems in top shape.

FOR THE FUTURE

Looking ahead, the BOPU 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 BOPU moves forward, there will be a major emphasis on expanding the available water supplied to Cheyenne in order to facilitate the future expansion of the City for both residential and commercial/industrial needs, along with any reduction in available water due to the potential curtailment of water obtained from the Colorado River.

Major fiscal year 2024 budgeted projects include:

Granite and Crystal Dams Bypass Pipeline and Outlet Rehabilitation

This project includes a new bypass pipeline and the rehabilitation of the outlet pipes in both the Granite and Crystal dams. The bypass includes an 18" and 20" pipeline running from Stage I/II supply piping above the Granite and Crystal dams to the 36" and 30" piping that feeds the R.L. Sherard Water Treatment Plant. This will ensure that Cheyenne's surface water supply will not be compromised in the event that the Granite and/or Crystal dams become inoperable for any reason. This increases operational resiliency to one of the most important water supply components within our system. The budget for this project is \$3,800,000.

Borie Wellfield Expansion Located on the Belvoir Ranch

The potential curtailment of the Colorado River places a higher priority on the BOPU developing additional water supplies for the City. The Belvoir Ranch was purchased in 2003 with the intent of the additional development of water resources. This project will include locating, drilling, and completing two wells; adding pump houses, supervisory control and data acquisition, and conveyance to four wells; and constructing 25,000 feet of transmission pipe to connect to the U.S. Army Corps of Engineers' Groundwater Treatment Facility at the R.L. Sherard Water Treatment Plant. The project is budgeted at \$800,000 to construct two additional well casings.

Other items for 2023:

On June 12, 2023, the City's Governing Body adopted the Waterworks and Sewer Enterprise Fund budgets as recommended by the BOPU for fiscal year 2024 (July 1, 2023 to June 30, 2024). The BOPU's combined water and sewer budget of \$44,144,400 for fiscal year 2024 is \$9,533,451 less than fiscal year 2023's unadjusted combined budget.

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 encourage compliance with managerial policies.

The BOPU is responsible for establishing a system of internal controls that provides 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 BOPU's independent auditor.

Awards

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement of Excellence in Financial Reporting to the BOPU for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 45th consecutive year that the BOPU has received this prestigious award.

In Conclusion

The preparation of the Annual Comprehensive 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 BOPU 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 BOPU and 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,

A handwritten signature in black ink that reads "Brad Bowen". The signature is written in a cursive, slightly slanted style.

Brad Bowen
Administration Manager/Assistant City Treasurer for Cheyenne Board of Public Utilities



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

BOARD OF PUBLIC UTILITIES

**~ BOARD MEMBERS ~
~ JUNE 30, 2023 ~**



**Mary B. Guthrie - President
Board Member Since June 18, 2015
Term Expires on June 1, 2027**



**Matthew L. Pope - Secretary
Board Member Since September 9, 2013
Term Expires on June 1, 2027**



**John Edwards - Board Member
Board Member Since June 8, 2017
Term Expires on June 1, 2029**



**Allan Cunningham - Board Member
Board Member Since May 31, 2007
Term Expires on June 1, 2025**



**Keith Zabka - Board Member
Board Member Since May 31, 2019
Term Expires on June 1, 2025**

LIST OF PRINCIPAL OFFICIALS

As of June 30, 2023, the following is a list of principal officials of the City of Cheyenne Board of Public Utilities:

Elected and Appointed Officials	Current Term Expires	Position
Patrick Collins	January 2025	Mayor
Mary B. Guthrie	June 2027	Board President
Matthew L. Pope	June 2027	Board Secretary
John Edwards	June 2029	Board Member
Allan Cunningham	June 2025	Board Member
Keith Zabka	June 2025	Board Member

Management:

Bradley A. Brooks, Director
Brad Bowen, Administration Manager
Frank Strong, Engineering and Water Resource Manager
Todd Hepworth, Operations and Maintenance Manager
Clint Bassett, Water Treatment Manager
Matt Buelow, Water Reclamation Manager
Kathy Kellner, Human Resource Manager

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 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 (the City) was surveyed and lots were 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 the 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, 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 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 the 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 the 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 was not 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, and 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, the Roundtop Water Treatment Plant had the capacity to treat 12 million gallons of water per 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.



Eighty years ago, on April 27, 1943, the City established the Board of Public Utilities (BOPU) to manage and control the City's water and sewer systems. The BOPU began studying and addressing the long-range water and sewer needs of Cheyenne. One of its first tasks was to treat sewer waste. In 1949, the BOPU began construction on Cheyenne's first wastewater treatment plant (WWTP), the 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 1950s, 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 BOPU had to look farther west. The BOPU 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 Madre mountains and Cheyenne made the actual delivery of this water to Cheyenne cost-prohibitive. 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 Continental Divide is collected and diverted through a 3,500-foot-long tunnel to the eastern side of the Continental 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 BOPU releases water from Hog Park Reservoir into the North Platte River, the BOPU 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 BOPU 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 the Dry Creek WWTP, followed by another expansion a decade later.

A drought in the late 1970s indicated the need for additional water, and the BOPU began looking to expand water resources. In 1982, the BOPU 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 BOPU 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 that 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. To meet the more stringent drinking water requirements, plant productivity at the R.L. 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. To meet growing demands for treated drinking water in the community, the BOPU launched two projects.



The first was the Northwest Area Raw Water Irrigation Project. This project switched the 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 plant replaced the 1915 Roundtop Water Treatment Plant and the original R.L. 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 WWTPs. 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 nongame 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 WWTPs.

Upgrades included biological treatment and disinfection. Biological treatment was enhanced by improving contact with the water. At the Crow Creek WWTP, 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 WWTPs 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 disinfect the bacteria.

These upgraded treatment methods meant that Cheyenne had the ability to restore usefulness and value to wastewater. As a result, the BOPU changed the names of the WWTPs to water reclamation facilities (WRF). The construction also presented the BOPU 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 BOPU seized upon an opportunity to realize an observation made by a BOPU Board president 50 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.... 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 BOPU 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 that will be available even during severe droughts.

The BOPU 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 BOPU continued to prepare for future water demands. In 2003, the BOPU adopted a water conservation program, which has successfully reduced water demand.

In 2003, the BOPU participated in the purchase of the Belvoir Ranch to expand groundwater resources. Since the purchase, the BOPU and the 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 BOPU’s plans.

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

In 2013, the BOPU 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 BOPU Board produced a water and wastewater master plan. This plan identified and prioritized the projects that the BOPU 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 WRF 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 the treatment and delivery of water resources. This was accomplished due to the vision of current and past City leaders, BOPU Board Members and BOPU staff. With current growth rates, per-capita water use, conservation efforts and recycled water capabilities, the BOPU expects Cheyenne's water resources to meet supply demand into the 2040s. 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. Missileers 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)



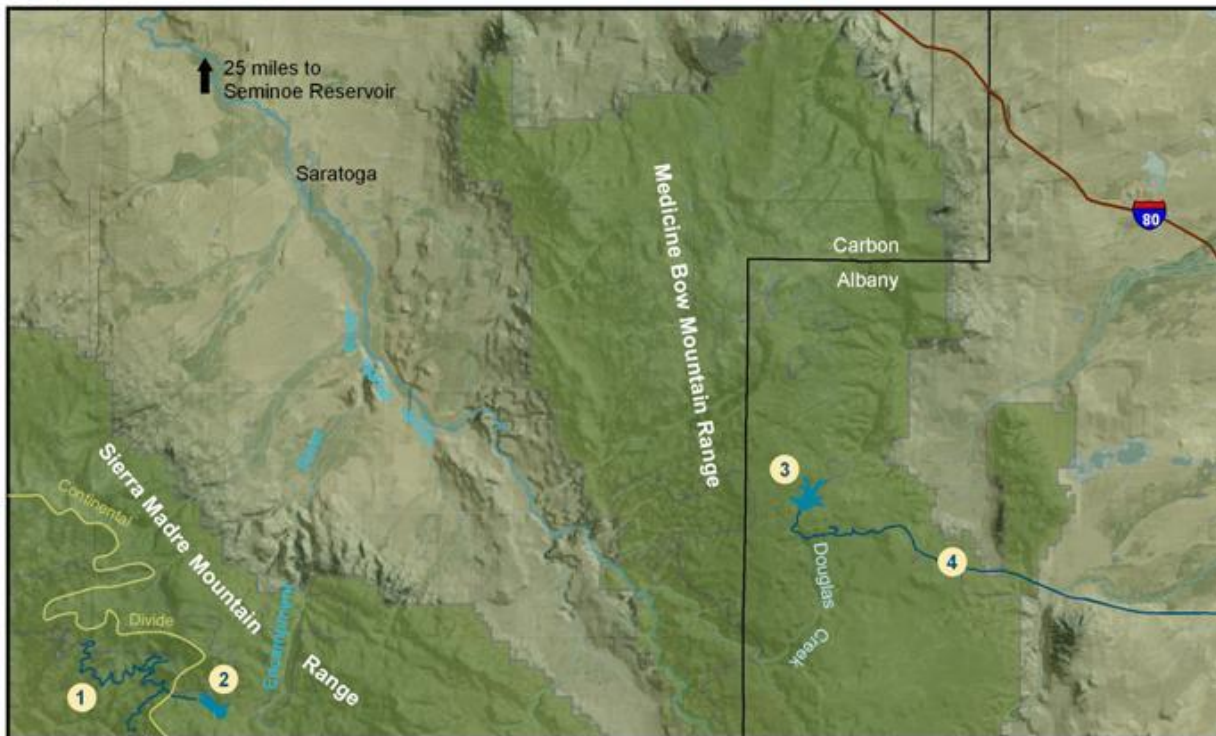
Granite Springs Dam & Reservoir

(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 herein is for informational purposes only.

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



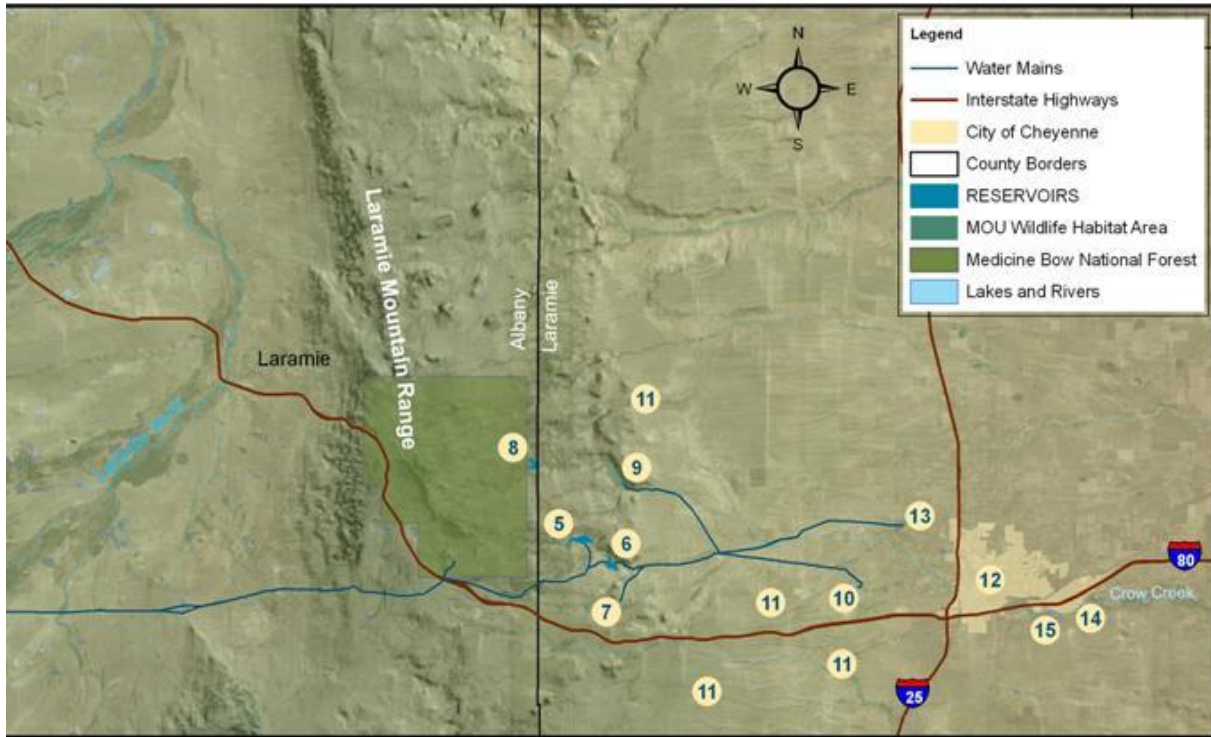
Wells High Plains Aquifer



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)

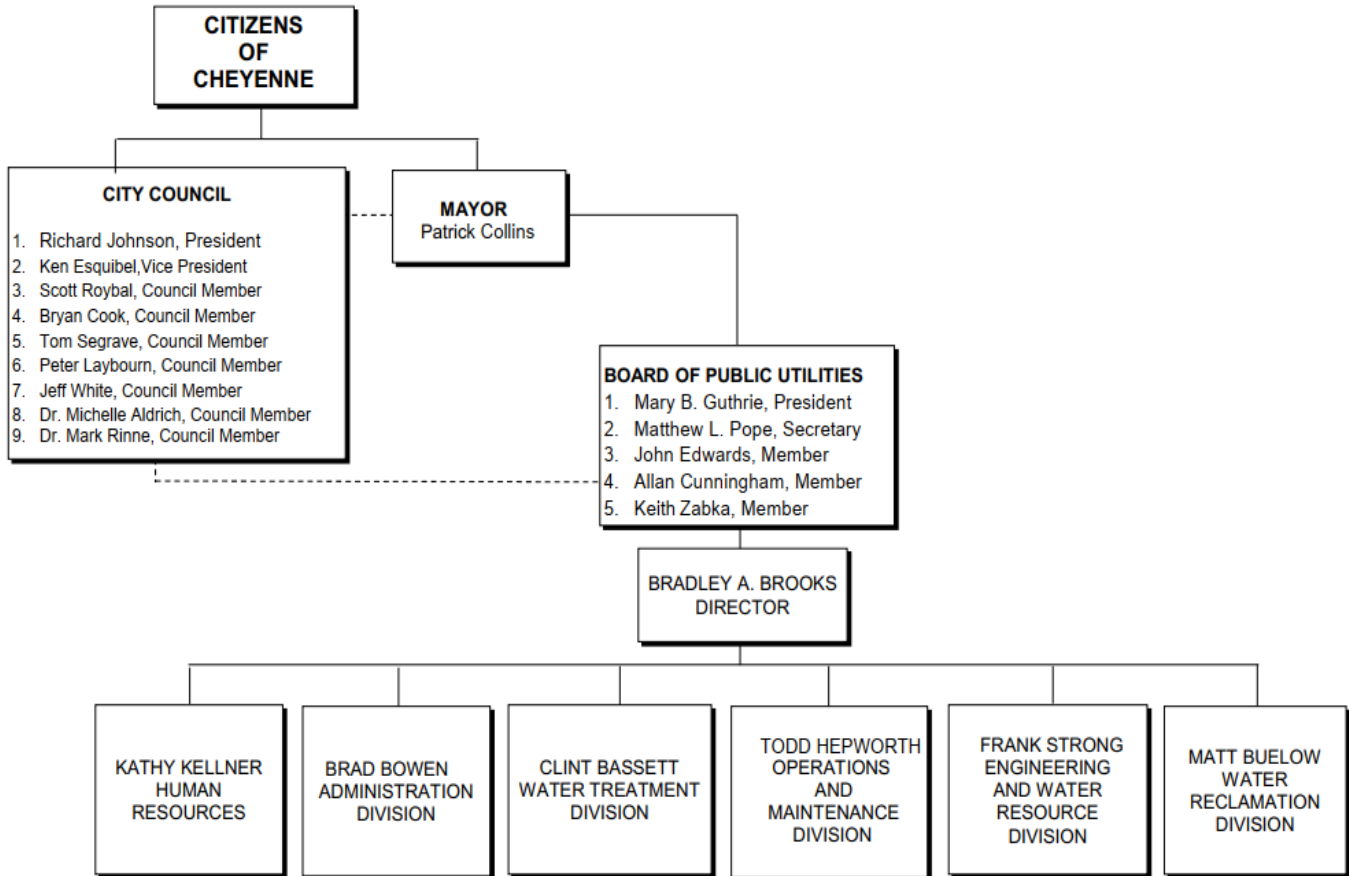


Cheyenne, Wyoming
(Population 55,314 - Board of Public Utilities Customers 21,667)



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, 2023





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 Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Emphasis of Matter - Relationship to the City of Cheyenne, Wyoming

As discussed in Note 1 to the financial statements, the financial statements of the Board are intended to present the financial position, 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, 2023, or 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 19, the Schedule of the Board's Proportionate Share of the Net Pension Liability on page 48, the Schedule of the Board's Contributions on page 49, and the Notes to Required Supplementary Information on page 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Budgetary Comparison Schedule and Notes to Budgetary Comparison Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023 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.

