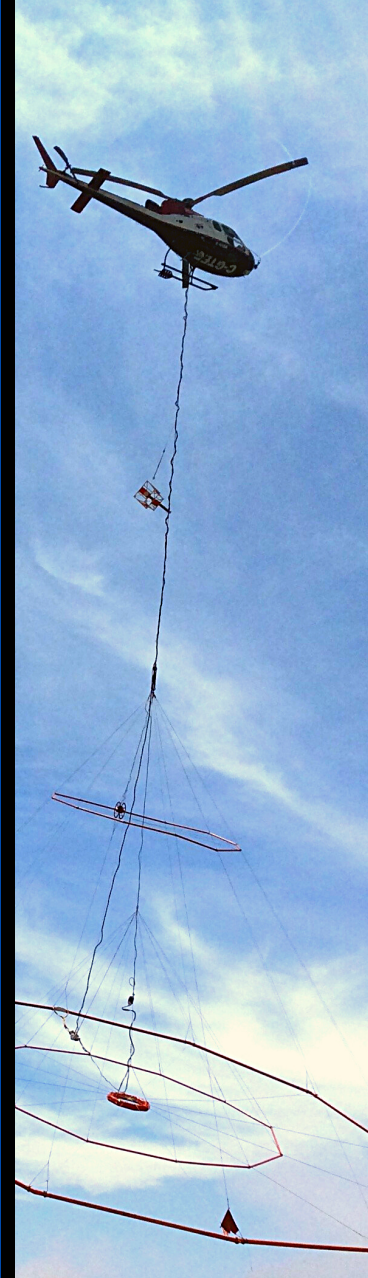




# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year End: June 30, 2021

Waterworks & Sewer Enterprise Funds  
of the City of Cheyenne, Wyoming



## *VISION*

*We will set the Standard of Excellence in the Water and Wastewater Industry. We will be a leader in service to our customers. We will be responsible stewards in managing and protecting our water resources, the environment, the health and safety of our employees and the community.*

**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, 2021**

**PREPARED BY:**

**BOARD OF PUBLIC UTILITIES**  
**ADMINISTRATION DIVISION**

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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](http://www.cheyennebopu.org)

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

Monday, October 11, 2021

The Board of Public Utilities (BOPU) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 (ACFR FY2021) 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 is 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.

WYO. STAT. § 16-4-121 (1977) requires that an annual audit be conducted by an independent auditor and be in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants in their guidelines for audits of state and local governments. The audits shall be financial and legal compliance audits. The independent audit shall be completed, and a copy 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, 2021 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, 2021 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.

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 report of the independent auditor 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 77<sup>th</sup> 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 of Cheyenne, Wyoming. The BOPU is charged with developing and supplying the City and its residents with water for domestic and industrial purposes and for public use. Sanitary sewer facilities are provided for this same group of users.

The City of Cheyenne Governing Body, operating under the Mayor/Council form of government, 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 of Cheyenne, Wyoming, which publishes a separate financial report and is subject to separate accountability.

The BOPU provides water and sewer services for the City of Cheyenne, Warren Air Force Base, and South Cheyenne Water and Sewer District, as well as several residential and commercial customers and ranchers located outside of the City. These services include operation and maintenance of water supplies (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 trans-continental railroad, started as an early Union Pacific railroad tent town in 1867 and was named after the Cheyenne Native American Tribe who resided in the general area. Shortly after the establishment of Cheyenne, the United States Army established Fort D.A. Russell on the western side of the city. Since the creation of Fort D.A. Russell (now F.E. Warren Air Force Base), there has been a military presence in Cheyenne and 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 new technology with the same tenacity, spirit, and sensibility of its original settlers.

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



According to the State of Wyoming Economic Analysis Division report, Cheyenne has an estimated population of 64,235 as of July 2021, with an additional 99,500 throughout Laramie County. The City of Cheyenne has been designated a Standard Metropolitan Statistical Area (50,000 population or greater) since 1985.

Cheyenne retains a unique combination of business advantages:

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

## **ECONOMIC CONDITION AND OUTLOOK**

According to the Wyoming Center for Business & Economic Analysis (WCBEA), Laramie County labor data for the first quarter of 2021 was mixed for both the quarter and the year. Local Area Unemployment Statistics (LAUS) data showed an increase in employment, but Current Employment Statistics (CES) data showed a decrease in the number of jobs in Laramie County over the year. The LAUS data indicated an increase of 985 jobs (+2.1%), while the CES data indicated a decrease of 1,167 jobs (-2.5%), from the first quarter of 2020 to the first quarter of 2021. From the fourth quarter of 2020 to the first quarter of 2021, LAUS data reported an increase of 2,008 jobs (+4.3%), but CES data indicated a decrease of 334 jobs during the same time period (-0.7%). It is important to keep in mind the difference between the LAUS data and the CES data. LAUS data is based on a survey of households and CES data is based on a survey of employers. The LAUS data indicated more Laramie County residents were working, while the CES data reflects a count of jobs, not workers, and showed a decrease in the number of jobs in the county.

The general level of economic activity in Laramie County – as measured by retail sales – increased 2.9% from one year ago. Both total tax collections and tax receipts by local governments decreased slightly over the last year – tax collections fell by 0.4% and tax receipts fell by 0.3% from the first quarter of 2020 to the first quarter of 2021.

Residential construction in Cheyenne and Laramie County improved both over the first quarter and the year. The number of single-family building permits decreased slightly over the year from a monthly average of 63 in the first quarter of 2020 to 62 in the first quarter of 2021 (-1.5%). Over the first quarter, the number improved from 47 to 62 (+31.9%). Outside Cheyenne, single-family building permits increased over both the quarter and the year, more than doubling from 44 in the first quarter of 2020 to 92 in the first quarter of 2021 (+109%). Over the first quarter, the number increased from 55 in the fourth quarter of 2020 to 92 in the first quarter of 2021 (+67.3%).

Annual real estate sales prices continued to climb in the first quarter of 2021. In the city, the average sales price rose from \$284,545 in the first quarter of 2020 to \$306,013 in the first quarter of 2021 (+7.5%). In the county, the year-over-year average sales price for homes rose by 6.0%, from \$429,832 in the first quarter of 2020 to \$455,833 in the first quarter of 2021.



The number of unemployed workers increased both over the year and over the first quarter. The number of unemployed workers increased from 1,948 in the first quarter of 2020 to 2,733 in the first quarter of 2021 (+40.2%) and the number increased from 2,215 in the fourth quarter of 2020 to 2,733 in the first quarter of 2021 (+23.4%). The average monthly unemployment rate also rose over the year and over the first quarter, increasing from 4.0% in the first quarter of 2020 to 5.4% in the first quarter of 2021 and increased from an average monthly rate of 4.6% in the fourth quarter of 2020 to 5.4% in the first quarter of 2021.

Some of Laramie County's economic indicators started recovering to 2019 levels in the first quarter of 2021, while other areas continued to struggle. Mask restrictions were lifted on vaccinated residents, allowing places like bars and restaurants to return to more normal practices. Oil prices rebounded during the quarter. Labor numbers were mixed. Unemployment rates in both the city and the county rose over the quarter, and initial unemployment claims stayed constant. Retail sales were down over the quarter, but up over the year. Hotel vacancies and rates are down from this time last year. Commercial air service resumed in November 2020, but enplanement numbers are down from the first quarter of 2020. Construction permits and values increased over the year. Credit union and banking deposits both increased over the year.