McLee, Hearne & Paiz, LLP

Cheyenne, Wyoming
October 10, 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Cheyenne, Wyoming 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, 2023.

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 \$336,875,918 (net position). Of this amount, \$51,143,988 (unrestricted net position) is available to meet the Board's ongoing obligations to citizens and creditors.

The Board's total net position increased by \$13,802,153 during fiscal year 2023. This increase can be attributed to capital contributions and an increase in sales and charges for services.

Investment income for the current year was \$1,356,871, which represents an increase of \$1,852,246 from the previous fiscal year. The increase was due to the timing of sales of investments within the investment pools from the prior year. Returns on WYO-STAR II increased from 1.03% at the beginning of the fiscal year to 1.25% at fiscal year-end. Returns on WYO-STAR I fund investment yields increased from 0.29% at the beginning of the fiscal year to 3.00% at fiscal year-end.

Operating revenue decreased \$602,122 for the Waterworks Fund and increased \$204,543 for the Sewer Fund during the fiscal year. The revenue decrease in the waterworks operating revenue was due to a decrease in consumption by residential and commercial users, and the increase in the sewer operating revenue was largely due to an increase in rates.

The total indebtedness of the Board decreased \$4,506,472 (9.18%) from \$49,086,672 to \$44,580,200 during the current fiscal year due to debt service payments being greater than loan advances. For additional information, please refer to Note 4 to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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. Governmental Accounting Standards Board (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 and deferred outflows of resources, and 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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.

The basic financial statements of the Board presented as business-type activities of the enterprise funds are found on pages 20 through 24 of this report.

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 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 20 through 24 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 fund financial statements. The notes to the financial statements can be found on pages 25 through 47 of this report.

OTHER INFORMATION

Required supplementary information regarding the net pension liability is included in this report on pages 48 through 50. 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 51 through 53 of this report.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

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.

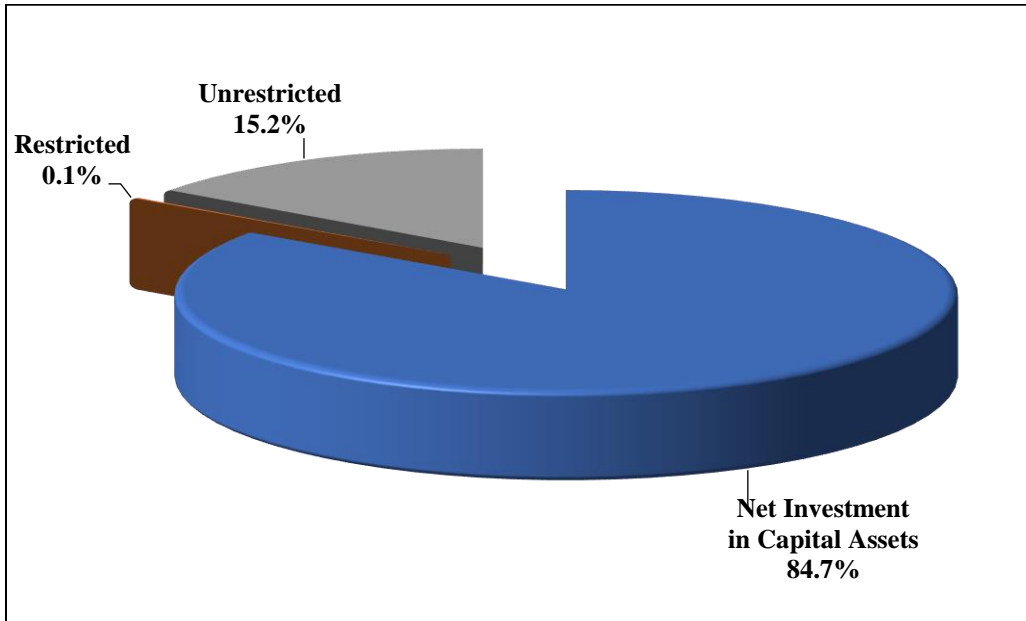
Business-Type Activities - Net Position

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 \$13,802,153 during fiscal year 2023.

The largest portion of the Board’s net position, \$285,231,930 (84.67%), 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, 2023:



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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Net Position:

	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total Business-Type Activities (\$1,000s)	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 53,278	\$ 48,974	\$ 17,982	\$ 15,417	\$ 71,260	\$ 64,391
Capital assets	236,242	235,750	94,400	94,831	330,642	330,581
Total assets	289,520	284,724	112,382	110,248	401,902	394,972
Deferred outflows of resources	1,812	1,066	563	298	2,375	1,364
Total assets and deferred outflows of resources	291,332	285,790	112,945	110,546	404,277	396,336
Long-term liabilities outstanding	30,869	28,145	21,272	22,981	52,141	51,126
Other liabilities	10,130	13,259	4,733	4,155	14,863	17,414
Total liabilities	40,999	41,404	26,005	27,136	67,004	68,540
Deferred inflows of resources	369	3,627	29	1,095	398	4,722
Total liabilities and deferred inflows of resources	41,368	45,031	26,034	28,231	67,402	73,262
Net investment in capital assets	212,241	209,620	72,990	70,789	285,231	280,409
Restricted	500	500	-	-	500	500
Unrestricted	37,223	30,639	13,921	11,526	51,144	42,165
Total net position	\$ 249,964	\$ 240,759	\$ 86,911	\$ 82,315	\$ 336,875	\$ 323,074

The remaining balance of unrestricted net position, \$51,143,988, 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 position. The same situation held true for the prior fiscal year.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Changes in Net Position Over the Last 10 Years:

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenue	Income Before Capital Contribution	Capital Contribution	Change in Net Position
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
2021	33,810,551	32,017,380	1,793,171	3,214,675	5,007,846	921,511	5,929,357
2022	34,321,124	33,042,282	1,278,842	2,008,444	3,287,286	3,648,505	6,935,791
2023	33,923,545	36,649,455	(2,725,910)	8,046,703	5,320,793	8,481,360	13,802,153

Net position increased by \$13,802,153 during fiscal year 2023 to \$336,875,918 from \$323,073,765 at the end of fiscal year 2022. This increase can be attributed to capital contributions and an increase in sales and charges for services.

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, 2023, and the amount and percentage of increases and decreases in relation to prior-year revenues:

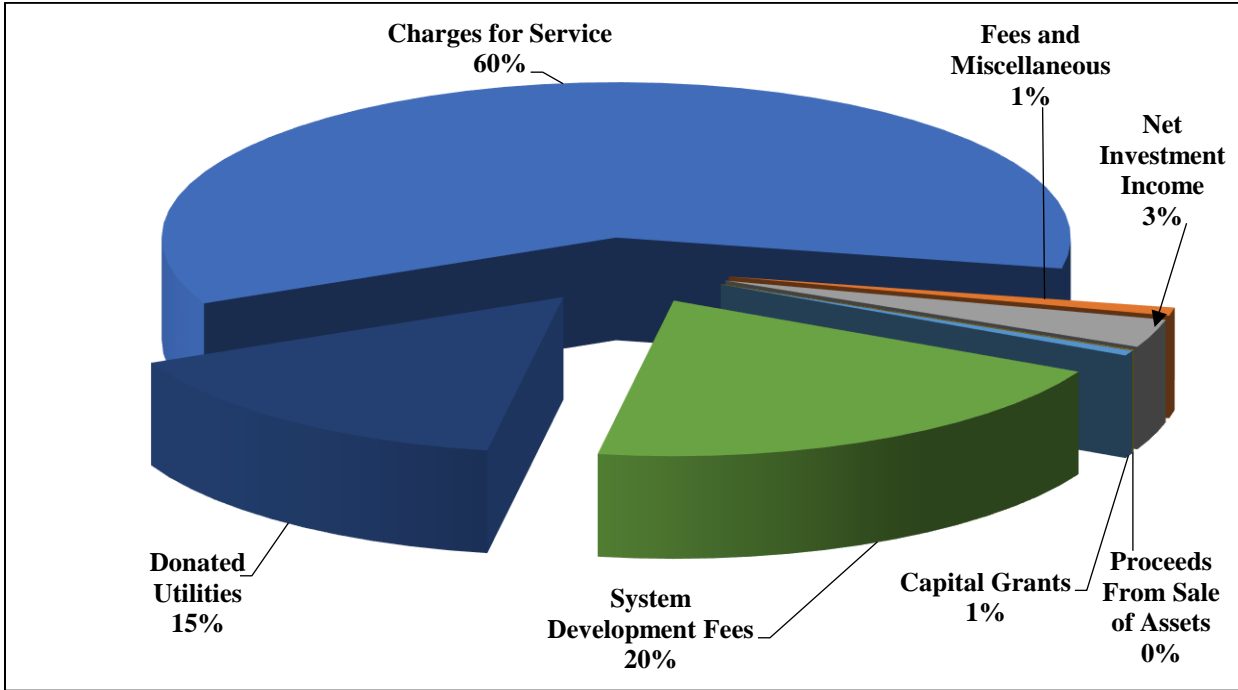
Revenue:

Revenue Source	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total (\$1,000s)		(Decrease) Increase From Fiscal Year 2022	Percentage of (Decrease) Increase	Fiscal Year 2022
	2023	% of Total	2023	% of Total	2023	% of Total			
	Operating revenue:								
Sales and charges for service	\$ 20,421	60%	\$ 12,710	72%	\$ 33,131	64%	\$ (304)	-0.9%	\$ 33,435
Fees and miscellaneous	289	1%	504	3%	793	2%	(94)	-10.6%	887
Total operating revenue	20,710	61%	13,214	75%	33,924	66%	(398)	-1.2%	34,322
Nonoperating revenue:									
Net investment income	1,001	3%	356	2%	1,357	3%	1,853	-373.6%	(496)
Proceeds from sale of assets	8	0%	2	0%	10	0%	10	100.0%	-
System development fees	6,832	20%	917	5%	7,749	15%	4,050	109.5%	3,699
Total nonoperating revenue	7,841	23%	1,275	7%	9,116	18%	5,913	184.6%	3,203
Capital grants	185	1%	-	0%	185	0%	(67)	-26.6%	252
Donated utilities	5,224	15%	3,072	17%	8,296	16%	4,900	144.3%	3,396
Gross revenue	\$ 33,960	100%	\$ 17,561	100%	\$ 51,521	100%	\$ 10,348	25.1%	\$ 41,173

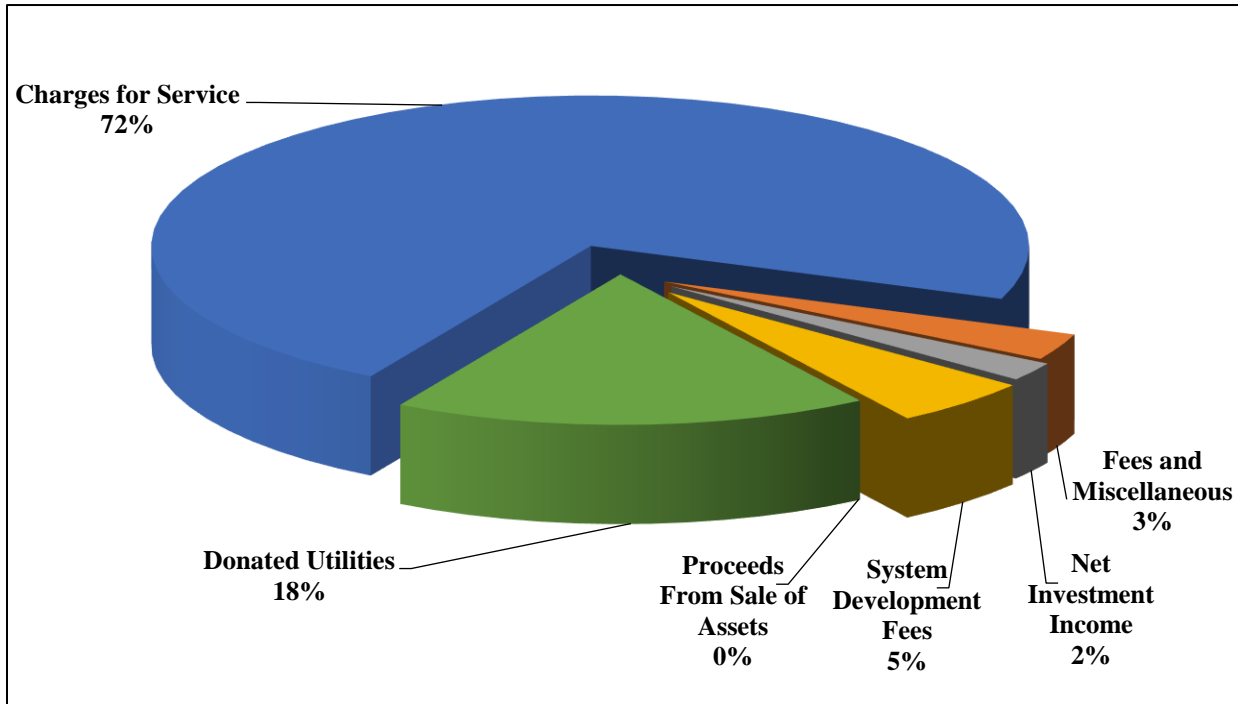
**CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Water Revenue by Source:



Sewer Revenue by Source:



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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Gross revenues, including interest, totaled \$51,520,344 for fiscal year 2023, a 25.1% increase from fiscal year 2022. The increase was largely due to an increase in donated utilities and system development fees.

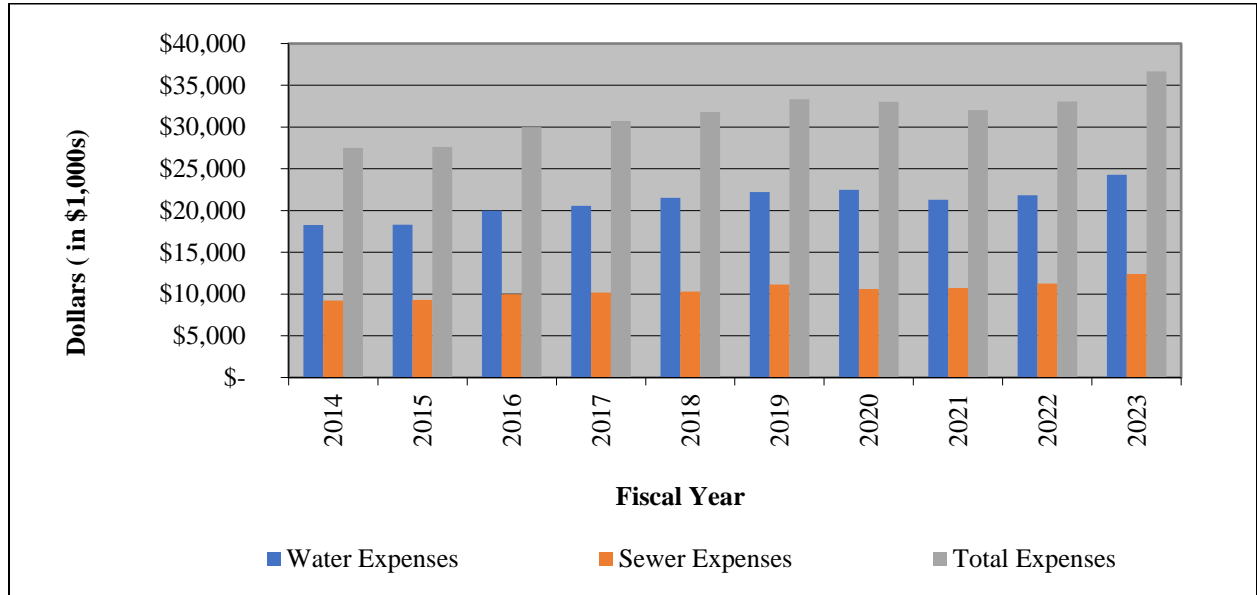
System development fees increased \$4,048,739 compared to fiscal year 2022. Fiscal year 2023 fees totaled \$7,748,452, compared to \$3,699,713 in fiscal year 2022.