#### CHEYENNE LABOR MARKET

	1Q 2019	1Q 2020	4Q 2020	1Q 2021	2-Year % Chg. 1Q 2019 - 1Q 2021	1-Year % Chg. 1Q 2020 - 1Q 2021	Qtrly. % Chg. 4Q 2020 - 1Q 2021
Avg. Monthly Civilian Labor Force (LAUS)	48,080	49,184	48,428	50,954	5.98	3.60	5.22
Avg. Monthly Employment (LAUS)	46,262	47,236	46,213	48,221	4.23	2.09	4.35
Avg. Monthly Employment (CES)	46,433	46,700	45,867	45,533	-1.94	-2.50	-0.73
Avg. Monthly Unemployment (LAUS)	1,819	1,948	2,215	2,733	50.25	40.30	23.39
Avg. Monthly Unemployment Rate (LAUS)	3.8	4.0	4.6	5.4	42.11	35.00	17.39
Avg. Monthly Initial Unemployment Claims (LAUS)	54	73	159	160	196.30	119.18	0.63
Avg. Monthly Help Wanted Ads	714	338	307	379	-46.92	12.13	23.45

#### GENERAL BUSINESS ACTIVITY

	1Q 2019	1Q 2020	4Q 2020	1Q 2021	2-Year % Chg. 1Q 2019 - 1Q 2021	1-Year % Chg. 1Q 2020 - 1Q 2021	Qtrly. % Chg. 4Q 2020 - 1Q 2021
Total Retail Sales (\$000)	\$319,628	\$358,535	\$390,833	\$369,097	15.48	2.95	-5.56
Avg. Monthly Enplanements – Cheyenne Regional Airport	1,059	921	225	407	-61.57	-55.81	80.89
Avg. Monthly Auto Registrations New & Used	2,598	2,784	3,225	2,938	13.09	5.53	-8.90
Avg. Monthly Bankruptcies	10	9	8	9	-10.00	0.00	12.50

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

##### ***CAMPING WORLD ANNOUNCES PLANNED EXPANSION IN CHEYENNE, WYOMING***

Camping World Holdings, Inc., an America's Recreation Dealer, announced that an agreement has been signed to acquire approximately nine acres of land off Interstate 80 in Cheyenne, Wyoming for development of a new SuperCenter location. This location will be the retailer's first facility in the state of Wyoming, with an anticipated opening in late 2021/early 2022.

“We are excited to open our first location in the State of Wyoming as we propel toward our goal of a national recreational dealer platform in all 48 contiguous states,” said Marcus Lemonis, CEO and Chairman of Camping World Holdings. “Each location we open across the U.S. represents significant economic impact for the communities and convenient customer service and products for the 5.3 million active customers we serve. We are looking forward to developing this land and making Cheyenne our new home.”

The Cheyenne location will include a wide range of new and used RVs from top manufacturers in addition to a full assortment of RV and outdoor products and accessories and the entire portfolio of Good Sam products and services.

Camping World, the nation’s largest network of RV and outdoor lifestyle-centric locations, currently owns and operates over 170 SuperCenters nationwide and a comprehensive e-commerce platform, specializing in RV sales and service, RV parts and accessories, outdoor lifestyle products and its entire portfolio of Good Sam products and services. From new strategic acquisitions, new store development and facility upgrades, the company’s network will continue to expand and evolve while serving its customers’ outdoor, RV and camping needs.

Camping World is always looking for seasoned and professional RV sales associates, technicians, and retail support to assist with locations across the country. Individuals interested in applying for a position may visit <http://www.campingworldcareers.com/>.

#### ***About Camping World Holdings, Inc.***

Camping World Holdings, headquartered in Lincolnshire, Illinois, is America’s leading recreational vehicle and outdoor retailer, offering an extensive assortment of recreational vehicles for sale, RV and camping gear, RV maintenance and repair, other outdoor and active sports products, and the industry’s broadest and deepest range of services, protection plans, products, and resources. Since the company’s founding in 1966, Camping World has grown to become one of the most well-known destinations for everything RV, with more than 170 locations in 38 states and a comprehensive e-commerce platform. For more information, visit [www.CampingWorld.com](http://www.CampingWorld.com).



#### ***DR. ELSEY’S WYOMING PRODUCTION FACILITY IS COMPLETE***

Dr. Elsey’s, a veterinarian-owned cat product brand, has completed its production facility.

Located at Swan Ranch in Cheyenne, Wyoming, the brand’s new facility offers closer access to the source of silver sodium bentonite clay and better access to the railroad system used for product transportation.

“At 180,000 square feet, the new production facility, including rail shed, is four times the size of Dr. Elsey’s previous facility located in Englewood, Colorado,” said CEO Aaron Westcott.

The increase in space offers new opportunities for the brand to further expand its product line of solutions-based litter products for cats and meet the complex needs of pet owners.

“We try to speak for the cat,” said company founder Dr. Bruce Elsey. “Coming at this from a feline veterinarian perspective, I think we’ve been able to hone in on what cats need. We’ve always put ourselves in the pet’s paws, always identifying what is best for the animal, not for publicity.”

Dr. Elsey's offers a variety of highly rated litters, including Cat Attract™ and Ultra. The first of its kind, Cat Attract™ Litter is the only litter designed for cats that do not consistently use their litter box. Blended with a natural herbal attractant, Cat Attract™ is the problem cat training litter. Non-use of the litter box is the top behavioral reason cats are abused or surrendered to shelters. Dr. Elsey's works to keep cats in happy homes by offering a free Litter Box Solutions Booklet in every box or bag. Ultra, recently named "The Best Cat Litter" by Wirecutter, offers excellent clumping and prevents moisture from reaching the bottom of the litter box tray. This low-tracking litter is 99% dust-free and keeps your home clean and odor-free.

To learn more about Dr. Elsey's line of products, visit [www.drelseys.com](http://www.drelseys.com).

### ***About Dr. Elsey's***

Dr. Elsey's is a veterinarian-owned cat product brand dedicated to creating products that solve the complex needs of pet owners. Founded in 1987 with the first all-natural clumping cat litter, Dr. Elsey's line of products has since grown to include a variety of premium litters that address the health and behavioral needs of cats in every stage of life. With the mission to enhance the lives of pets to the degree in which they enrich ours, Dr. Elsey's strives to put heart, soul, and science into their line of specialty cat litters and food.

### ***CHEYENNE RANKED 2<sup>ND</sup> HARDEST-WORKING CITY IN AMERICA***

In February 2021, Cheyenne, Wyoming was ranked the second hardest-working city in the U.S., according to a new analysis from the personal finance website Wallethub. To determine its rankings, Wallethub compared 116 of the most populated cities across two key dimensions: "Direct Work Factors" and "Indirect Work Factors."

Direct work factors include a subset of data such as average work hours per week, employment rate, share of households where no adults work, and share of workers leaving vacation time unused. Indirect work factors include things such as average commute time, share of workers with multiple jobs and annual volunteer hours per resident.

"One of the things that makes Cheyenne the second hardest-working city in the U.S. is having the largest number of average workweek hours," Wallethub analyst Jill Gonzalez said. "Other factors that also contributed to this ranking include the 95% employment rate and the share of workers with multiple jobs."

### **MAJOR INITIATIVES**

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

#### ***FY2021 North City Expansion***

During the Fiscal Year (FY2021) budget year, the BOPU began the planning and design of a three-million-gallon elevated water tank and associated piping at the Buffalo Ridge Tank site to support the continued growth of Cheyenne.

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

The Project will provide enhanced services to the northern portion of Cheyenne, along with providing for the needed expansion of the water supply to the growing population.



## ***Hydroelectric Generation Facility***



In FY2021, 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 will be 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 will be located on the second floor. Water leaving the generator will be 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.

It is anticipated that the generator will produce electricity by Spring 2022 and, once completed, the generator will, at times, service all the 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, 2021, the multi-tiered water rate for single-family residential did not see an increase.

	Jan. 1, 2020	Jan. 1, 2021	Jan. 1, 2022
Water Volume Rate Charge Per 1,000 Gallons:			
Residential (in-city):			
First Block – First 6,000	\$4.42	\$4.42	\$4.64
Second Block – Next 18,000	5.46	5.46	5.73
Third Block – Next 18,000	6.78	6.78	7.12
All Over – 42,000	8.44	8.44	8.86

The volume rate charge per 1,000 gallons of drinking water for commercial users during these same time periods of January 1, 2020, 2021 and 2022 are as follows: \$4.42, \$4.42, and \$4.64, respectively.

The volume rate charge per 1,000 gallons for sewerage for all users during these same time periods of January 1, 2020, 2021 and 2022 are as follows: \$5.15, \$5.15, and \$5.41, 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.

FY2021 marked the release of the BOPU's 22<sup>nd</sup> 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 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 our water customers to learn about Cheyenne's water system and the Safe Drinking Water Act requirements and to help us protect our valuable water sources, which are the heart of our community, our way of life and vital to our future.



Other noteworthy initiatives during FY2021 included another ambitious round of water and sewer main rehabilitations. Water and sewer main rehabilitation 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 major emphasis on expanding the available water supplied to Cheyenne in order to facilitate future expansion of the city for both residential and commercial/industrial needs.

### **Major FY2022 budgeted projects include:**

#### ***Granite & Crystal Bypass Pipeline & Outlet Rehab***

This project includes a new bypass pipeline and rehabilitation of the outlet pipes in both the Granite and Crystal dam. The bypass includes an 18" and 20" pipeline running from Stage I/II supply piping above Granite/Crystal to the 36" and 30" piping that feeds the Sherard Water Treatment Plant. This will ensure Cheyenne's surface water supply will not be compromised in the event Granite and/or Crystal become inoperable for any reason. This increases operational resiliency to one of the most important water supply components within our system. The FY2022 budget for this project is \$3,000,000.

### **Other items for 2021:**

On June 22, 2021, the City Governing Body adopted the Waterworks and Sewer Enterprise Fund budgets as recommended by the BOPU for fiscal year 2022 (July 1, 2021 to June 30, 2022). The BOPU's combined water and sewer budgets for fiscal year 2022 of \$37,743,380 is \$32,656,087 less than fiscal year 2021's adjusted budget.

#### ***Relevant Financial Policies***

During fiscal year 2021, the BOPU revised the conflict of interest/gratuities and vendor relations policies to coincide with the City's policy.

### **Administrative Controls**

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

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

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the BOPU for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 43<sup>rd</sup> 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, appearing to read 'Ashley Miller', followed by a long, horizontal, slightly wavy line that extends to the right.

Ashley Miller  
Administration Manager/Assistant City Treasurer



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## **BOARD OF PUBLIC UTILITIES**

**~ BOARD MEMBERS ~  
~ JUNE 30, 2021 ~**



**Mary Guthrie – President  
Board Member Since June 18, 2015  
Term Expires June 1, 2027**



**Matt Pope – Secretary  
Board Member Since September 9, 2013  
Term Expires June 1, 2027**



**John Edwards – Board Member  
Board Member Since June 8, 2017  
Term Expires June 1, 2023**



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



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



## LIST OF PRINCIPAL OFFICIALS

As of June 30, 2021, the following is a list of principal officials of the Board of Public Utilities, City of Cheyenne:

<b>Elected &amp; Appointed Officials</b>	<b>Current Term Expires</b>	<b>Position</b>
<b>Patrick Collins</b>	<b>January 2025</b>	<b>Mayor</b>
<b>Mary Guthrie</b>	<b>June 2027</b>	<b>Board President</b>
<b>Matthew Pope</b>	<b>June 2027</b>	<b>Board Secretary</b>
<b>John Edwards</b>	<b>June 2023</b>	<b>Board Member</b>
<b>Allan Cunningham</b>	<b>June 2025</b>	<b>Board Member</b>
<b>Keith Zabka</b>	<b>June 2025</b>	<b>Board Member</b>

### Management:

Bradley A. Brooks, Director  
Ashley Miller, Administration Manager  
Frank Strong, Engineering & Water Resource Manager  
Doug Calhoun, Operations & Maintenance Manager  
Clint Bassett, Water Treatment Manager  
Matthew 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 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 tracks arrived. By February 1868, there were 6,000 residents in town.

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



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

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

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

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

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. <sup>ii</sup>

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. <sup>iii</sup>

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



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

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

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



Seventy-five years ago, on April 27, 1943, the City of Cheyenne 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), 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 Madres 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 Divide is collected and diverted through a 3,500-foot-long tunnel to the eastern side of the Divide and stored in Hog Park Reservoir. This water is used as trade water. Hog Park Reservoir is on the west side of the North Platte River and Rob Roy Reservoir is on the east. When the 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 Dry Creek Wastewater Treatment Plant, followed by another expansion a decade later.

A drought in the late 1970s indicated the need for additional water and the 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 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 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 irrigation of two golf courses and a City park to raw, untreated water instead of treated City drinking water. The project freed up as much as three MGD of treated water during peak summer day demands.

The second was the design and construction of a new 32 MGD R.L. Sherard Water Treatment Plant. The new Sherard plant replaced the 1915 Roundtop Water Treatment Plant and the original Sherard Water Treatment Plant. The new plant was designed to meet or exceed current and future drinking water requirements. It was also designed to be expanded, at some future date, to 50 MGD. The newly constructed R.L. Sherard Water Treatment Plant began serving the community in Spring 2002, just as a multiple-year drought peaked and another water shortage loomed.

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

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

Upgrades included biological treatment and disinfection. Biologic treatment was enhanced by improving contact with the water. At Crow Creek wastewater treatment plant, the previous biological treatment consisted of clarified wastewater sprayed across a rock media upon which beneficial bacteria grew. The beneficial bacteria consumed contaminants in the water. Contact with the water was limited by how long it took the water to flow down the rock. Freezing temperatures could also prevent water from contacting the rock. With the upgrades, beneficial bacteria float freely and attach to pasta-shaped plastic media while being mixed through the water in a series of basins. This method allows for increased contact with the water and increased contaminant removal. Both Dry Creek and Crow Creek Treatment Plants have implemented the more efficient biological treatment. Disinfection has also been upgraded from chlorine to ultra-violet light. The treated wastewater flows through a series of intense ultra-violet lights that 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 wastewater treatment plants 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 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.” He continued saying, “Probably the most promising source of additional water at Cheyenne is the reclamation of sewage effluent for industrial use.” – W. J. Dineen, circa 1951.

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

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

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

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

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

Looking ahead, Cheyenne moves into the 21<sup>st</sup> century with an excellent water supply, adequate treatment capacities and the ability to expand both treatment and delivery of water resources. This was accomplished due to the vision of current and past City leaders, 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.*

<sup>i</sup> 1883 City Ordinance Concerning the Water Supply for the City of Cheyenne.

<sup>ii</sup> Cheyenne Daily Leader, December 7, 1895.

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





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



### Little Snake River Diversion Pipeline

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



### Rob Roy Dam & Reservoir

(Constructed 1966 & Enlarged 1985)