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 2023, and the percentage of increases and decreases in relation to prior-year amounts:

Operating Expenses:



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

MANAGEMENT’S DISCUSSION AND ANALYSIS

	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total (\$1,000s)		Increase (Decrease) From Fiscal Year 2022	Percentage of Increase (Decrease)	Fiscal Year 2022
	% of		% of		% of				
	2023	Total	2023	Total	2023	Total			
Operating Expenses									
Source of supply	\$ 1,815	7%	\$ -	0%	\$ 1,815	5%	\$ 125	7%	\$ 1,690
Water treatment	2,676	11%	-	0%	2,676	7%	420	19%	2,256
Transmission and distribution	2,612	11%	-	0%	2,612	7%	50	2%	2,562
Sewer collection lines	-	0%	1,331	10%	1,331	4%	92	7%	1,239
Water reclamation	-	0%	3,296	25%	3,296	9%	212	7%	3,084
Engineering and water resources	1,455	6%	466	4%	1,921	5%	226	13%	1,695
Administrative and general	5,133	21%	2,670	21%	7,803	21%	2,191	39%	5,612
Information technology and customer service	1,110	4%	385	3%	1,495	4%	(125)	-8%	1,620
Depreciation	9,466	37%	4,236	33%	13,702	35%	417	3%	13,285
Total operating expenses	24,267	98%	12,384	96%	36,651	97%	3,608	11%	33,043
Nonoperating Expenses									
Interest expense	488	2%	580	4%	1,068	3%	(128)	-11%	1,196
Total expenses	\$ 24,755	100%	\$ 12,964	100%	\$ 37,719	100%	3,480	10%	\$ 34,239

Total operating expenses, excluding depreciation, increased from fiscal year 2022 by \$3,190,388.

Salaries and wages increased \$860,671, or 10.46%, during fiscal year 2023. Fiscal year 2023 salaries and wages totaled \$9,086,317, compared to \$8,225,646 in fiscal year 2022. The increase was due to market adjustments and less position vacancies in fiscal year 2023 compared to 2022.

Employee benefits increased \$263,122, or 5.58%, during fiscal year 2023. The increase was due to market adjustments and less position vacancies in fiscal year 2023 compared to 2022.

Contractual services increased \$248,242, or 11.10%, during fiscal year 2023. The increase is due to an overall increase in costs of services charged by service providers.

Materials and supplies increased \$532,477, or 17.57%, during fiscal year 2023. The increase was due to chemical prices, fuel prices and cost of repairs.

Supportive service expenses (electricity, gas, telephone, postage, etc.) totaled \$2,306,043 for fiscal year 2023, which was a \$43,766 increase, or 1.9%, from fiscal year 2022.

Interest expense on bonds and loans totaled \$1,068,736 for fiscal year 2023 and was included in the schedule of operating expenses above. This was a 10.63% decrease from fiscal year 2022.

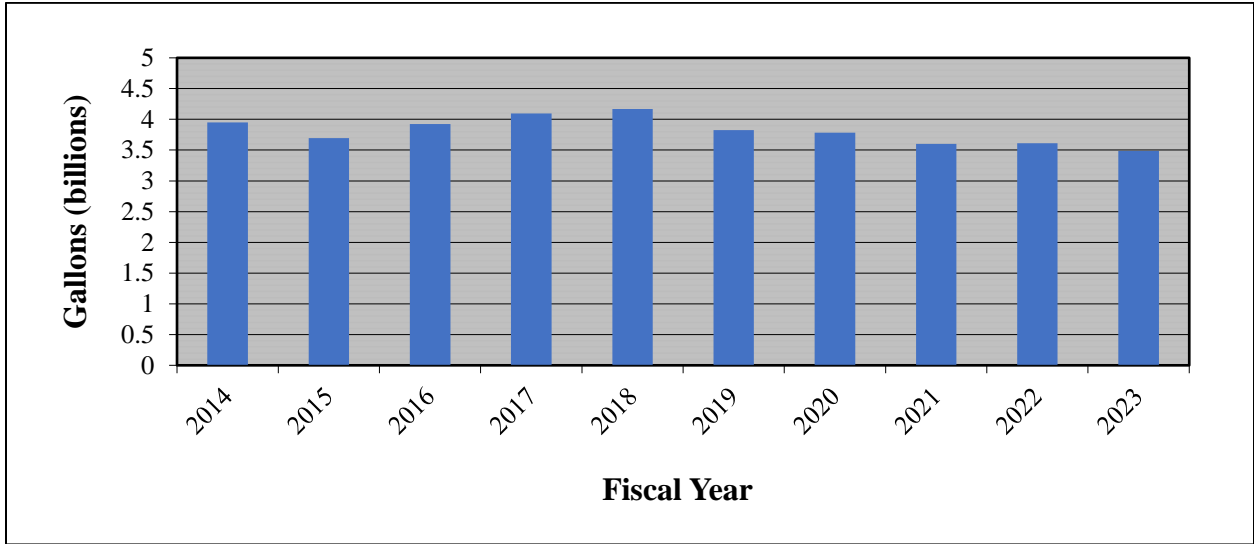
Metered Water Consumption History:

During fiscal year 2023, the Board sold 3.488 billion gallons of water, compared to 3.612 billion gallons in fiscal year 2022. The decrease can be attributed to a decrease in consumption by residential and commercial customers. Billed water consumption has averaged 3.811 billion gallons of water over the last 10 fiscal years.

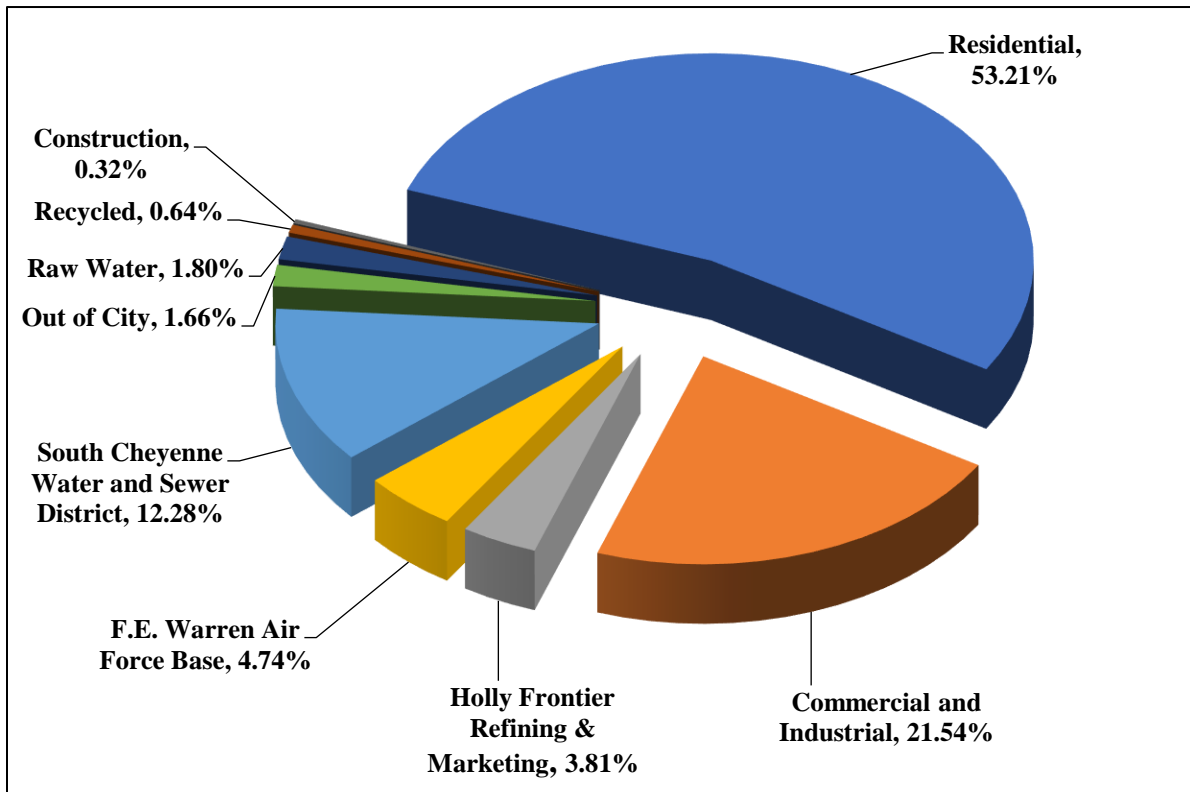
**CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Metered Water Sales:



Metered Water Sales by Customer Class:



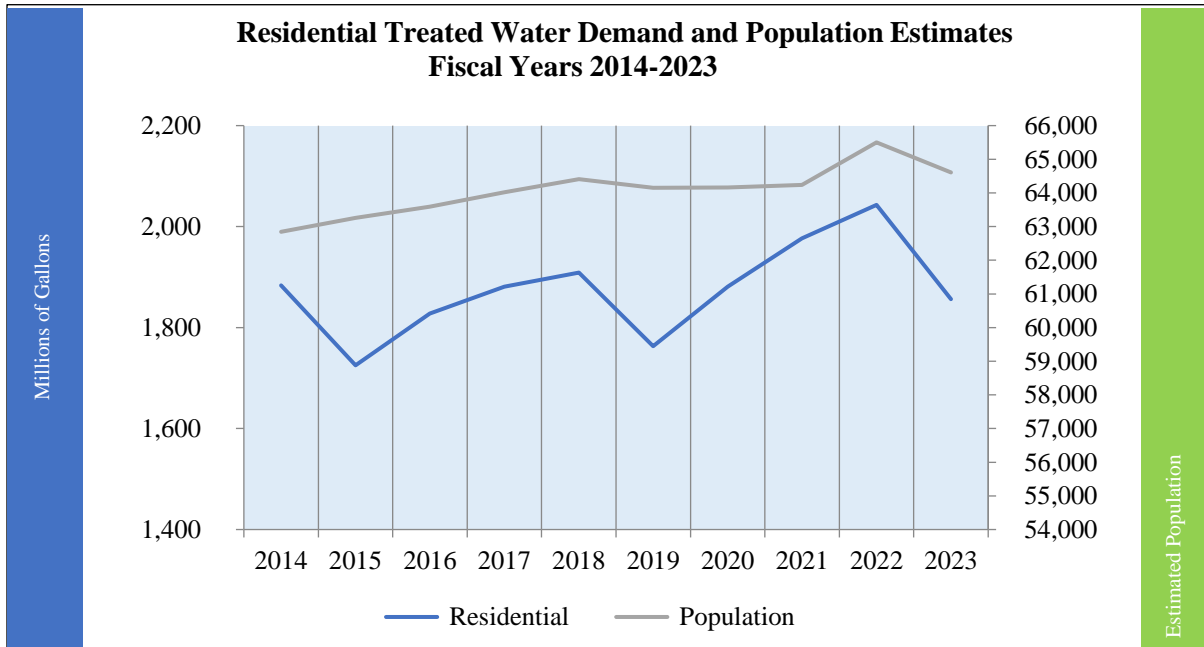
**CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES**

MANAGEMENT’S DISCUSSION AND ANALYSIS

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
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
2021	64,235	1,976,543,000	84.30	2,911,251,000	124.17
2022	65,501	2,042,943,000	85.45	2,860,829,000	119.66
2023	64,610	1,856,029,000	78.70	2,740,271,000	116.20

Residential Treated Water Demand and Population Estimates:



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

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

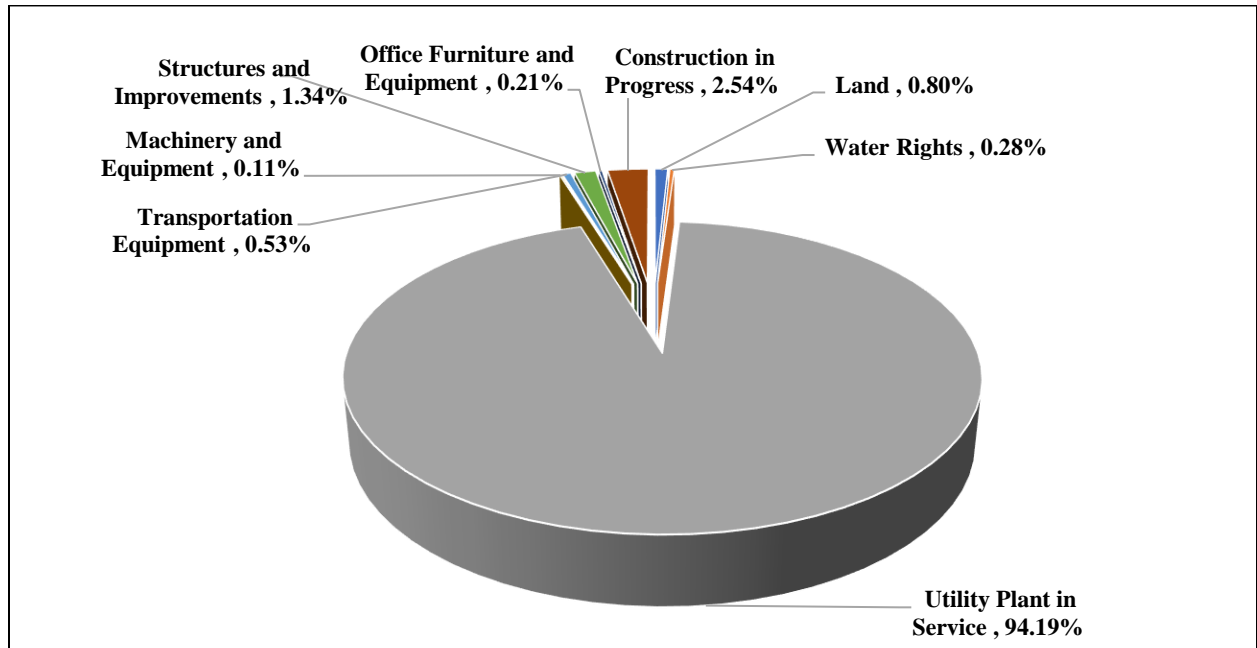
The Board’s proprietary funds provide the same type of information found in the business-type activities financial statements, but in more detail.

Unrestricted net position of the Waterworks Enterprise Fund totaled \$37,223,413 at the end of the current fiscal year. Unrestricted net position of the Sewer Enterprise Fund totaled \$13,920,575 at the end of the current fiscal year. The total change in net position from the previous fiscal year for each fund was \$9,205,903 and \$4,596,250, 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, 2023, the capital assets of the Board, net of accumulated depreciation, totaled \$330,642,572. 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:



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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Capital Assets, Net of Depreciation:

	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total Business-Type Activities (\$1,000s)	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,629	\$ 4,629	\$ 545	\$ 545	\$ 5,174	\$ 5,174
Water rights	1,798	1,798	-	-	1,798	1,798
Utility plant in service	440,590	431,228	167,830	163,907	608,420	595,135
Machinery and equipment	560	610	154	171	714	781
Transportation equipment	2,597	2,721	847	888	3,444	3,609
Structures and improvements	6,483	6,440	2,177	2,163	8,660	8,603
Office furniture and equipment	1,012	1,015	353	353	1,365	1,368
Construction in progress	9,912	10,071	6,519	6,781	16,431	16,852
Less accumulated depreciation	(231,339)	(222,762)	(84,024)	(79,977)	(315,363)	(302,739)
Total	\$ 236,242	\$ 235,750	\$ 94,401	\$ 94,831	\$ 330,643	\$ 330,581

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

- Completion of Water and Sewer rehabs.
- Contributed capital (water distribution mains, hydrants, sewer collection mains, and manholes) from development projects.

At the close of fiscal year 2023, 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	
Evers (Bishop to Vandehei)	\$ 929,963
Prairie-Frontier Roundabout	198,507
26th Street Phase 2	492,466
FY21 Water Rehabs	2,518,635
Filter 6 Media and Rehab	275,681
	<hr/>
Total Water Projects	\$ 4,415,252
	<hr/>
Sewer Projects	
Evers (Bishop to Vandehei)	\$ 874,822
26th Street Phase 2	50,455
	<hr/>
Total Sewer Projects	\$ 925,277
	<hr/>

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Additional information on the Board’s capital assets can be found in Note 3 to the financial statements on page 32 of this report.

Long-Term Debt

At the end of the current fiscal year, the Board had total bonded debt outstanding of \$44,582,200. Of this amount, \$2,358,551 is the 2013 Water Revenue Note and the remaining \$42,221,649 comprises loans from the State of Wyoming for various water and sewer projects.

The total indebtedness of the Board decreased by \$4,506,472 (9.18%) from \$49,086,672 to \$44,580,200 during the current fiscal year.