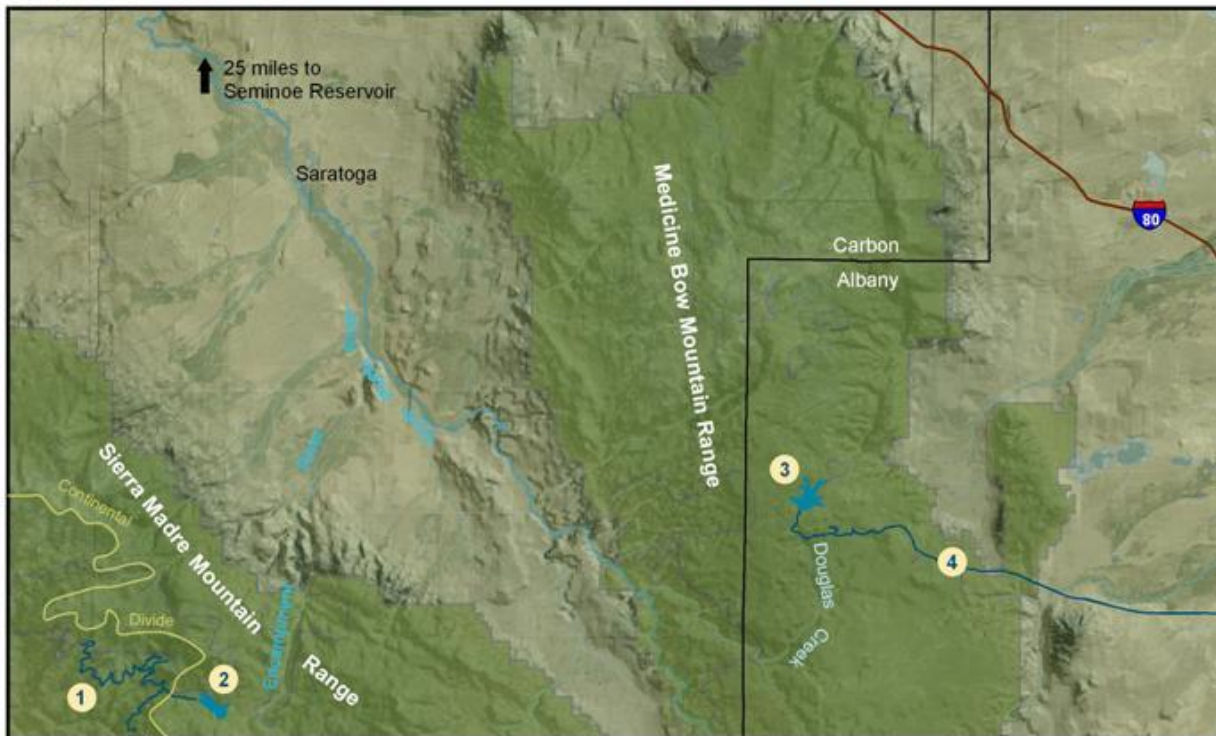
### Granite Springs Dam & Reservoir

(Constructed 1902-1904  
Rehab in 1986)



### South Crow Dam & Reservoir

(Constructed 1911 - Rehab in 2003)



**Hog Park Dam & Reservoir**  
(Constructed 1966 & Enlarged 1985)



**Lake Owen  
Dam & Reservoir**  
(Constructed 1962)



**Crystal Lake  
Dam & Reservoir**  
(Constructed 1909-1910  
Rehab in 1986)



**North Crow  
Dam & Reservoir**  
(Constructed 1911  
Rehab in 1994)



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



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

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



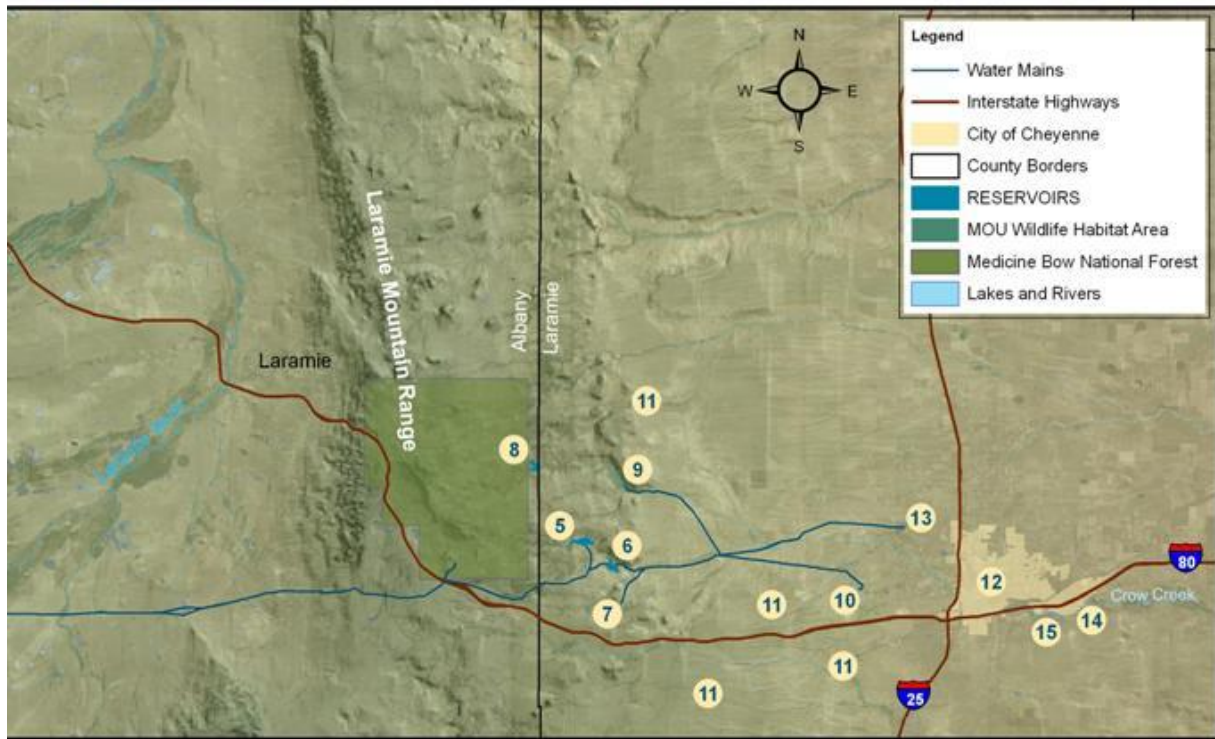
**Wells High Plains Aquifer**



**Roundtop Water Treatment Plant**  
(Constructed 1915 - Closed 2002)



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



**Sherard Water Treatment Plant**  
(Operation 2002 - Present)



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



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



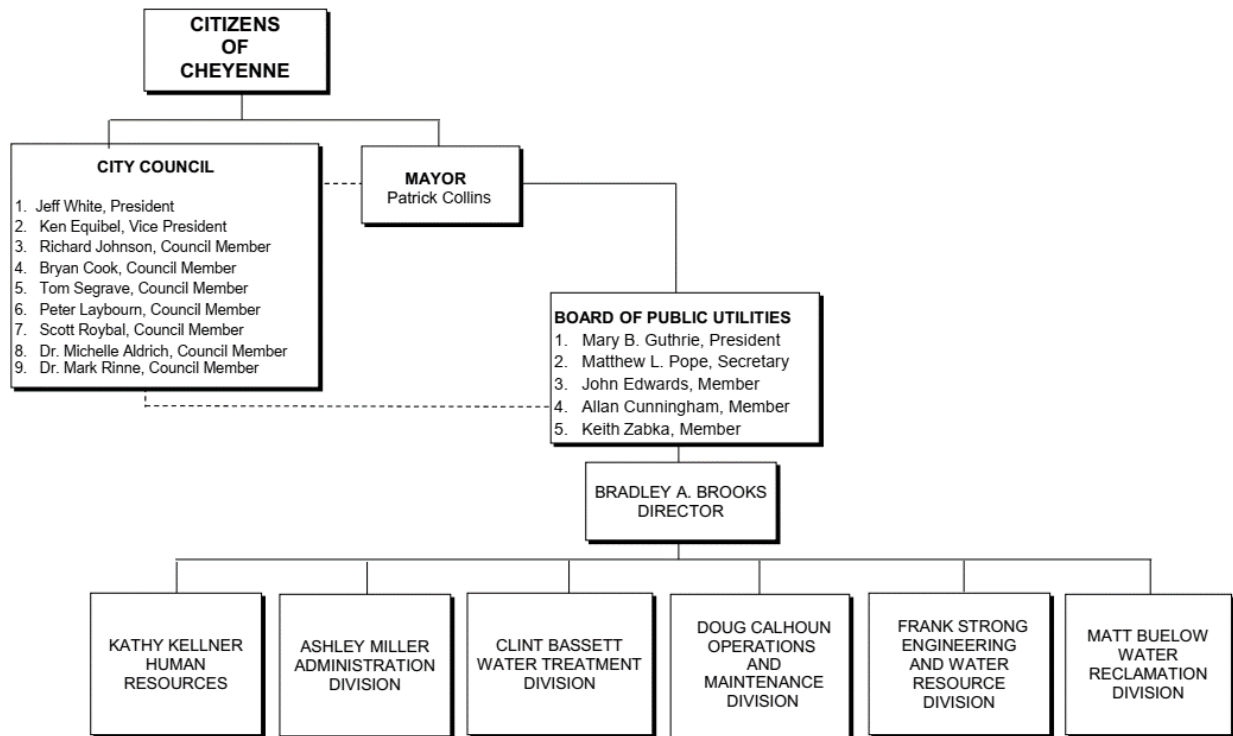
**BOARD OF PUBLIC UTILITIES**

**CITY OF CHEYENNE, WYOMING**

**WATER AND SEWER DEPARTMENTS**

**ORGANIZATIONAL CHART**

**JUNE 30, 2021**





## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Cheyenne, Wyoming Board of Public Utilities (the Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