Outstanding Debt - General Obligation Bonds and State Loans:

	Waterworks		Sewer		Total	
	Enterprise Fund		Enterprise Fund		Business-Type Activities	
	2023	2022	2023	2022	2023	2022
Revenue refunding note	\$ 2,358,551	\$ 3,270,000	\$ -	\$ -	\$ 2,358,551	\$ 3,270,000
Loans from the State of Wyoming	<u>21,243,043</u>	21,797,017	<u>20,978,606</u>	24,019,655	<u>42,221,649</u>	45,816,672
Total	<u>\$ 23,601,594</u>	<u>\$ 25,067,017</u>	<u>\$ 20,978,606</u>	<u>\$ 24,019,655</u>	<u>\$ 44,580,200</u>	<u>\$ 49,086,672</u>

During fiscal year 2023, proceeds from the issuance of debt totaled \$876,078, as follows:

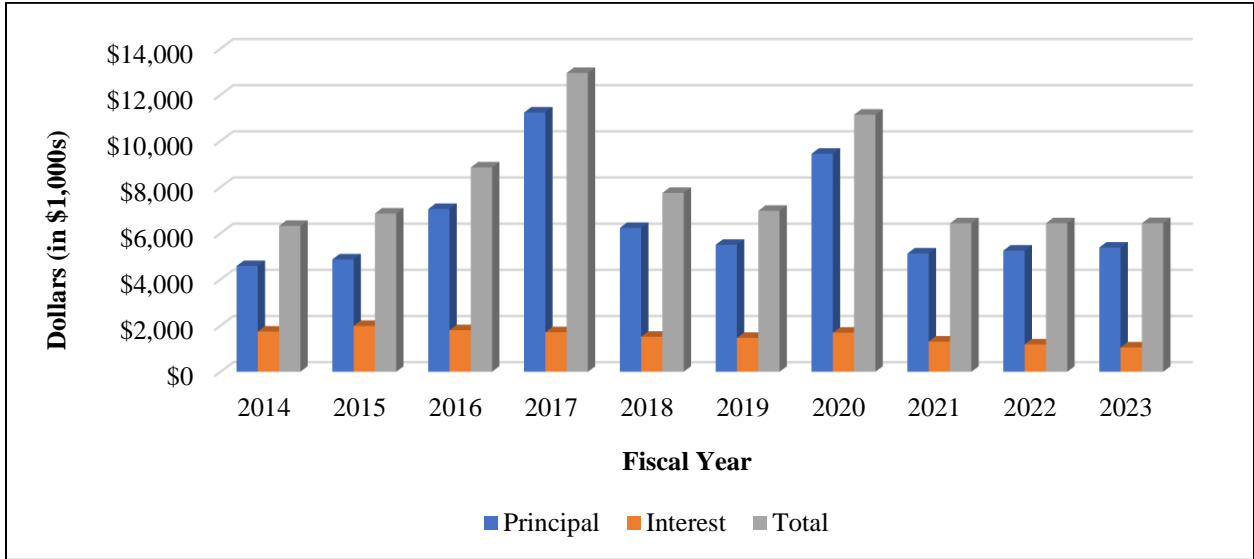
Project	Advance	Funding Source
DWSRF #133: RLS Hydroelectric Project	\$ 786,353	Wyoming State Lands and Investments
DWSRF #229: North City Improvements 2020	<u>89,725</u>	Wyoming State Lands and Investments
	<u><u>\$ 876,078</u></u>	

The Board paid \$911,449 of the 2013 Refunding Revenue Note and \$4,471,101 of additional State of Wyoming water and sewer loans. No loans were paid off during the year ended June 30, 2023.

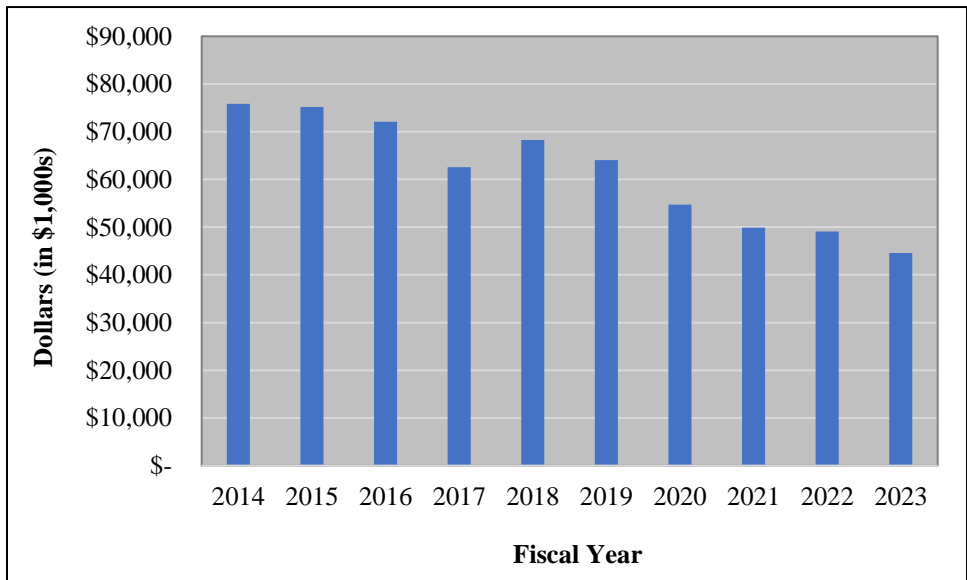
**CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Annual Debt Payment:



Total Principal Debt Outstanding:



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

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Most of Laramie County’s economic indicators were mixed in the second quarter of 2023. High interest rates, used to combat high inflation, have cooled off the housing sector and eaten into banking profits. Oil prices and production are both down from a year ago. Unemployment rates stayed low, hovering around 3.0% during the quarter and down a full percent from the first quarter of 2023. Retail sales were up slightly from one year ago. Tourism figures have remained generally positive over the last year. The overall economy in Laramie County is doing fine, but certain sectors are worse off this year.

According to the Wyoming Center for Business & Economic Analysis, the number of unemployed workers decreased over the year and over the quarter. The number of unemployed workers decreased from 1,503 in the second quarter of 2022 to 1,498 in the second quarter of 2023 (-0.3%) and from 2,025 in the first quarter of 2023 to 1,498 in the second quarter of 2023 (-26%). Correspondingly, the average monthly unemployment rate also fell over the year and over the quarter, decreasing from 3.1% in the second quarter of 2022 to 3.0% in the second quarter of 2023 and from 4.0% in the first quarter of 2023 to 3.0% in the second quarter of 2023.

The Cheyenne Board of Realtors reported a 5.7% decrease in the supply of homes for sale in the city of Cheyenne and a 36.9% increase in the supply of homes for sale in the rural part of Laramie County from June 2022 to June 2023. Over the last year, the supply of homes for sale decreased in the city of Cheyenne, from 192 active listings in June 2022 to 181 active listings in June 2023. In rural Laramie County, there was an increase in the supply of homes for sale over the last year, from 82 active listings in June 2022 to 130 active listings in June 2023.

The 2023 Board of Public Utilities Water and Wastewater Rate Study recommends 8.0% water and 10% wastewater rate increases for fiscal year 2024 to adequately fund operation and maintenance, capital equipment, infrastructure replacement and improvement, and debt service expenditures.

These factors were considered in preparing the Board’s budget for the 2024 fiscal year (July 1, 2023 to June 30, 2024).

This financial report is designed to provide a general overview of the Board’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Public Utilities, Administration Manager, 2416 Snyder Avenue, Cheyenne, Wyoming 82001.

BASIC FINANCIAL STATEMENTS

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

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

	Business-Type Activities		
	Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 4,795,850	\$ 592,258	\$ 5,388,108
Investments	40,442,217	15,469,842	55,912,059
Restricted assets:			
Cash and cash equivalents	522,067	-	522,067
Due from other governments	254,227	-	254,227
City of Cheyenne sanitation account	2,920,271	-	2,920,271
Receivables:			
Accounts, consumers, net	832,135	827,834	1,659,969
Estimated unbilled usage	1,497,663	903,048	2,400,711
Current portion of lease receivable	54,498	-	54,498
Inventories	1,319,194	52,336	1,371,530
Prepaid expenses	408,268	136,889	545,157
Total current assets	53,046,390	17,982,207	71,028,597
Noncurrent Assets			
Capital assets:			
Land	4,629,495	545,002	5,174,497
Water rights	1,797,968	-	1,797,968
Utility plant in service	440,589,940	167,829,705	608,419,645
Machinery and equipment	560,201	154,173	714,374
Transportation equipment	2,597,495	846,769	3,444,264
Structures and improvements	6,482,770	2,177,146	8,659,916
Office furniture and equipment	1,012,345	352,640	1,364,985
Construction in progress	9,911,520	6,519,254	16,430,774
	467,581,734	178,424,689	646,006,423
Less accumulated depreciation	(231,339,784)	(84,024,067)	(315,363,851)
Total capital assets	236,241,950	94,400,622	330,642,572
Lease receivable, less current portion	232,129	-	232,129
Total noncurrent assets	236,474,079	94,400,622	330,874,701
Total assets	289,520,469	112,382,829	401,903,298
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	122,290	-	122,290
Pension-Related Deferred Outflows	1,689,668	563,223	2,252,891
Total deferred outflows of resources	1,811,958	563,223	2,375,181

Continued

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

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

	Business-Type Activities		
	Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
LIABILITIES			
Current Liabilities			
Vouchers payable	\$ 962,723	\$ 561,361	\$ 1,524,084
Accrued compensated absences and early retirement	342,361	231,267	573,628
Accrued interest on general obligation bonds and loans	147,234	205,691	352,925
Current portion of general obligation bonds and loans	2,374,582	3,117,284	5,491,866
Unearned fees and deposits	2,860,449	617,862	3,478,311
Due to other City of Cheyenne funds	3,442,337	-	3,442,337
Total current liabilities	10,129,686	4,733,465	14,863,151
Noncurrent Liabilities			
Accrued compensated absences and early retirement	584,002	391,695	975,697
Net pension liability	9,058,301	3,019,434	12,077,735
General obligation bonds and loans, net of current position, deferred amount on refunding, and unamortized bond premium	21,227,012	17,861,322	39,088,334
Total noncurrent liabilities	30,869,315	21,272,451	52,141,766
Total liabilities	40,999,001	26,005,916	67,004,917
DEFERRED INFLOWS OF RESOURCES			
Lease Deferred Inflows	281,200	-	281,200
Pension-Related Deferred Inflows	87,333	29,111	116,444
Total deferred inflows of resources	368,533	29,111	397,644
NET POSITION			
Net Investment in Capital Assets	212,241,480	72,990,450	285,231,930
Restricted for Debt Service and Capital Improvements	500,000	-	500,000
Unrestricted	37,223,413	13,920,575	51,143,988
Total net position	\$ 249,964,893	\$ 86,911,025	\$ 336,875,918

See Notes to Financial Statements.

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

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

	Business-Type Activities		
	Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Operating Revenues			
Sales and charges for services	\$ 20,421,118	\$ 12,710,185	\$ 33,131,303
Fees and miscellaneous	288,739	503,503	792,242
Total operating revenues	20,709,857	13,213,688	33,923,545
Operating Expenses			
Source of supply	1,814,775	-	1,814,775
Water treatment	2,675,664	-	2,675,664
Transmission and distribution	2,612,222	-	2,612,222
Sewer collection lines	-	1,331,001	1,331,001
Water reclamation	-	3,295,952	3,295,952
Engineering and water resources	1,454,892	466,194	1,921,086
Administrative and general	5,132,686	2,670,088	7,802,774
Information technology and customer service	1,109,621	384,804	1,494,425
Depreciation	9,465,896	4,235,660	13,701,556
Total operating expenses	24,265,756	12,383,699	36,649,455
Operating (loss) income	(3,555,899)	829,989	(2,725,910)
Nonoperating Revenues (Expenses)			
System development fees	6,831,517	916,935	7,748,452
Investment (loss) income:			
Net decrease in fair value of investments	(168,711)	(65,610)	(234,321)
Interest income	1,169,908	421,284	1,591,192
Interest and bond amortization expense	(488,354)	(580,382)	(1,068,736)
Gain on the sale of capital assets	8,377	1,739	10,116
Total nonoperating revenues	7,352,737	693,966	8,046,703
Income before capital contributions	3,796,838	1,523,955	5,320,793
Capital Contributions			
Capital grants	184,670	-	184,670
Donated utilities	5,224,395	3,072,295	8,296,690
Total capital contributions	5,409,065	3,072,295	8,481,360
Change in net position	9,205,903	4,596,250	13,802,153
Net Position, beginning of year	240,758,990	82,314,775	323,073,765
Net Position, end of year	\$ 249,964,893	\$ 86,911,025	\$ 336,875,918

See Notes to Financial Statements.

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

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

	Business-Type Activities		
	Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 21,828,034	\$ 13,094,095	\$ 34,922,129
Cash payments to suppliers	(6,694,753)	(3,056,142)	(9,750,895)
Cash payments to employees	(8,928,508)	(5,050,069)	(13,978,577)
Change in City of Cheyenne sanitation account	(246,892)	-	(246,892)
Net cash provided by operating activities	5,957,881	4,987,884	10,945,765
Cash Flows From Capital and Related Financing Activities			
System development fees	3,841,400	945,711	4,787,111
Capital grants	184,670	-	184,670
Proceeds from issuance of debt	699,175	-	699,175
Principal paid on general obligation/revenue bonds and loan debt maturities	(2,341,501)	(3,041,049)	(5,382,550)
Interest paid on debt	(458,017)	(596,741)	(1,054,758)
Proceeds from sale of capital assets	8,377	1,739	10,116
Acquisition and construction of capital assets	(5,444,634)	(323,361)	(5,767,995)
Net cash (used in) capital and related financing activities	(3,510,530)	(3,013,701)	(6,524,231)
Cash Flows From Investing Activities			
Interest on cash and investments	1,022,045	363,988	1,386,033
Purchase of investments	(3,522,045)	-	(3,522,045)
Redemption of investments	-	(1,863,988)	(1,863,988)
Net cash (used in) investing activities	(2,500,000)	(1,500,000)	(4,000,000)
Net (decrease) increase in cash and cash equivalents	(52,649)	474,183	421,534
Cash and Cash Equivalents			
Beginning	5,370,566	118,075	5,488,641
Ending	\$ 5,317,917	\$ 592,258	\$ 5,910,175

Continued

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

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

	Business-Type Activities		
	Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Reconciliation of Operating (Loss) Income to			
Net Cash Provided by Operating Activities			
Operating (loss) income	\$ (3,555,899)	\$ 829,989	\$ (2,725,910)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation	9,465,896	4,235,660	13,701,556
Pension liability	4,224,384	1,408,128	5,632,512
Deferred outflow - pension	(793,309)	(264,436)	(1,057,745)
Deferred inflow - pension	(3,196,655)	(1,065,552)	(4,262,207)
Deferred inflow - leases	(61,353)	-	(61,353)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities:			
Receivables	1,179,533	(119,593)	1,059,940
Inventories	(849,166)	(13,589)	(862,755)
Prepaid expenses	(305,228)	(102,542)	(407,770)
Vouchers payable	73,297	51,690	124,987
Due to other funds	(29,846)	(7,283)	(37,129)
Accrued compensated absences	53,119	35,412	88,531
City of Cheyenne sanitation account	(246,892)	-	(246,892)
 Net cash provided by operating activities	 \$ 5,957,881	 \$ 4,987,884	 \$ 10,945,765
 Noncash Investing, Capital, and Financing Activities			
Amortization of deferred refunding loss and debt premiums	\$ (46,892)	\$ -	\$ (46,892)
Donated asset acquisitions	5,224,395	3,072,295	8,296,690
Net decrease in fair value of investments	(168,711)	(65,610)	(234,321)
Purchase of capital assets in accounts payable	521,166	431,566	952,732

See Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of 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), F.E. 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 Enterprise Funds.

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

Reporting entity: The Board is composed 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.

Major proprietary funds: The Waterworks and Sewer Enterprise 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.

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies, *Continued*

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 the 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 the 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 and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets and capital-related deferred outflows 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 are 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 (collectively, WYO-STAR), which are reported at fair value at June 30, 2023. The Board categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The Board considers fair value measurements as of June 30, 2023 for WYO-STAR to be completed by the pool using the matrix pricing model and the market approach (Level 2).

WYO-STAR I was authorized by the Wyoming State Legislature in 1987 and is managed by the Wyoming State Treasurer. The investment pool co-mingles all of the monies from participating local government entities. WYO-STAR II is also managed by the Wyoming State Treasurer and was authorized in 2016 as a long-term investment pool for local government entities. The minimum transaction size for deposit is \$150,000 and must be invested for a minimum of three months. For both pools, each participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool.

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies, *Continued*

Due to other City funds: Regarding the City's 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 in the Statement of Net Position, net of allowances for doubtful accounts of \$130,226.

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

Lease receivable: Lease receivable includes the future payments associated with a lessor lease.

Inventories: Inventories of supplies are accounted for at their weighted-average cost.

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 that have been recorded at historical cost. Property and equipment donated by developers are recorded at their acquisition value at the date of donation.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies, *Continued*

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 callback wages. Compensatory time is earned at 1½ hours for time worked in excess of 40 hours in a workweek and for callback hours. The maximum accumulation of compensatory time is 120 hours. A full-time or part-time exempt employee may earn administrative time at a rate of one-for-one for hours worked above 40 in a workweek, up to a maximum of 120 hours. Upon termination, an employee is paid for his or her accrued unused compensatory or administrative time, not to exceed 120 hours. Payment is calculated using the rate of pay at the time of the 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>
0-48	8
49-96	10
97-144	12
145-192	14
Over 192	16

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 full-time employees and 240 hours for part-time employees on the basis of the number of hours worked in the month at the following rates:

<u>Hours Worked per Month</u>	<u>Sick Leave Hours Accrued per Month</u>
160 or more	10
120-159	7.5
80-119	5
40-79	2.5
39 or less	No accrual

Upon the termination of employment, an employee is paid for his or her other accrued unused vacation leave and one-half of his or her accrued unused sick leave.