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

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Board are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities and each major fund of the City of Cheyenne, Wyoming that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of the City of Cheyenne, Wyoming as of June 30, 2021, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 19, Schedule of the Board's Proportionate Share of the Net Pension Liability on page 46, Schedule of the Board's Contributions on page 47, and Notes to Required Supplementary Information on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2021 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
October 11, 2021

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

Management of the Board of Public Utilities (the Board) offers readers of the Board’s financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2021.

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 \$316,137,974 (net position). Of this amount, \$38,437,359 (unrestricted net position) is available to meet the Board’s ongoing obligations to citizens and creditors.

The Board’s total net position increased by \$5,929,357 during fiscal year 2021. This increase can be attributed to capital contributions and an increase in system development fees.

Investment income received for the current year was \$14,807 and decreased \$857,889 from the previous fiscal year. Returns on WYO-STAR II decreased from 7.37% at the beginning of the fiscal year to 0.52% at fiscal year-end. Returns on WYO-STAR I fund investment yields increased from 2.16% at the beginning of the fiscal year to 2.28% at fiscal year-end.

Operating revenue for the Waterworks Fund and the Sewer Fund decreased \$1,237,001 and \$265,607, respectively, during the fiscal year. The revenue decrease in the waterworks and sewer operating revenue was largely due to operational changes from one of the Board’s top customers.

The total indebtedness of the Board decreased \$4,828,454 (8.83%) from \$54,691,558 to \$49,863,104 during the current fiscal year due to a decrease in loan advances and by debt service payments. For additional information, please refer to Note 4 of the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

This report also contains other supplementary information in addition to the basic financial statements themselves. 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the government is improving or deteriorating.



**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 20-24 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 20-24 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 25-45 of this report.

**OTHER INFORMATION**

Required supplementary information regarding the net pension liability is included in this report on pages 46-48. 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 49-51 of this report.

**Financial Analysis**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

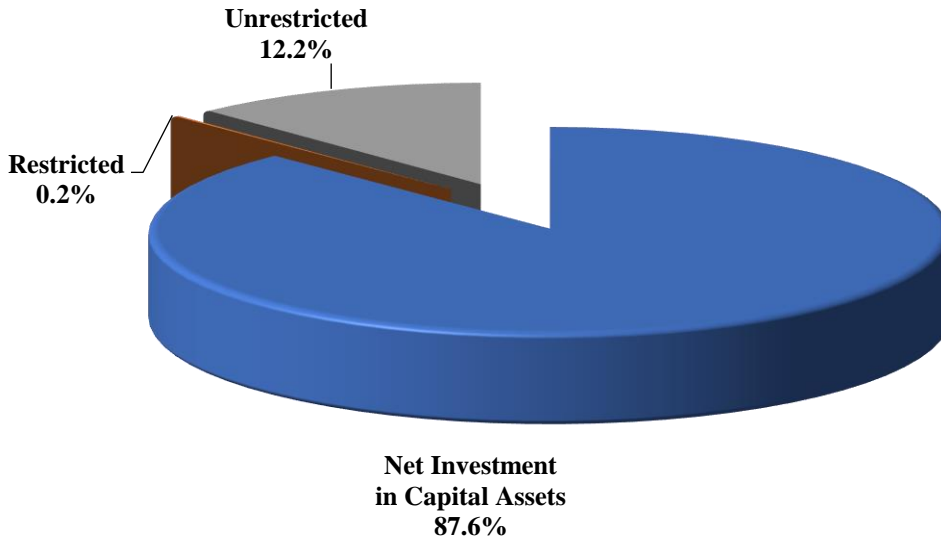
***Business-Type Activities – Net Position***

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 \$5,929,357 during fiscal year 2021.

The largest portion of the Board's net position, \$277,200,615 (87.6%), 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, 2021:**



**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)	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 36,624	\$ 33,918	\$ 17,972	\$ 18,421	\$ 54,596	\$ 52,339
Capital assets	236,303	239,323	92,329	91,815	328,632	331,138
<b>Total assets</b>	<b>272,927</b>	<b>273,241</b>	<b>110,301</b>	<b>110,236</b>	<b>383,228</b>	<b>383,477</b>
Deferred outflows of resources	726	959	170	233	896	1,192
<b>Total assets and deferred outflows of resources</b>	<b>273,653</b>	<b>274,200</b>	<b>110,471</b>	<b>110,469</b>	<b>384,124</b>	<b>384,669</b>
Long-term liabilities outstanding	27,930	30,582	26,663	29,853	54,593	60,435
Other liabilities	6,720	7,707	4,492	4,661	11,212	12,368
<b>Total liabilities</b>	<b>34,650</b>	<b>38,289</b>	<b>31,155</b>	<b>34,514</b>	<b>65,805</b>	<b>72,803</b>
Deferred inflows of resources	1,636	1,243	545	415	2,181	1,658
<b>Total liabilities and deferred inflows of resources</b>	<b>36,286</b>	<b>39,532</b>	<b>31,700</b>	<b>34,929</b>	<b>67,986</b>	<b>74,461</b>
Net investment in capital assets	212,792	214,129	64,408	61,121	277,200	275,250
Restricted	500	500	-	-	500	500
Unrestricted	24,075	20,039	14,363	14,419	38,438	34,458
<b>Total net position</b>	<b>\$ 237,367</b>	<b>\$ 234,668</b>	<b>\$ 78,771</b>	<b>\$ 75,540</b>	<b>\$ 316,138</b>	<b>\$ 310,208</b>

The remaining balance of unrestricted net position, \$38,437,359, may be used to meet the government's ongoing obligations to citizens and creditors.

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

**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	Total Nonoperating (Expenses) Revenue	Income before Capital Contribution	Capital Contribution	Change in Net Position
2012	\$ 28,594,129	\$ 26,005,418	\$ 2,588,711	\$ (179,719)	\$ 2,408,992	\$ 4,381,020	\$ 6,790,012
2013	28,417,091	26,474,263	1,942,828	(543,390)	1,399,438	3,765,449	5,164,887
2014	28,030,122	27,483,943	546,179	2,855,489	3,401,668	19,083,507	22,485,175
2015	28,223,658	27,605,751	617,907	2,906,969	3,524,876	2,554,040	6,078,916
2016	31,243,040	29,990,481	1,252,559	2,380,668	3,633,227	4,051,165	7,684,392
2017	32,881,259	30,735,969	2,145,290	2,176,250	4,321,540	4,131,540	8,453,080
2018	34,518,439	31,800,359	2,718,080	2,228,947	4,947,027	8,634,681	13,581,708
2019	33,403,006	33,329,702	73,304	2,259,035	2,332,339	2,774,694	5,107,033
2020	35,313,159	33,035,590	2,277,569	2,419,841	4,697,410	2,810,751	7,508,161
<b>2021</b>	<b>33,810,551</b>	<b>32,017,380</b>	<b>1,793,171</b>	<b>3,214,675</b>	<b>5,007,846</b>	<b>921,511</b>	<b>5,929,357</b>

Net position increased by \$5,929,357 during fiscal year 2021 to \$316,137,974 from \$310,208,617 at the end of fiscal year 2020. This increase can be attributed to capital contributions and an increase in system development fees.