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

CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies, *Continued*

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 revenues 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 represents a consumption of net assets that applies to future period(s).

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 represents an acquisition of net assets that applies to future period(s).

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*, and GASB Statement No. 87, *Leases*. 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.

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

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents, and Investments

Cash and cash equivalents, investments, and restricted cash and cash equivalents as of June 30, 2023, as classified in the accompanying financial statements, consist of the following:

Statement of Net Position:	
Deposits with financial institutions:	
Cash	\$ 5,910,175
Deposits with Wyoming State Treasurer:	
WYO-STAR	<u>55,912,059</u>
	<u>\$ 61,822,234</u>
Cash and cash equivalents	\$ 5,388,108
Investments	55,912,059
Restricted cash and cash equivalents	<u>522,067</u>
	<u>\$ 61,822,234</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 allow the Board to invest in U.S., state and local government securities, and accounts of any bank and savings associations that are Federally insured or secured by a pledge of assets, including bonds, debentures, and other securities in which the state treasurer may, by law, invest. 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, 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 statistical 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 recover collateral securities that are in the possession of an outside party. Certain deposits held in Board bank accounts are insured by the Federal Deposit Insurance Corporation 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, 2023, the Board had bank balances on deposit of \$6,084,006. These deposits were fully collateralized or insured, as required by Wyoming State Statutes.

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

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents, and Investments, *Continued*

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, 2023, the Board’s deposits were fully collateralized as required by Board policy.

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 recover 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 U.S. government, thereby 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 or 5% in any one single obligor, with the exception of funds held in WYO-STAR. Therefore, no further disclosure regarding concentration of credit risk is required.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The 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 the investment portfolio to have a minimum level of three months of budgeted operating expenditures in short-term investments to be maintained to provide sufficient liquidity for expected disbursements. With this investment focus, investments are expected to reach maturity with limited gains or losses. At June 30, 2023, 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 One Year	6-10 Years
State Treasurer’s Investment Pool:				
WYO-STAR I	\$ 51,919,952	3.90%	\$ 51,919,952	\$ -
WYO-STAR II	3,992,107	-4.22%	-	3,992,107
	<u>\$ 55,912,059</u>		<u>\$ 51,919,952</u>	<u>\$ 3,992,107</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

A summary of changes in capital assets follows:

	Balance June 30, 2022	Additions and Transfers	Retirement and Transfers	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 5,174,497	\$ -	\$ -	\$ 5,174,497
Water rights	1,797,968	-	-	1,797,968
Construction in progress	16,851,214	4,920,089	(5,340,529)	16,430,774
Total capital assets not being depreciated	23,823,679	4,920,089	(5,340,529)	23,403,239
Capital assets being depreciated:				
Utility plant in service	595,134,958	14,042,373	(757,686)	608,419,645
Machinery and equipment	781,060	6,900	(73,586)	714,374
Transportation equipment	3,609,228	54,467	(219,431)	3,444,264
Structures and improvements	8,603,155	58,721	(1,960)	8,659,916
Office furniture and equipment	1,367,872	23,097	(25,984)	1,364,985
Total capital assets being depreciated	609,496,273	14,185,558	(1,078,647)	622,603,184
Less accumulated depreciation for:				
Utility plant in service	294,422,878	13,334,084	(756,260)	307,000,702
Machinery and equipment	666,712	24,577	(73,584)	617,705
Transportation equipment	3,411,310	114,430	(219,431)	3,306,309
Structures and improvements	2,892,883	217,426	(1,616)	3,108,693
Office furniture and equipment	1,345,387	11,039	(25,984)	1,330,442
Total accumulated depreciation	302,739,170	13,701,556	(1,076,875)	315,363,851
Total capital assets being depreciated, net	306,757,103	484,002	(1,772)	307,239,333
Total capital assets, net	\$ 330,580,782	\$ 5,404,091	\$ (5,342,301)	\$ 330,642,572

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

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, 2023:

	Balance	Debt		Balance	Current	Long-Term
	June 30, 2022	Issued	Retired	June 30, 2023	Portion	Portion
Waterworks Fund:						
CWSRF:						
081 Phase II Reuse 2008	\$ 586,953	\$ -	\$ 67,374	\$ 519,579	\$ 69,013	\$ 450,566
084 Administration Building 2007	157,900	-	14,094	143,806	14,446	129,360
115 Administration Building 2009	1,044,099	-	93,194	950,905	95,524	855,381
143 Holliday Park Reuse 2015	562,500	-	37,500	525,000	37,500	487,500
DWSRF:						
034 Water Main Rehabilitation 2004	136,400	-	44,321	92,079	45,429	46,650
056 Western Hills 2005	340,991	-	53,364	287,627	54,698	232,929
065 Southern Water Transmission Main Ph I 2007	2,124,720	-	282,226	1,842,494	289,088	1,553,406
079 30" Water Main/WAFB	2,866,017	-	257,098	2,608,919	263,526	2,345,393
106 Administration Building 2009	1,044,099	-	93,194	950,905	95,524	855,381
120 Southern Water Transmission Main Ph II 2012	4,931,744	-	360,875	4,570,869	344,939	4,225,930
133 RLS Hydroelectric Generation Project 2013	5,400,742	786,353	-	6,187,095	-	6,187,095
177 Southern Water Transmission Main Ph III 2016	2,435,673	-	126,812	2,308,861	129,895	2,178,966
229 North City Zone Improvements 2020	165,179	89,725	-	254,904	-	254,904
2013 Water Revenue Note	3,270,000	-	911,449	2,358,551	935,000	1,423,551
Total Waterworks Fund	25,067,017	876,078	2,341,501	23,601,594	2,374,582	21,227,012
Sewer Fund:						
CWSRF:						
046 CWSRF Loan 2004	8,798,491	-	2,118,051	6,680,440	2,171,640	4,508,800
060 WAFB - Parsley 2006	1,109,558	-	147,529	962,029	151,116	810,913
084 Administration Building 2007	52,633	-	4,698	47,935	4,815	43,120
115 Administration Building 2009	348,033	-	31,065	316,968	31,841	285,127
133 Crow Creek Plant Improvements 2013	3,522,743	-	232,668	3,290,075	238,485	3,051,590
144 Southern Sewer Interceptor Main 2016	1,142,162	-	55,247	1,086,915	56,590	1,030,325
159 Southern Sewer Interceptor Main 2018	8,698,002	-	420,726	8,277,276	430,956	7,846,320
DWSRF:						
106 Administration Building 2009	348,033	-	31,065	316,968	31,841	285,127
Total Sewer Fund	24,019,655	-	3,041,049	20,978,606	3,117,284	17,861,322
Total Waterworks and Sewer Funds	\$ 49,086,672	\$ 876,078	\$ 5,382,550	\$ 44,580,200	\$ 5,491,866	\$ 39,088,334

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

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

NOTES TO FINANCIAL STATEMENTS

Note 4. Bonds and Loans, *Continued*

On December 27, 2013, the Board entered into an agreement with Colorado State Bank and Trust to authorize an advance refunding of a portion of the 2007 Refunding Revenue Water Bonds. The Board received an \$8,740,000 Refunding Revenue Water Note, with an annual interest rate of 2.41%, with the proceeds to be deposited in a special fund and trust account to be used to refund, pay, discharge, and redeem the portion of the refunded bonds outstanding and maturing on or after December 1, 2016. The costs from the advance refunding include a deferred loss of \$525,305, which is being charged to operations through the year 2025 using the effective interest method. The Board completed the advance refunding to reduce its total debt service payments over the next 12 years by \$1,065,000 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$700,000. As of June 30, 2023, the deferred loss on refunding totaled \$122,290 and is classified as a deferred outflow of resources.

Long-term debt payable as of June 30, 2023 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 of the 2007 Refunding Revenue Water Bonds. Secured by a pledge of revenues from the City's water system tap and user fees and system development fees, net of premiums.	\$ 2,358,551
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #034, original amount of \$825,000 for the funding of the City's Water Main Rehabilitation project for fiscal year 2004, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$47,729 through 2025. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	92,079
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #056, original amount of \$1,300,000 for the Western Hills project, with interest at 2.5%, due annually on March 1. Annual principal and interest payments are \$61,885 through 2028. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.	287,627
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.	1,842,494
Subtotal	<u>4,580,751</u>

Continued

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

NOTES TO FINANCIAL STATEMENTS

Note 4. Bonds and Loans, *Continued*

Subtotal carried forward	\$ 4,580,751
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #079, original amount of \$5,130,509 for the 30” Transmission Line Replacement project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$329,107 through 2031. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	2,608,919
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #106, original amount of \$3,500,000 for the construction phase of the Administration Building project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payment.	1,267,873
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 the Southern Water Transmission Main - Phase II project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$480,772 per year through 2034. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual loan payments.	4,570,869
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #133, advances on a \$7,400,000 loan for the construction of the RLS Hydroelectric Generation project. Interest thereon is at 0.0% for a term of 20 years. Upon the completion of the project, loan shall be granted principal forgiveness in an amount not to exceed \$750,000. Payments are currently estimated at \$370,000 per year. Secured by a pledge and assignment of revenues from the City’s water system user fees necessary to meet the annual payment.	6,187,095
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #159, original amount of \$9,900,000 for the Southern Sewer Interceptor Main. Interest thereon is at 2.5% for a term of 20 years. Annual principal and interest payments are \$635,057 per year through 2039. Secured by a pledge and assignment of revenues from the City’s wastewater user fees necessary to meet the annual loan payment.	8,277,276
Subtotal	<u>27,492,783</u>

Continued

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

NOTES TO FINANCIAL STATEMENTS

Note 4. Bonds and Loans, *Continued*

Subtotal carried forward	\$ 27,492,783
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 the Southern Water Transmission Main - Phase III project, with interest at 2.5%, due annually on March 1. This loan was 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.	2,308,861
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #229, original amount of \$3,960,000 for the North City Zone Improvements project. Interest thereon is at 2.5% for a term of 20 years. Payments are currently estimated at \$254,023 per year. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	254,904
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #046, original amount of \$36,450,000 for the Dry Creek and Crow Creek Rehabilitation Construction project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$2,338,163 through 2026. Secured by a pledge and assignment of revenues generated from the City's wastewater user fees necessary to meet the annual loan payment.	6,680,440
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #060, original amount of \$2,900,000 for the F.E. Warren Air Force Base - Parsley project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$174,898 through 2029. Secured by a pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	962,029
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.	519,579
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #084, original amount of \$375,000 for the planning phase of the Administration Building project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$24,055 through 2032. Secured by a pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	191,741
Subtotal	38,410,337

Continued

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

NOTES TO FINANCIAL STATEMENTS

Note 4. Bonds and Loans, *Continued*

Subtotal carried forward	\$ 38,410,337
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #115, original amount of \$3,500,000 for the construction phase of the Administration Building project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by a pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	1,267,873
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #133, original amount of \$5,000,000 for the Crow Creek Plant Improvements project, with interest at 2.5%, due annually on June 15. Annual principal and interest payments are \$320,736 through 2039. Secured by a pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	3,290,075
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #143, original amount of \$875,000 for the Holliday Park Reuse project, with interest at 0.0%. Principal payments of \$37,500 are due annually in September through 2037. Secured by a pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	525,000
Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #144, original amount of \$1,300,000 for the Southern Sewer Interceptor Main, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$83,391 through 2039. Secured by a pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment.	<u>1,086,915</u>
Total general obligation bonds and loans	<u><u>\$ 44,580,200</u></u>

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

NOTES TO FINANCIAL STATEMENTS

Note 4. Bonds and Loans, *Continued*

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

	Waterworks Fund		Sewer Fund	
	Principal	Interest	Principal	Interest
Years ending June 30:				
2024	\$ 2,374,582	\$ 401,288	\$ 3,117,284	\$ 520,927
2025	2,773,669	343,092	3,194,565	443,224
2026	2,275,709	289,678	3,276,373	363,584
2027	1,843,171	248,061	1,017,668	281,958
2028	1,880,199	211,151	1,042,874	256,752
2029-2033	7,418,055	541,448	4,801,001	909,565
2034-2038	3,103,611	75,269	3,885,532	348,223
2039-2043	1,610,498	-	643,309	15,866
2044-2048	322,100	-	-	-
	<u>\$ 23,601,594</u>	<u>\$ 2,109,987</u>	<u>\$ 20,978,606</u>	<u>\$ 3,140,099</u>

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

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

The Board has pledged and assigned future water system and wastewater user fees to meet the annual debt service requirements. Proceeds from the debt have been used to improve, expand, and replace the distribution system, source of supply, and treatment facilities. The proportion of pledged revenues to total revenues is not estimable because annual total fees fluctuate annually. Principal and interest paid for the current year totaled \$6,404,394. Net customer revenues totaled \$33,923,545 for the year. At year-end, pledged future revenues totaled \$49,830,286, which is the amount of the remaining principal and interest on outstanding debt.

Debt issued: All of the \$876,078 in debt proceeds incurred during the year ended June 30, 2023 were collected prior to year-end.

Interest expense: During the year ended June 30, 2023, the Board incurred \$1,021,844 of interest.

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitments - WRS

Plan description: Substantially all employees of the Board are provided with pensions through the Public Employee Pension Plan (the Plan), a statewide, cost-sharing, multiple-employer defined benefit contributory retirement plan administered by the WRS. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. The WRS is granted the authority to administer the Plan by Wyoming State Statutes § 9-3-401 through 432. The WRS issues a publicly available financial report that may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

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

Service Retirement Tier 1: 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 salary 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 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/her service retirement benefit, as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

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

Contributions: Per Titles § 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2021, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively. In accordance with Title § 9-3-412(c)(ii) of Wyoming State Statutes, the Board has elected to pay 6.75% of the member's contribution in addition to the employer's contribution. Total contributions to the pension plan from the Board were \$1,404,828 for the year ended June 30, 2023.

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitments - WRS, *Continued*

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2023, the Board reported a liability of \$12,077,735 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. There were no assumption changes for the 2022 actuarial valuation. 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, 2022 to the contributions of all participating employers for the same period. At December 31, 2022, the Board's proportion was 0.4420%, which was an increase from its December 31, 2021 proportion of 0.4227%.

For the year ended June 30, 2023, the Board recognized pension expense of \$1,139,180. At June 30, 2023, 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	\$ 60,568	\$ (76,561)
Changes of assumptions	324,137	-
Net difference between projected and actual earnings on pension plan investments	1,039,656	-
Changes in proportion and differences between contributions and proportionate share of contributions	414,276	(39,883)
Contributions subsequent to the measurement date	414,254	-
	<u>\$ 2,252,891</u>	<u>\$ (116,444)</u>

The amount of \$414,254, 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 will be recognized in pension expense, as follows:

Years ending June 30:	
2024	\$ (161,094)
2025	361,415
2026	397,941
2027	1,123,931
	<u>\$ 1,722,193</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitments - WRS, *Continued*

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

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Cost of Living Increase	0.00%
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation
Post-Retirement Mortality	Mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 103%.
Pre-Retirement Mortality	Mortality rates were based on the PUB-2010 General Active Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 100%.

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitments - WRS, *Continued*

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each major asset class is included in the pension plan’s target asset allocation as of January 1, 2022. These best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable alternatives	16.00%	5.14%	6.02%
Private markets	10.50%	6.05%	7.67%
Total	100.00%		

Experience analysis: An experience study was conducted on behalf of all of the WRS’s plans covering the five-year period ended December 31, 2020. 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 as of December 31, 2022 was 6.80%. 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.

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Commitments - WRS, *Continued*

Sensitivity of the Board’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 6.80%, 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 one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 17,834,479	\$ 12,077,735	\$ 7,306,957

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

Defined contribution 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 WRS and a defined contribution plan administered by VALIC Financial Advisors. Employees are allowed to contribute the maximum amount per Internal Revenue Service guidelines. Total employee contributions for the year ended June 30, 2023 were \$246,243. Beginning on July 1, 2008, the Board elected to match an employee’s contribution up to \$25 per month. Total matching contributions for the year ended June 30, 2023 were \$34,275.

Note 6. Due From Other Governments

Amounts due from other governments of \$254,227 as of June 30, 2023 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 2023. Upon the receipt of these pay requests, the Board applies for grant and/or loan monies from other governmental entities to pay contractors.

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

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, 2023:

	Waterworks Fund	Sewer Fund	Total
Vacation leave	\$ 448,347	\$ 304,285	\$ 752,632
Compensatory/administrative time	91,266	60,844	152,110
Sick leave	325,136	216,757	541,893
Early retirement obligation	61,614	41,076	102,690
	<u>\$ 926,363</u>	<u>\$ 622,962</u>	<u>\$ 1,549,325</u>

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Compensated absences and early retirement:					
Waterworks Fund	\$ 873,244	\$ 237,934	\$ (184,815)	\$ 926,363	\$ 342,361
Sewer Fund	587,550	162,940	(127,528)	622,962	231,267
	<u>\$ 1,460,794</u>	<u>\$ 400,874</u>	<u>\$ (312,343)</u>	<u>\$ 1,549,325</u>	<u>\$ 573,628</u>

Note 8. Related-Party Transactions

The Board collects sanitation charges on behalf of the City. At June 30, 2023, the Board had cash and receivables of \$3,442,337 relating to the City's sanitation charges. The Board did not owe the City for fuel charges, risk management services or the Board's share of construction projects.

Note 9. Major Customers

For the year ended June 30, 2023, the Board had a customer that accounted for more than 10% of its billed water and/or sewer revenues, as follows:

	Water	Sewer	Total
South Cheyenne Water and Sewer District	<u>\$ 2,276,503</u>	<u>\$ 1,111,315</u>	<u>\$ 3,387,818</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 10. Commitments

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

	Expended to June 30, 2023	Total Contract	Total Commitment at June 30, 2023
Waterworks Fund:			
VOL 10 - I.T. Projects	\$ 856,869	\$ 1,155,750	\$ 298,881
Scada Rehab	63,256	1,123,000	1,059,744
AEM Wellfield Survey	661,447	768,265	106,818
Sun Valley Pressure Management	88,362	1,296,500	1,208,138
North City Zone	779,435	8,029,240	7,249,805
FY21 Water Rehabs	19,862	2,759,822	2,739,960
Hydroelectric Generator	7,287,446	7,443,779	156,333
Hypochlorite Generation	146,033	212,012	65,979
Lake Reuse Water Study	-	80,000	80,000
Southwest Drive	-	549,601	549,601
Floc Basic Rehab	-	698,661	698,661
	<u>9,902,710</u>	<u>24,116,630</u>	<u>14,213,920</u>
Sewer Fund:			
FY23 Sewer Rehabs	132,819	2,293,158	2,160,339
Allison Draw S. Interceptor	3,379,315	3,547,700	168,385
Sludge Dewatering	2,417,740	3,100,000	682,260
2013 MST PLAN VOL 10 PRJT	284,854	385,250	100,396
Heat Exchanger Project	197	706,500	706,303
Headgate Project	274,736	268,610	(6,126)
Scada Rehab	21,143	65,000	43,857
	<u>6,510,804</u>	<u>10,366,218</u>	<u>3,855,414</u>
	<u>\$ 16,413,514</u>	<u>\$ 34,482,848</u>	<u>\$ 18,069,334</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 11. Lessor Leases

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

On January 1, 2014, the Board entered into a lease agreement as lessor for land owned by the Board. The lease contained a term of five years through December 31, 2018 and an option to extend the lease for one successive five-year term. On February 25, 2019, the agreement was extended for five years through December 31, 2023, as allowed under the initial lease agreement. The lease extension contained an option to extend the lease for an additional successive five-year term. The Board is reasonably certain this option to extend will be exercised. The lease payment for the term through December 31, 2023 is \$48,886 per year, with an estimated increase in lease payment to \$61,107 per year for the term from January 1, 2024 through December 31, 2028. The Board recognized \$48,886 of lease revenues for the years ended June 30, 2023 and 2022. There are no variable payments associated with this lease.

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

	Principal	Interest	Total
Years ending June 30:			
2024	\$ 54,498	\$ 6,609	\$ 61,107
2025	55,876	5,231	61,107
2026	57,290	3,817	61,107
2027	58,738	2,369	61,107
2028	60,225	885	61,110
	<u>\$ 286,627</u>	<u>\$ 18,911</u>	<u>\$ 305,538</u>

Note 12. 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, 2023, 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 based upon actuarially sound and recognized pooling practices. The pool is responsible for determining the amounts of premiums charged to the entities and managing the pool's assets. The entities have the right to submit claims for losses incurred. The pool has the right to collect premiums and admit or terminate members for the nonpayment of premiums. Management considers the assets of WARM to be sufficient to cover any claims that may be incurred by its members.

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

NOTES TO FINANCIAL STATEMENTS

Note 12. Risk Management, *Continued*

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 Workers' 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

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

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**Public Employee Pension Plan
Last 10 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%
2021	0.4144%	9,005,488	7,636,289	117.93%	79.24%
2022	0.4227%	6,445,223	7,733,780	83.34%	86.03%
2023	0.4420%	12,077,735	8,301,616	145.49%	75.47%

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

See Notes to Required Supplementary Information.

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

**SCHEDULE OF THE BOARD'S CONTRIBUTIONS
Public Employee Pension Plan
Last 10 Fiscal Years**

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
2021	694,066	694,066	-	7,610,377	9.12%
2022	744,272	744,272	-	7,943,134	9.37%
2023	816,577	816,577	-	8,714,807	9.37%

See Notes to Required Supplementary Information.

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2022 measurement date.

Changes in assumptions: Health care trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the Wyoming Retirement System’s (WRS) December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date, as indicated in the table below:

Measurement Date (WRS Year-End)	Discount Rate	Inflation Increase Rate	Salary Increase Rate	Payroll Growth Rate	Investment Rate of Return	Cost of Living Adjustment
2014	7.75%	3.25%	4.25% -6.00%	4.25%	7.75%	0.00%
2015	7.75%	3.25%	4.25% -6.00%	4.25%	7.75%	0.00%
2016	7.75%	3.25%	4.25% -6.00%	4.25%	7.75%	0.00%
2017	7.75%	3.25%	4.25% -6.00%	4.25%	7.75%	0.00%
2018	7.00%	2.25%	2.50% -6.50%	2.50%	7.00%	0.00%
2019	7.00%	2.25%	2.50% -6.50%	2.50%	7.00%	0.00%
2020	7.00%	2.25%	2.50% -6.50%	2.50%	7.00%	0.00%
2021	6.80%	2.25%	2.50% -6.50%	2.50%	6.80%	0.00%
2022	6.80%	2.25%	2.50% -6.50%	2.50%	6.80%	0.00%

SUPPLEMENTARY INFORMATION

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

**BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2023**

	Waterworks Fund			
	Budgeted Amounts		Actual Budget Basis	Variance With Final Budget
	Original	Final		
Operating Revenues				
Sales and charges for services	\$ 19,572,000	\$ 19,572,000	\$ 20,421,118	\$ 849,118
Fees and miscellaneous	383,000	383,000	288,739	(94,261)
Total operating revenues	19,955,000	19,955,000	20,709,857	754,857
Nonoperating Revenues				
Investment income	128,000	128,000	1,001,197	873,197
Proceeds from sale of capital assets	-	-	8,377	8,377
System development fees	2,210,000	2,210,000	6,831,517	4,621,517
Capital grants	10,560,000	10,560,000	184,670	(10,375,330)
Donated utilities	-	-	5,224,395	5,224,395
Total nonoperating revenues	12,898,000	12,898,000	13,250,156	352,156
Total revenues	32,853,000	32,853,000	33,960,013	1,107,013
Operating Expenses				
Source of supply	1,977,858	2,136,738	1,814,775	(321,963)
Water treatment	2,359,730	2,826,130	2,675,664	(150,466)
Transmission and distribution	2,812,975	2,910,105	2,612,222	(297,883)
Sewer collection lines	-	-	-	-
Water reclamation	-	-	-	-
Engineering and water resources	1,604,660	1,702,740	1,454,892	(247,848)
Administrative and general	5,791,900	6,704,511	5,132,686	(1,571,825)
Information technology and customer service	1,166,900	1,319,905	1,109,621	(210,284)
Total operating expenses	15,714,023	17,600,129	14,799,860	(2,800,269)
Nonoperating Expenses				
Capital purchases	714,650	1,051,763	473,799	(577,964)
Construction work in progress	17,073,000	39,953,260	4,268,441	(35,684,819)
Debt service, interest	459,000	459,000	441,462	(17,538)
Debt service, principal	2,342,400	2,342,400	2,341,501	(899)
Total nonoperating expenses	20,589,050	43,806,423	7,525,203	(36,281,220)
Total expenses	36,303,073	61,406,552	22,325,063	(39,081,489)
(Deficiency) excess of revenues over expenses	\$ (3,450,073)	\$ (28,553,552)	\$ 11,634,950	\$ 40,188,502

See Notes to Budgetary Comparison Schedule.

Sewer Fund

Budgeted Amounts		Actual Budget	Variance With
Original	Final	Basis	Final Budget
\$ 13,215,250	\$ 13,215,250	\$ 12,710,185	\$ (505,065)
493,500	493,500	503,503	10,003
13,708,750	13,708,750	13,213,688	(495,062)
66,500	66,500	355,674	289,174
-	-	1,739	1,739
775,000	775,000	916,935	141,935
2,635,000	2,635,000	-	(2,635,000)
-	-	3,072,295	3,072,295
3,476,500	3,476,500	4,346,643	870,143
17,185,250	17,185,250	17,560,331	375,081
-	-	-	-
-	-	-	-
-	-	-	-
1,668,180	1,811,188	1,331,001	(480,187)
3,363,778	3,754,938	3,295,952	(458,986)
488,620	580,679	466,194	(114,485)
2,864,400	3,421,957	2,670,088	(751,869)
391,300	424,675	384,804	(39,871)
8,776,278	9,993,437	8,148,039	(1,845,398)
759,900	1,057,636	69,542	(988,094)
4,200,000	8,288,620	667,908	(7,620,712)
597,300	597,300	580,382	(16,918)
3,041,300	3,041,300	3,041,049	(251)
8,598,500	12,984,856	4,358,881	(8,625,975)
17,374,778	22,978,293	12,506,920	(10,471,373)
\$ (189,528)	\$ (5,793,043)	\$ 5,053,411	\$ 10,846,454

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

NOTES TO BUDGETARY COMPARISON SCHEDULE

Budget control: The City of Cheyenne, Wyoming Board of Public Utilities' (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 on May 1 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 Finance 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 the passage of an ordinance for the fiscal year beginning on 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 the 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' annual comprehensive 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.

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

**NET POSITION BY COMPONENT (UNAUDITED)
Last 10 Fiscal Years**

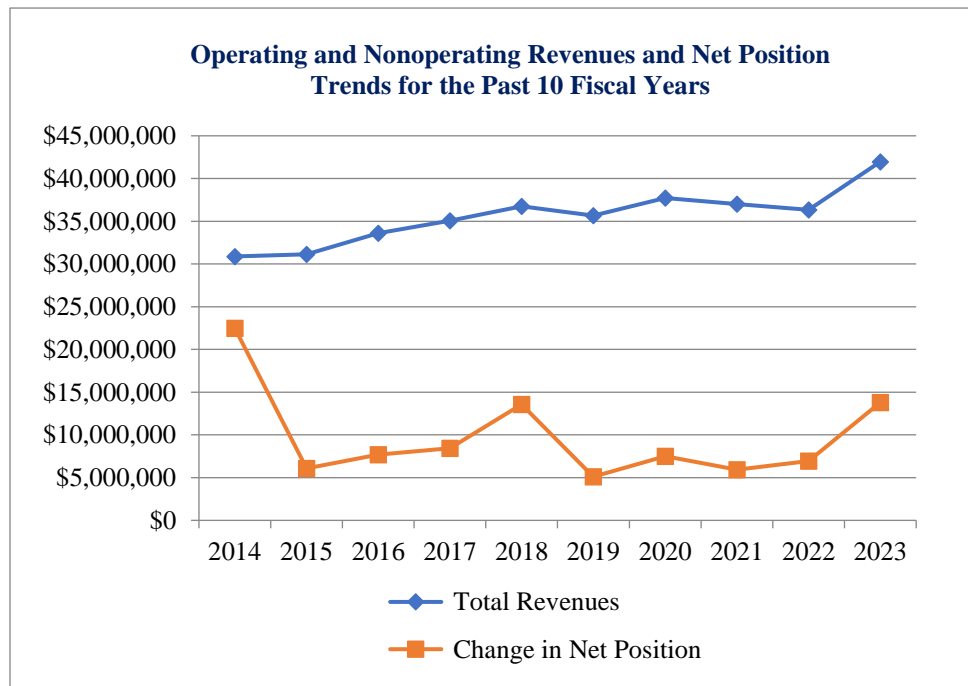
	2014	2015	2016	2017
Primary Government				
Net investment in capital assets	\$ 234,533,472	\$ 240,632,987	\$ 247,414,892	\$ 255,737,548
Restricted	1,103,001	1,103,001	500,000	500,000
Unrestricted	31,498,933	26,138,255	27,643,743	27,774,167
Total primary government net position	\$ 267,135,406	\$ 267,874,243	\$ 275,558,635	\$ 284,011,715

	2018		2019		2020		2021		2022		2023
\$	266,767,253	\$	266,643,536	\$	275,249,371	\$	277,200,615	\$	280,409,221	\$	285,231,930
	500,000		500,000		500,000		500,000		500,000		500,000
	30,326,170		35,556,920		34,459,246		38,437,359		42,164,544		51,143,988
\$	297,593,423	\$	302,700,456	\$	310,208,617	\$	316,137,974	\$	323,073,765	\$	336,875,918

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

**COMBINED CHANGES IN NET POSITION (UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues	Income Before Capital Contributions	Capital Contributions	Change in Net Position
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
2021	33,810,551	32,017,380	1,793,171	3,214,675	5,007,846	921,511	5,929,357
2022	34,321,124	33,042,282	1,278,842	2,008,444	3,287,286	3,648,505	6,935,791
2023	33,923,545	36,649,455	(2,725,910)	8,046,703	5,320,793	8,481,360	13,802,153



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

**COMBINED OPERATING REVENUES BY SOURCE (UNAUDITED)
Last 10 Fiscal Years**

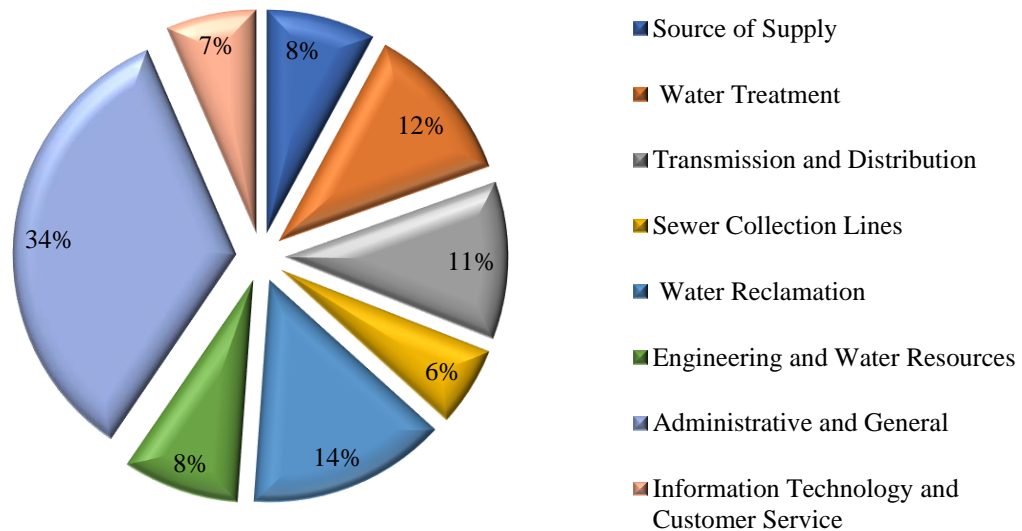
Fiscal Year	Water Sales	Sewer Charges	Fees and Miscellaneous	Total
2014	\$ 17,210,780	\$ 9,737,163	\$ 1,082,179	\$ 28,030,122
2015	16,927,691	10,203,095	1,092,872	28,223,658
2016	19,264,134	11,013,457	965,449	31,243,040
2017	20,331,453	11,793,475	756,331	32,881,259
2018	21,305,003	12,300,941	912,495	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
2021	19,973,521	12,944,938	892,092	33,810,551
2022	20,934,274	12,500,477	886,373	34,321,124
2023	20,421,118	12,710,185	792,242	33,923,545

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

**COMBINED OPERATING EXPENSES (UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Source of Supply	Water Treatment	Transmission and Distribution	Sewer Collection Lines	Water Reclamation	Engineering and Water Resources
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
2021	1,429,289	1,982,251	2,265,538	1,144,242	2,604,359	1,444,100
2022	1,690,438	2,255,778	2,561,918	1,239,068	3,084,149	1,694,988
2023	1,814,775	2,675,664	2,612,222	1,331,001	3,295,952	1,921,086