***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, 2021, and the amount and percentage of increases and decreases in relation to prior-year revenues:

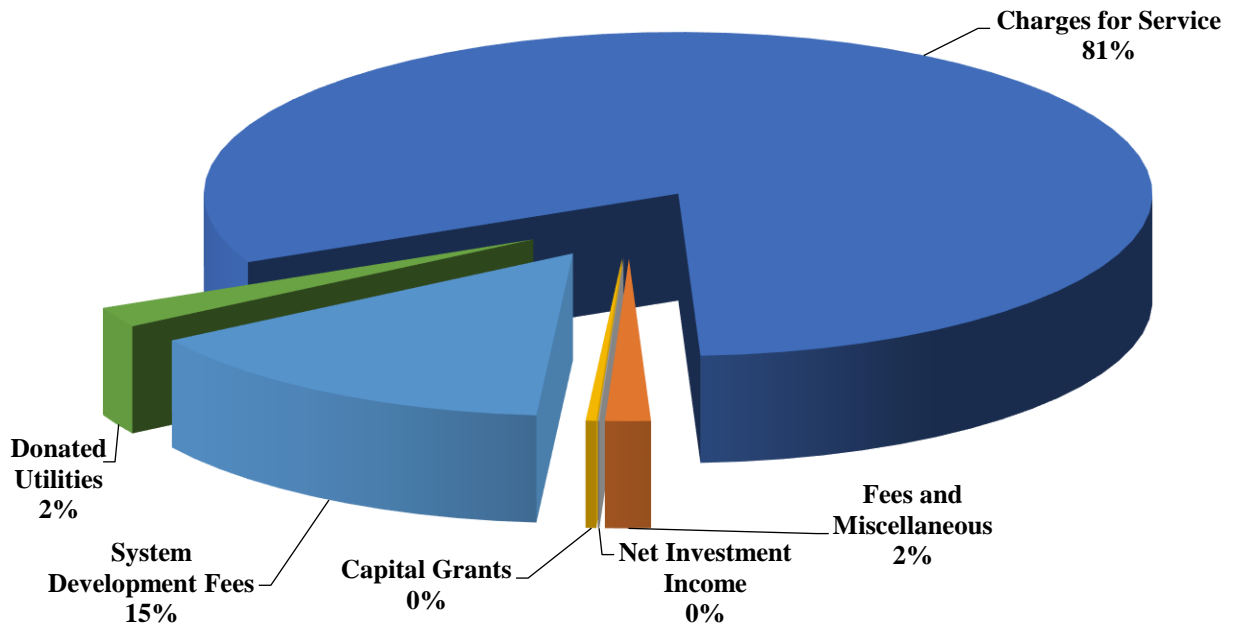
**Revenue:**

Revenue Source	Waterworks Fund (\$1,000s)		Sewer Fund (\$1,000s)		Total (\$1,000s)		(Decrease) Increase from Fiscal Year 2020	Percentage of (Decrease) Increase	Fiscal Year 2020
	2021	% of Total	2021	% of Total	2021	% of Total			
Operating revenue:									
Sales and charges for service	\$ 19,974	81%	\$ 12,945	88%	\$ 32,919	84%	\$ (1,624)	-4.7%	\$ 34,543
Fees and miscellaneous	380	2%	512	3%	892	2%	122	15.8%	770
<b>Total operating revenue</b>	<b>20,354</b>	<b>83%</b>	<b>13,457</b>	<b>92%</b>	<b>33,811</b>	<b>86%</b>	<b>(1,502)</b>	<b>-4.3%</b>	<b>35,313</b>
Nonoperating revenue:									
Net investment income	13	0%	1	0%	14	0%	(859)	-98.4%	873
System development fees	3,634	15%	893	6%	4,527	12%	1,556	52.4%	2,971
<b>Total nonoperating revenue</b>	<b>3,647</b>	<b>15%</b>	<b>894</b>	<b>6%</b>	<b>4,541</b>	<b>12%</b>	<b>697</b>	<b>18.1%</b>	<b>3,844</b>
Capital grants	89	0%	-	0%	89	0%	89	100.0%	-
Donated utilities	507	2%	326	2%	833	2%	(1,977)	-70.4%	2,810
<b>Gross revenue</b>	<b>\$ 24,597</b>	<b>100%</b>	<b>\$ 14,677</b>	<b>100%</b>	<b>\$ 39,274</b>	<b>100%</b>	<b>\$ (2,693)</b>	<b>-6.4%</b>	<b>\$ 41,967</b>

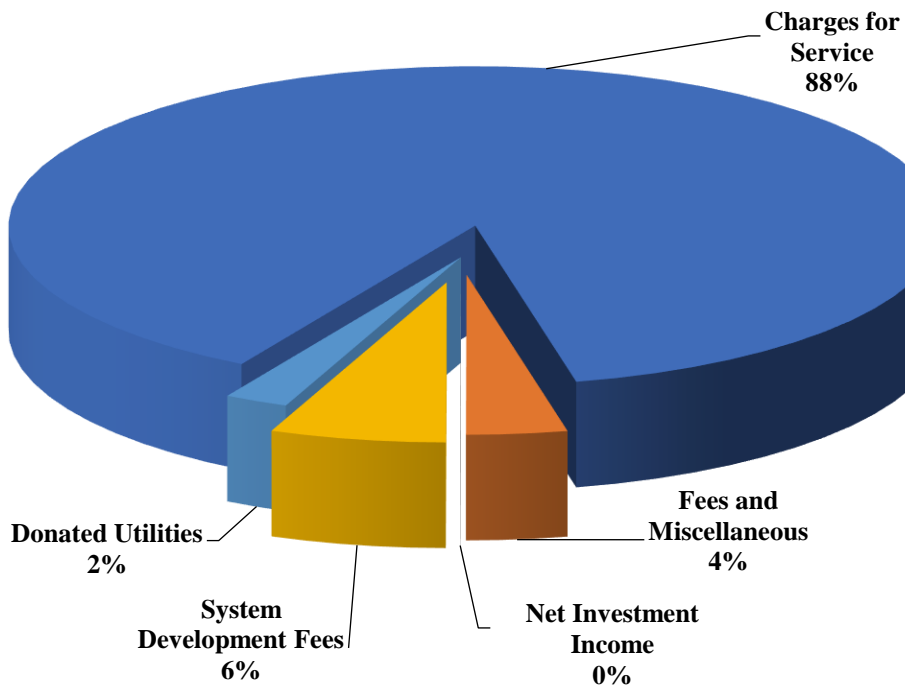
**CITY OF CHEYENNE, WYOMING  
BOARD OF PUBLIC UTILITIES**

**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 and transfers, totaled \$39,273,624 for fiscal year 2021, a 6.42% decrease from fiscal year 2020. The decrease was largely due to a reduction in consumption by one of the Board’s largest customers.

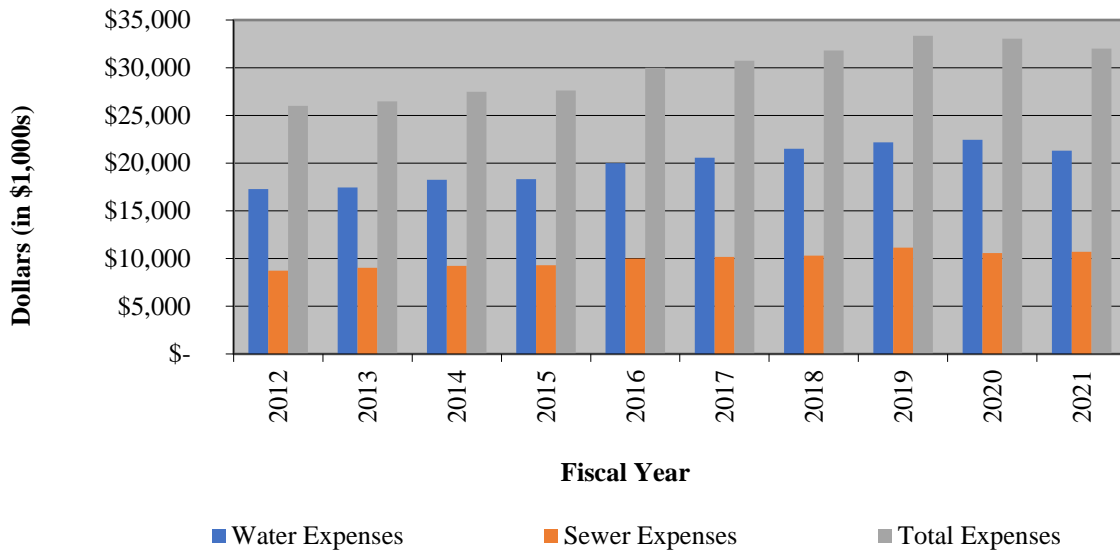
System development fees increased \$1,555,476 compared to fiscal year 2020. Fiscal year 2021 fees totaled \$4,526,755, compared to \$2,971,279 in fiscal year 2020. In fiscal year 2021, there were 808 water and sewer permits issued, compared to 348 permits in fiscal year 2020.

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 2021, 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**

	<b>Waterworks Fund</b>		<b>Sewer Fund</b>		<b>Total</b>		(Decrease) Increase from	Percentage of (Decrease) Increase	Fiscal Year
	<b>(\$1,000s)</b>		<b>(\$1,000s)</b>		<b>(\$1,000s)</b>		Fiscal Year		2020
	<b>2021</b>	<b>% of Total</b>	<b>2021</b>	<b>% of Total</b>	<b>2021</b>	<b>% of Total</b>	<b>2020</b>		
Operating Expenses									
Source of supply	\$ 1,430	7%	\$ -	0%	\$ 1,430	4%	\$ (185)	-11%	\$ 1,615
Water treatment	1,982	9%	-	0%	1,982	6%	(87)	-4%	2,069
Transmission and distribution	2,266	10%	-	0%	2,266	7%	(192)	-8%	2,458
Sewer collection lines	-	0%	1,145	10%	1,145	3%	35	3%	1,110
Water reclamation	-	0%	2,604	23%	2,604	8%	181	7%	2,423
Engineering and water resources	1,096	5%	348	3%	1,444	4%	(135)	-9%	1,579
Administrative and general	4,496	21%	2,328	20%	6,824	20%	(626)	-8%	7,450
Information technology and customer service	880	4%	291	3%	1,171	4%	(76)	-6%	1,247
Depreciation	9,148	41%	4,003	35%	13,151	38%	66	1%	13,085
<b>Total operating expenses</b>	<b>21,298</b>	<b>97%</b>	<b>10,719</b>	<b>94%</b>	<b>32,017</b>	<b>96%</b>	<b>(1,019)</b>	<b>-3%</b>	<b>33,036</b>
Nonoperating Expenses									
Interest expense	600	3%	727	6%	1,327	4%	(97)	-7%	1,424
<b>Total expenses</b>	<b>\$ 21,898</b>	<b>100%</b>	<b>\$ 11,446</b>	<b>100%</b>	<b>\$ 33,344</b>	<b>100%</b>	<b>(1,116)</b>	<b>-3%</b>	<b>\$ 34,460</b>

Total operating expenses, excluding depreciation, decreased from fiscal year 2020 by \$1,084,899.

Salaries and wages decreased \$605,565, or 7.94%, during fiscal year 2021. Fiscal year 2021 salaries and wages totaled \$7,024,987, compared to \$7,630,552 in fiscal year 2020. The decrease was due to vacancies left unfilled in anticipation of revenue shortfalls.

Employee benefits increased \$266,066, or 5.3%, during fiscal year 2021.

Contractual services decreased \$138,615, or 6.5%, during fiscal year 2021.

Materials and supplies increased \$91,306, or 3.55%, during fiscal year 2021. The increase was due to pump equipment, digester cleaner, proof heaters and mixer.

Supportive service expenses (electricity, gas, telephone, postage, etc.) totaled \$2,136,348 for fiscal year 2021, which was a \$193,755 increase from fiscal year 2020.

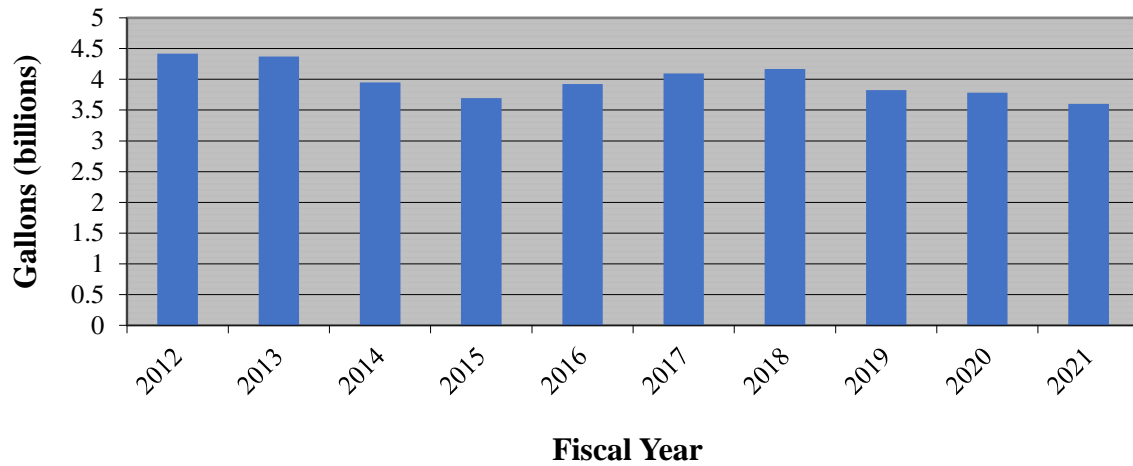
Interest expense on bonds and loans totaled \$1,326,887 for fiscal year 2021 and was included in the schedule of operating expenses above. This was a 6.83% decrease from fiscal year 2020.

*Metered Water Consumption History:*

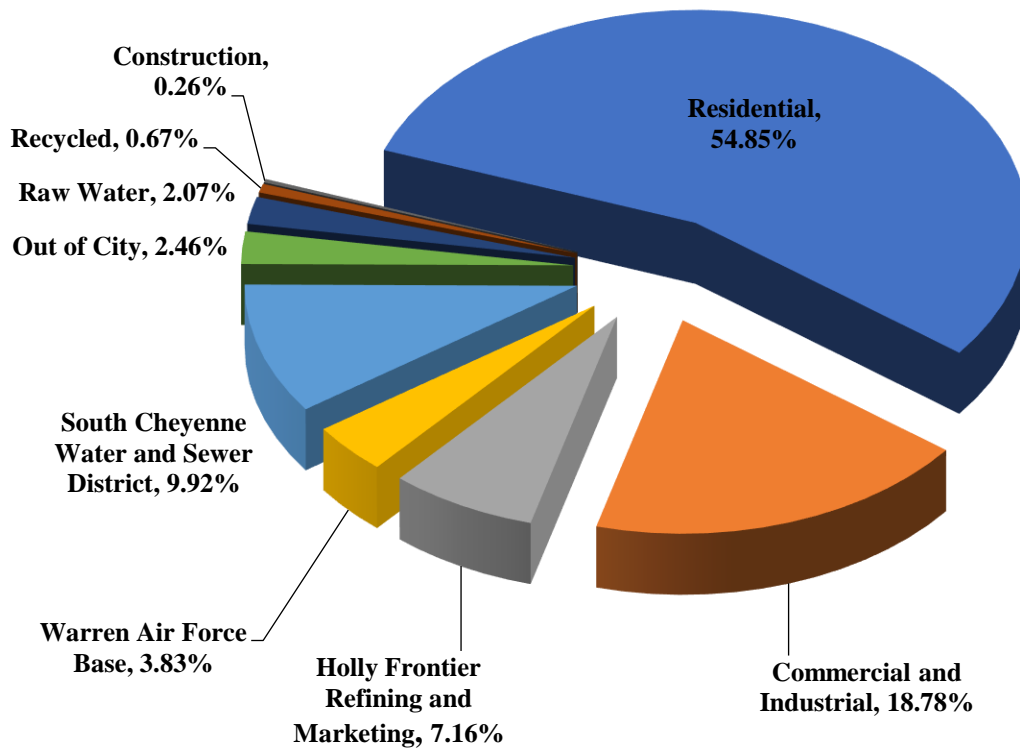
During fiscal year 2021, the Board sold 3.603 billion gallons of water, as compared to 3.782 billion gallons in fiscal year 2020. The decrease can be attributed to the operational change to one of the Board's largest customers. This was a reduction in commercial and industrial use. Billed water consumption has averaged 3.981 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:*