Allocation of FY2023 Operating Expenses, Excluding Depreciation

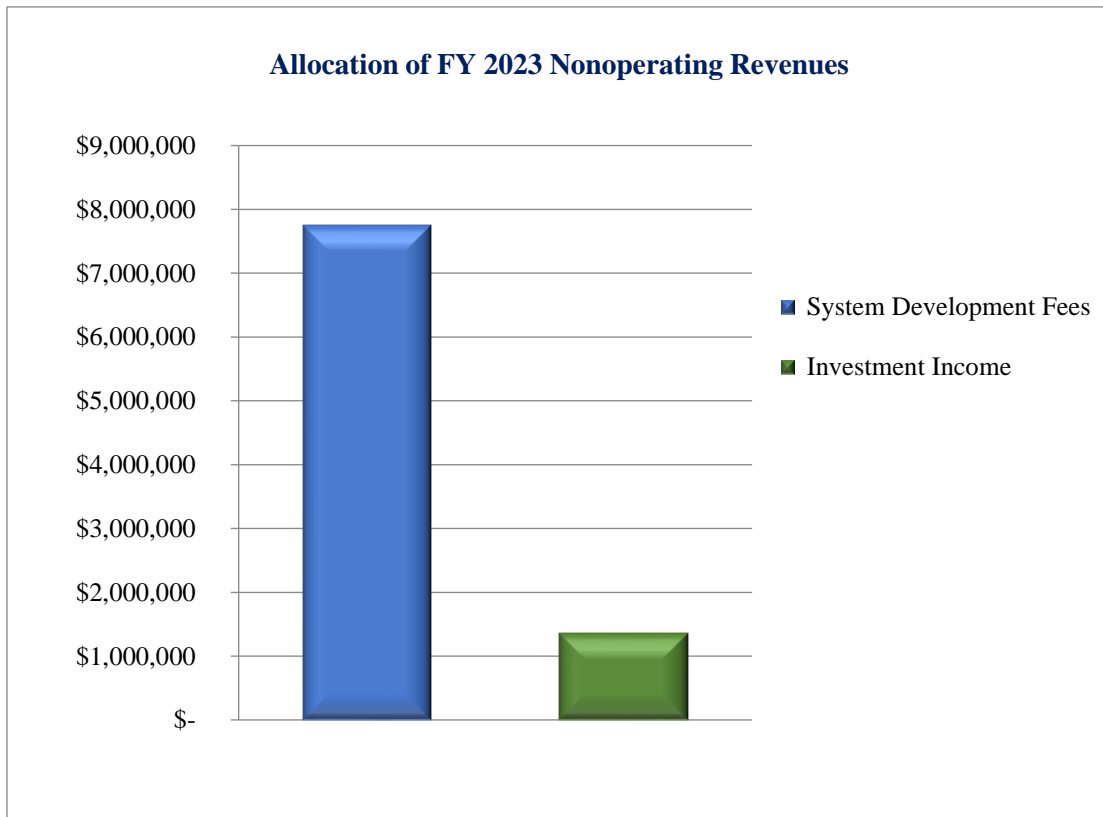


Administrative and General	Information Technology and Customer Service	Subtotal, Expenses Before Depreciation	Depreciation	Total Operating Expenses
\$ 5,603,288	\$ 1,049,253	\$ 16,670,599	\$ 10,813,344	\$ 27,483,943
5,249,576	1,132,188	16,413,883	11,191,868	27,605,751
6,530,009	1,157,416	18,039,269	11,951,212	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
6,824,427	1,171,176	18,865,382	13,151,998	32,017,380
5,611,969	1,619,203	19,757,511	13,284,771	33,042,282
7,802,774	1,494,425	22,947,899	13,701,556	36,649,455

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

**COMBINED NONOPERATING REVENUES AND EXPENSES
(UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	System Development Fees	Investment Income (Loss)	Insurance Proceeds and Gain/Loss on Disposal of Assets	Other Income	Intergovernmental Revenues	Specific-Purpose Tax	Interest Expense	Total Nonoperating Revenues
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
2021	4,526,755	14,807	-	-	-	-	(1,326,887)	3,214,675
2022	3,699,713	(495,375)	-	-	-	-	(1,195,894)	2,008,444
2023	7,748,452	1,356,871	10,116	-	-	-	(1,068,736)	8,046,703



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

**WATER AND SEWER RATES (UNAUDITED)
Last 10 Fiscal Years**

	2014	2015	2016	2017
Water Rates				
Residential single-family:				
First block - First 6,000	\$ 3.72	\$ 3.85	\$ 3.97	\$ 4.05
Second block - Next 18,000	4.61	4.77	4.91	5.01
Third block - Next 18,000	5.72	5.91	6.09	6.21
All over - 42,000	7.11	7.36	7.58	7.73
Residential multi-family:				
First block - First 3,000 per unit	3.72	3.85	3.97	4.05
Second block - Next 9,000 per unit	4.61	4.77	4.91	5.01
Third block - Next 9,000 per unit	5.72	5.91	6.09	6.21
All over - 21,000 per unit	7.11	7.36	7.58	7.73
All other treated (range)	4.08-4.81	4.23-4.97	4.36-5.12	4.45-5.22
Raw water (range)	2.41	2.49	2.56	2.61
Reclaimed water	1.95	2.02	2.08	2.12
Recycled water	3.48	3.60	3.71	3.78
Monthly service fee range (based on meter size)	5.16-175.84	5.34-181.82	5.50-187.27	5.61-191.02
Sewer Rates				
Rate charge (per 1,000 gallons)	\$ 3.91	\$ 4.21	\$ 4.43	\$ 4.62
Monthly service fee range (based on meter size)	4.27-73.10	4.48-76.76	4.61-79.06	4.70-80.64

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

	2018	2019	2020	2021	2022	2023
\$	4.17	\$ 4.29	\$ 4.42	\$ 4.42	\$ 4.64	\$ 4.90
	5.15	5.30	5.46	5.46	5.73	6.05
	6.39	6.58	6.78	6.78	7.12	7.52
	7.96	8.19	8.44	8.44	8.86	9.36
	4.17	4.29	4.42	4.42	4.64	4.90
	5.15	5.30	5.46	5.46	5.73	6.05
	6.39	6.58	6.78	6.78	7.12	7.52
	7.96	8.19	8.44	8.44	8.86	9.36
	4.58-5.37	4.93-5.53	5.08-5.70	5.08-5.70	5.09-5.99	5.60-6.29
	2.69	2.77	2.85	2.85	2.99	2.99
	2.18	2.24	2.31	2.31	2.43	2.82
	3.89	4.00	4.12	4.12	4.33	2.82
	5.77-196.75	5.94-202.65	6.12-208.73	6.12-208.73	6.43-219.17	6.75-230.13
\$	4.76	\$ 4.90	\$ 5.15	\$ 5.15	\$ 5.41	\$ 5.67
	4.84-83.06	4.98-85.55	5.23-89.83	5.23-89.83	5.49-94.32	5.76-99.04

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

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

Customer	Fiscal Year 2023		Fiscal Year 2023	
	Billed Water Revenues		Gallons (1,000s)	
	Amount	%	Amount	%
South Cheyenne Water and Sewer District	\$ 2,276,503	11.15%	428,392	12.28%
F.E. Warren Air Force Base	950,854	4.66%	165,441	4.74%
Holly Frontier Refining & Marketing	731,047	3.58%	133,021	3.81%
Laramie County School District #1	390,634	1.91%	128,690	3.69%
Microsoft Corporation	263,454	1.29%	59,699	1.71%
State of Wyoming	196,376	0.96%	62,341	1.79%
Cheyenne Country Club	154,805	0.76%	92,466	2.65%
Walmart Corporation	144,109	0.71%	36,989	1.06%
Department of Veterans Affairs	126,389	0.62%	42,225	1.21%
Wyoming Military Department	113,386	0.57%	30,522	0.88%
Subtotal (10 largest)	5,347,557	26.19%	1,179,786	33.82%
Balance from other customers	15,073,561	73.81%	2,308,421	66.18%
Grand total	\$ 20,421,118	100.00%	3,488,207	100.00%

Customer	Fiscal Year 2014		Fiscal Year 2014	
	Billed Water Revenues		Gallons (1,000s)	
	Amount	%	Amount	%
Holly Frontier Refining & Marketing	\$ 2,886,923	16.77%	709,881	17.98%
South Cheyenne Water and Sewer District	1,368,779	7.95%	326,350	8.26%
F.E. Warren Air Force Base	773,017	4.49%	180,715	4.58%
Laramie County School District #1	692,040	4.02%	74,418	1.88%
Pinewood Village	643,138	3.74%	95,994	2.43%
State of Wyoming	215,933	0.53%	45,426	1.15%
Cheyenne Country Club	134,768	1.25%	54,612	1.38%
Cheyenne Housing Authority	90,614	0.78%	20,672	0.52%
Cheyenne Regional Medical Center	86,678	0.50%	19,615	0.50%
Wal-Mart Distribution Center	71,410	0.42%	10,720	0.27%
Subtotal (10 largest)	6,963,300	40.46%	1,538,403	38.96%
Balance from other customers	10,247,480	59.54%	2,410,425	61.04%
Grand total	\$ 17,210,780	100.00%	3,948,828	100.00%

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

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

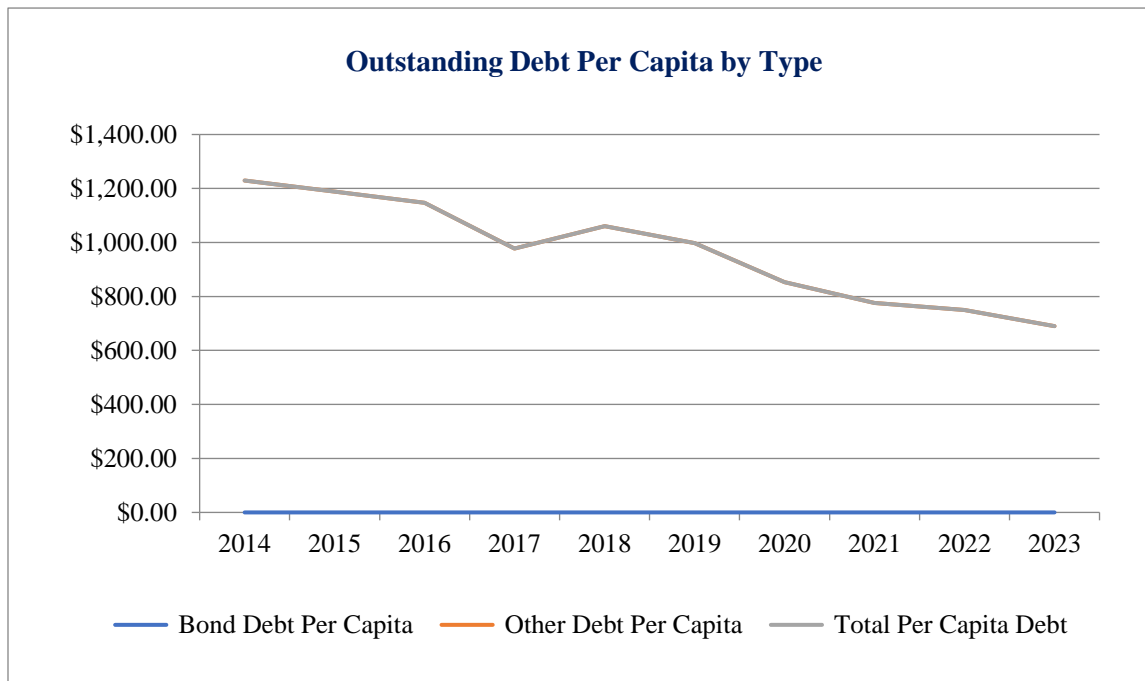
Customer	Fiscal Year 2023		Fiscal Year 2023	
	Billed Sewer Revenues		Sewer Gallons (1,000s)	
	Amount	%	Amount	%
South Cheyenne Sewer and Water District	\$ 1,111,315	8.74%	195,567	10.16%
Holly Frontier Refining & Marketing	556,457	4.38%	95,521	4.96%
F.E. Warren Air Force Base	479,312	3.77%	88,330	4.59%
State of Wyoming	98,927	0.78%	17,508	0.91%
Laramie County School District #1	98,879	0.78%	16,635	0.86%
Walmart Corporation	97,965	0.77%	13,008	0.68%
Department of Veteran Affairs	88,436	0.70%	15,816	0.82%
Cheyenne Regional Medical Center	74,995	0.59%	13,305	0.69%
Breeze Thru Car Wash	66,910	0.53%	12,069	0.63%
Cheyenne Housing Authority	63,235	0.48%	9,985	0.52%
Subtotal (10 largest)	2,736,431	21.53%	477,744	24.83%
Balance from other customers	9,973,754	78.47%	1,446,256	75.17%
Grand total	\$ 12,710,185	100.00%	1,924,000	100.00%

Customer	Fiscal Year 2014		Fiscal Year 2014	
	Billed Sewer Revenues		Sewer Gallons (1,000s)	
	Amount	%	Amount	%
South Cheyenne Sewer and Water District	\$ 1,134,088	11.65%	296,045	13.40%
Holly Frontier Refining & Marketing	564,285	5.80%	135,997	6.16%
F.E. Warren Air Force Base	386,383	3.97%	100,743	4.56%
Laramie County School District #1	92,678	0.95%	23,057	1.04%
Cheyenne Housing Authority	66,523	0.68%	15,660	0.71%
Cheyenne Regional Medical Center	64,052	0.66%	16,439	0.74%
Wal-Mart Distribution Center	61,502	0.63%	10,700	0.48%
State of Wyoming	55,003	0.56%	13,264	0.60%
EchoStar	37,740	0.39%	9,792	0.44%
Pinewood Village	30,673	0.32%	7,830	0.34%
Subtotal (10 largest)	2,492,927	25.60%	629,527	28.50%
Balance from other customers	7,244,236	74.40%	1,579,495	71.50%
Grand total	\$ 9,737,163	100.00%	2,209,022	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
Last 10 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
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
2021	-	-	0.00%	49,863,104	776.26	1.58%	49,863,104
2022	-	-	0.00%	49,086,672	749.40	1.52%	49,086,672
2023	-	-	0.00%	44,580,200	689.99	1.40%	44,580,200



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

**SEWER FUND - LEGAL DEBT MARGIN INFORMATION
(UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
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%
2021	32,910,392	-	32,910,392	0.00%
2022	37,667,722	-	37,667,722	0.00%
2023	42,269,212	-	42,269,212	0.00%

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

**WATERWORKS FUND - PLEDGED REVENUE COVERAGE (UNAUDITED)
Last 10 Fiscal Years**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fiscal	Water		Net Revenues	Debt Service***			Coverage
Year	Gross	Expenses**	Available for	Principal	Interest	Total	Ratio****
	Revenues*		Debt Service				
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
2021	24,001,178	12,149,429	11,851,749	2,229,875	567,029	2,796,904	4.24
2022	23,911,442	12,629,608	11,281,834	2,282,775	513,082	2,795,857	4.04
2023	28,550,948	14,799,860	13,751,088	2,341,501	458,017	2,799,518	4.91

* Gross revenues do 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).

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

**SEWER FUND - PLEDGED REVENUE COVERAGE (UNAUDITED)
Last 10 Fiscal Years**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fiscal Year	Sewer Gross Revenues*	Expenses**	Net Revenues Available for Debt Service	Debt Service			Coverage Ratio***
				Principal	Interest	Total	
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
2021	14,350,935	6,715,953	7,634,982	2,894,913	726,841	3,621,754	2.11
2022	13,614,020	7,127,903	6,486,117	2,967,080	670,706	3,637,786	1.78
2023	14,488,036	8,148,039	6,339,997	3,041,049	596,741	3,637,790	1.74

* Gross revenues do not include capital contributions.

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

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

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Estimated Population	Personal Income (1,000s)*	Per Capita Income*	Unemployment Rate*	School Enrollment*
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	5,384,262	54,113	3.3%	15,826
2020	64,165	5,542,205	55,094	3.8%	15,585
2021	64,235	**	**	5.4%	15,511
2022	65,501	**	**	3.6%	15,381
2023	64,610	**	**	4.0%	15,300

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

* For Laramie County

** Information not yet available

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

**PRINCIPAL EMPLOYERS (UNAUDITED)
Current Year and Nine Years Ago**

2023*	
Employer	Product
F.E. Warren Air Force Base	Military
State of Wyoming	Government Services
Federal Government	Government Services
Laramie County School District #1	Education K-12
Cheyenne Regional Medical Center	Health Care

2014	
Employer	Product
F.E. Warren Air Force Base	Military
State of Wyoming	Government Services
Laramie County School District #1	Education K-12
Federal Government	Government Services
Cheyenne Regional Medical Center	Health Care

Source: city-data.com/us-cities/The-West/Cheyenne-Economy

** Information regarding the number of employees for each major employer is not readily available from a reliable source.*

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

**NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY
(UNAUDITED)
Last 10 Fiscal Years**

	Budgeted Positions as of June 30,			
	2014	2015	2016	2017
Administration				
General and administrative	8.0	8.0	8.0	8.0
Customer service	6.0	6.0	6.0	6.0
Information technology	4.0	4.0	4.0	4.0
Meter information techs	5.0	5.0	5.0	5.0
Subtotal	23.0	23.0	23.0	23.0
Water Treatment				
Management/support staff	2.0	2.0	2.0	2.0
Plant supervisor/operators	13.0	13.0	13.0	13.0
Laboratory staff	2.0	2.0	2.0	2.0
Wellfield group	3.0	3.0	3.0	3.0
Source of supply	-	-	-	-
Subtotal	20.0	20.0	20.0	20.0
Operation and Maintenance				
Transmission and distribution	13.0	13.0	13.0	13.0
Sewer collection	12.0	12.0	14.0	14.0
Support services	11.0	11.0	11.0	11.0
Sup. dist. and col. fac. staff	5.5	5.5	5.5	5.5
Subtotal	41.5	41.5	43.5	43.5
Engineering and Water Resources				
Engineering staff	7.0	7.0	8.0	8.0
Inspections and locates	4.0	4.0	4.0	4.0
Instrumentation and telemetry	4.0	4.0	5.0	5.0
Source of supply	6.0	6.0	6.0	6.0
Subtotal	21.0	21.0	23.0	23.0
Water Reclamation				
Management/support staff	5.0	6.0	6.0	6.0
Laboratory staff	2.0	2.0	2.0	2.0
Plant supervisors/operators	16.0	16.0	16.0	16.0
Subtotal	23.0	24.0	24.0	24.0
Total	128.5	129.5	133.5	133.5

Budgeted Positions as of June 30,

2018	2019	2020	2021	2022	2023
8.0	8.5	8.5	8.5	8.5	8.5
6.0	6.0	6.5	6.5	7.5	7.5
4.0	4.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	4.0	4.0
23.0	23.5	25.0	25.0	25.0	25.0
2.0	2.0	2.0	1.5	1.5	1.5
13.0	13.0	13.0	13.0	12.0	12.0
2.0	2.0	2.0	2.0	2.0	2.0
3.0	3.0	3.0	3.0	2.0	2.0
-	-	6.0	6.0	9.0	9.0
20.0	20.0	26.0	25.5	26.5	26.5
13.0	13.0	13.0	13.0	13.0	13.0
15.0	15.0	15.0	15.0	15.0	15.0
11.0	11.0	11.0	11.0	11.0	11.0
5.5	5.5	5.5	5.5	4.5	4.5
44.5	44.5	44.5	44.5	43.5	43.5
8.0	8.0	8.0	8.0	7.0	7.0
4.0	4.0	4.0	4.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0
6.0	6.0	-	-	-	-
23.0	23.0	17.0	17.0	17.0	17.0
6.0	6.0	6.0	5.5	5.5	5.5
2.0	2.0	2.0	2.0	2.0	2.0
16.0	16.0	16.0	16.0	16.0	16.0
24.0	24.0	24.0	23.5	23.5	23.5
134.5	135.0	136.5	135.5	135.5	135.5

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

**OPERATING AND CAPITAL INDICATORS (UNAUDITED)
Last 10 Fiscal Years**

	2014	2015	2016	2017
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	68	75
Treated Water Distribution Mains (miles)	389	389	395	398
Gallons of treated water storage (millions)	35	35	35	36.5
Reservoir levels at June 30 (acre-feet*)	39,832	39,678	39,791	40,272
Water treatment plant capacity (mgd)	32	32	32	32
Peak day **	July 8, 2013	July 21, 2014	June 22, 2016	July 20, 2016
Peak day (mgd)	29.27	25.79	26.11	30.32
Peak month **	July 2013	July 2014	August 2015	July 2016
Peak month (million gallons)	699.86	651.13	699.17	732.46
Total water delivered (acre-feet)	13,377	13,587	14,088	14,692
Average daily demand (mgd)**	11.94	12.13	12.58	13.12
Recycled Water				
Miles of delivery pipeline	14.99	13.59	14.99	14
Treatment capacity (mgd)	4.0	4.0	4.0	4.0
Total recycled water delivered (acre-feet)	330.24	155.84	167.62	341.64
Peak day	July 3, 2013	July 8, 2014	June 21, 2016	June 28, 2017
Peak day (mgd)	2.05	1.24	1.24	1.89
Water Reclamation***				
Miles of sewer collection mains	327	327	331	337
Water reclamation capacity (mgd)	17.0	17.0	17.0	17.0
Peak month	May 2014	May 2015	July 2015	May 2017
Peak month (million gallons)	313.3	326.1	344.5	264.1
Peak month average per day (mgd)	10.10	10.52	11.11	12.70
Total wastewater treated (000 gallons)	3,297,782	2,948,876	3,159,522	2,928,120
Average (mgd)	9.04	8.08	8.63	8.03

* 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 include treated water, raw water and recycled water delivered to the community of Cheyenne.

*** Wastewater influent.

2018	2019	2020	2021	2022	2023
49	49	49	49	49	49
222	222	222	222	222	222
76	78	78	78	78	78
399	407	407	413	414	414
36.5	36.5	36.5	36.5	36.5	36.5
39,078	39,815	39,815	38,813	38,473	38,473
32	32	32	32	32	32
July 5, 2017	July 11, 2018	September 2, 2019	July 8, 2020	June 17, 2022	July 21, 2022
25.93	28.15	26.71	28.63	26.31	28.73
July 2017	July 2018	August 2019	July 2020	June 2022	July 2022
704.65	608.34	693.65	723.43	655.72	681.97
13,480	13,096	14,495	13,309	12,950	12,449
12.79	11.69	12.94	11.88	11.56	11.11
14	14	14.00	14.00	14.00	14.00
4.0	4.0	4.0	4.0	4.0	4.0
478.93	389.91	617.21	531.43	622.08	158.08
June 13, 2018	August 31, 2018	September 3, 2019	July 10, 2020	June 23, 2022	August 13, 2022
2.57	2.07	2.14	2.21	2.05	2.54
327	335	335	339	339	339
17.0	17.0	17.0	17.0	17.0	17.0
May 2018	June 2019	July 2019	May 2021	July 2021	June 2023
279.5	310.3	305.2	277.3	256.2	235.0
9.01	10.34	9.84	10.45	8.26	7.83
3,011,040	3,127,340	3,025,704	2,772,970	2,648,629	2,603,120
8.25	8.56	8.28	7.52	7.25	7.13

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

**WATER DELIVERED AND SOLD, AND WASTEWATER TREATED
(UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Gallons of Water Delivered (a)	Gallons of Water Sold (b)	Gallons of Water Used by City (c)	Gallons of Water Unbilled (d)	Average Percent Unbilled (e)	Gallons of Wastewater Billed (f)	Total Direct Rate	
							Water (g)	Sewer (h)
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
2021	4,537	3,603	404	530	11.68%	2,184	5.59	5.93
2022	4,220	3,612	511	97	2.30%	2,064	5.80	6.06
2023	4,057	3,488	458	111	2.74%	1,924	5.85	6.61
Average	4,454	3,811	395	248	5.57%	2,211		

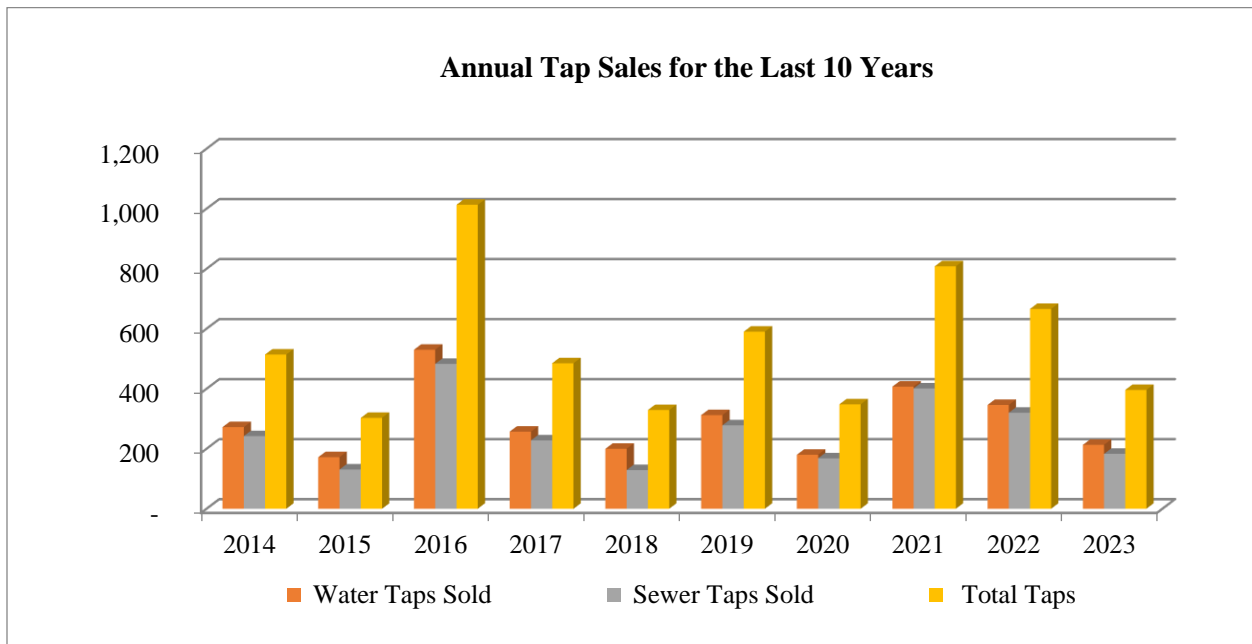
Notes: Gallons are presented in millions.

- (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 reading 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 fiscal year.
- (c) Gallons used by the City are based upon meter read dates and vary beginning in 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 include firefighting 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 of wastewater billed are based on billings for the period July 1 through June 30.
- (g) For fiscal years 2003 onwards, 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.

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

**ANNUAL TAP SALES (UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Water Meter Taps Sold	Sewer Taps Sold	Total Taps
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
2021	407	401	808
2022	346	320	666
2023	213	183	396

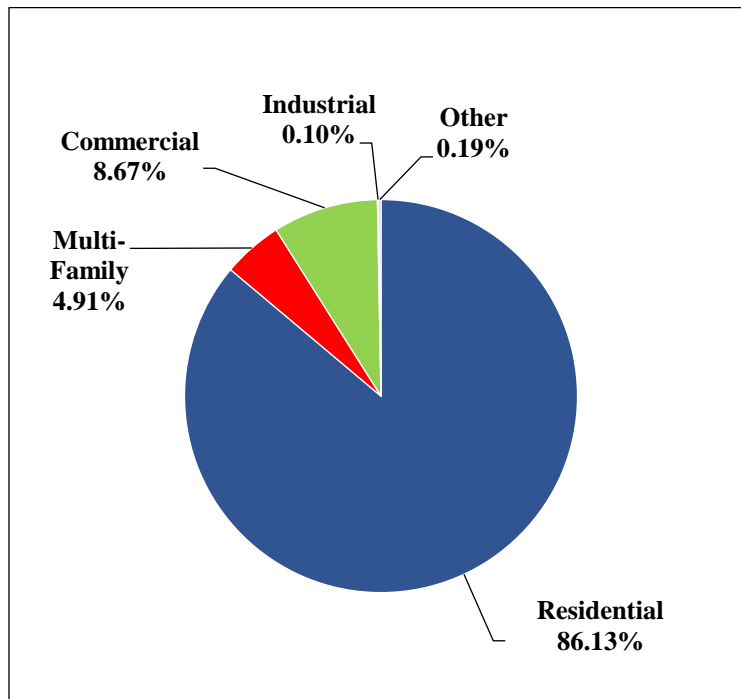


**CITY OF CHEYENNE, WYOMING
BOARD OF PUBLIC UTILITIES**

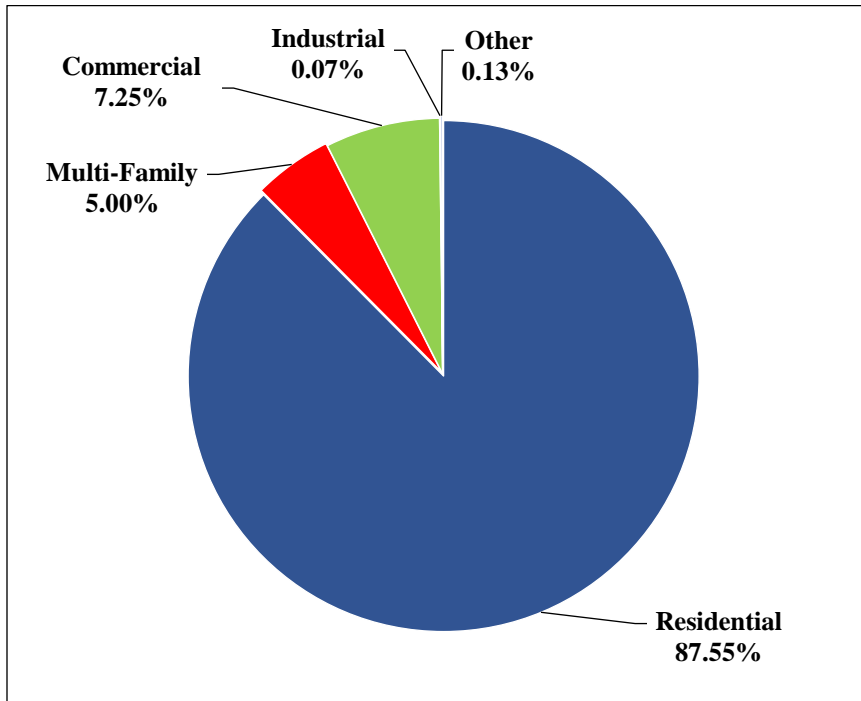
**NUMBER OF WATER AND SEWER USERS BY TYPE (UNAUDITED)
Last 10 Fiscal Years**

Fiscal Year	Water					Sewer	
	Residential	Multi-Family	Commercial	Industrial	Other	Residential	Multi-Family
2014	19,913	1,250	1,695	21	180	19,831	1,252
2015	20,195	1,250	1,711	17	152	20,120	1,251
2016	20,382	1,257	1,721	21	168	20,300	1,257
2017	20,618	1,271	1,735	21	159	20,530	1,272
2018	20,844	1,295	1,772	22	177	20,742	1,294
2019	20,986	1,314	1,766	24	178	20,892	1,310
2020	21,178	1,352	1,800	20	147	20,936	1,341
2021	21,290	1,365	1,745	19	142	21,170	1,362
2022	21,505	1,367	1,752	19	144	21,357	1,365
2023	21,808	1,244	2,195	27	47	21,495	1,227

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



Sewer			Total	
Commercial	Industrial	Other	Water	Sewer
1,592	20	23	23,059	22,718
1,605	20	25	23,325	23,021
1,619	20	27	23,549	23,223
1,618	20	25	23,804	23,465
1,637	22	25	24,110	23,720
1,634	22	25	24,268	23,883
1,607	18	30	24,497	23,932
1,615	17	33	24,561	24,197
1,629	18	33	24,787	24,402
1,780	16	32	25,321	24,550



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

**GALLONS PER CAPITA PER DAY (UNAUDITED)
Last 10 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
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
2021	64,235	1,976,543	84.30	2,911,251	124.17
2022	65,501	2,042,943	85.45	2,860,829	119.66
2023	64,610	1,856,029	78.70	2,740,271	116.20

* Wyoming Center for Business & Economic Analysis.

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

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

**METERED WATER SALES BY CUSTOMER CLASS AND OPERATING
AND DEBT SERVICE COST PER 1,000 GALLONS SOLD (UNAUDITED)
Last 10 Fiscal Years (in 000 Gallons)**

Fiscal Year	Residential	Commercial and Industrial	Holly Frontier Refining & Marketing	Total In-City Metered Water Sales	F.E. Warren Air Force Base	South Cheyenne Water and Sewer District	Outside City	Raw Water
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
2021	1,976,543	676,576	258,132	2,911,251	138,067	357,335	88,454	74,525
2022	2,042,943	720,841	97,045	2,860,829	164,349	390,722	59,189	82,377
2023	1,856,029	751,221	133,021	2,740,271	165,441	428,392	57,869	62,708

* 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
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
24,211	-	9,525	3,603,368	12,149,429	3.37	2,796,904	0.78
21,681	-	33,293	3,612,440	12,629,608	3.50	2,282,775	0.63
22,238	-	11,288	3,488,207	14,799,860	4.24	2,341,501	0.67

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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the 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, 2023, 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 10, 2023.

Report on 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 10, 2023