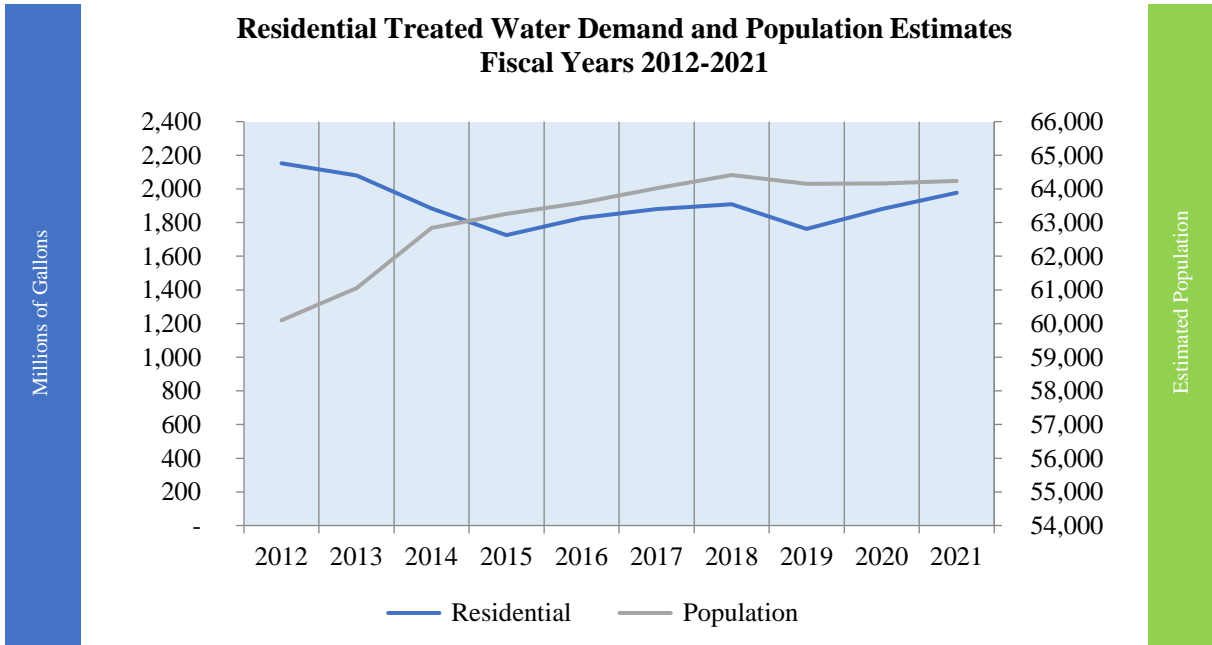
**CITY OF CHEYENNE, WYOMING  
BOARD OF PUBLIC UTILITIES**

**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
2012	60,096	2,152,263,000	98.12	3,657,056,000	166.72
2013	61,055	2,079,444,000	93.31	3,620,334,000	162.46
2014	62,845	1,883,289,000	82.10	3,277,123,000	142.87
2015	63,254	1,725,254,000	74.73	3,073,629,000	133.13
2016	63,590	1,827,595,000	78.74	3,305,945,000	142.43
2017	64,019	1,880,860,000	80.49	3,386,465,000	144.93
2018	64,413	1,908,840,000	81.19	3,472,373,000	147.69
2019	64,156	1,762,892,000	75.28	3,174,183,000	135.55
2020	64,165	1,880,928,000	80.31	3,141,819,000	134.15
<b>2021</b>	<b>64,235</b>	<b>1,976,543,000</b>	<b>84.30</b>	<b>2,911,251,000</b>	<b>124.17</b>

*Residential Treated Water Demand and Population Estimates:*



**Financial Analysis of the Board’s Enterprise Funds**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

***Proprietary Funds***

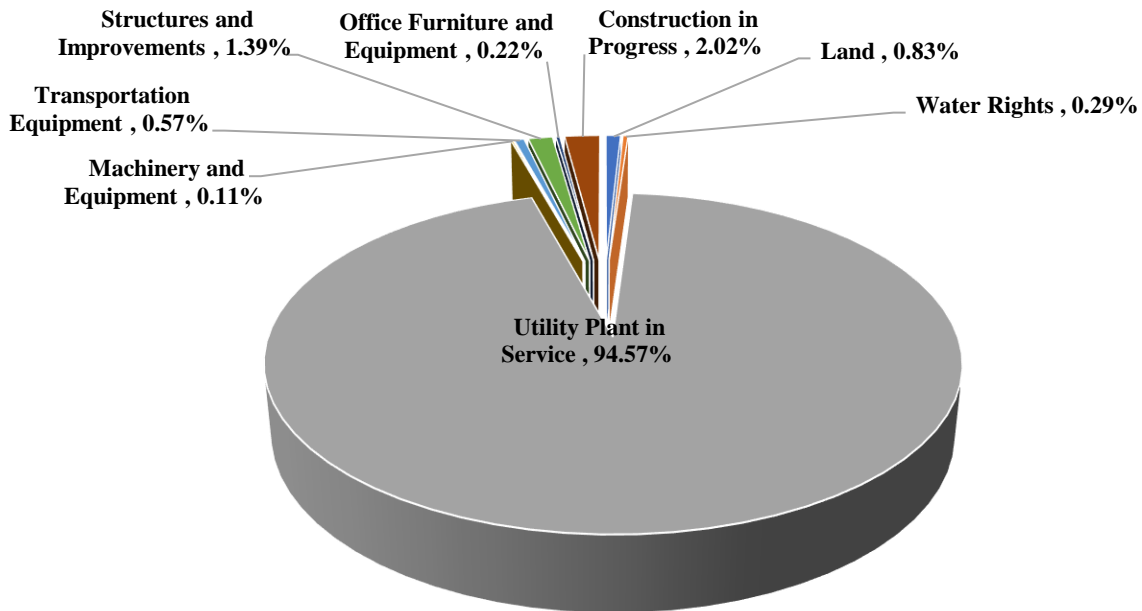
The Board's proprietary funds provide the same type of information found in the business-type activities financial statements, but in more detail.

Unrestricted net position of the Waterworks Enterprise Fund totaled \$24,074,511 at the end of the current fiscal year. Unrestricted net position of the Sewer Enterprise Fund totaled \$14,362,848 at the end of the current fiscal year. The total change in net position for both funds from the previous fiscal year was \$2,698,728 and \$3,230,629, 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, 2021, the capital assets of the Board, net of accumulated depreciation, totaled \$328,632,524. 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)	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,610	\$ 4,588	\$ 545	\$ 545	\$ 5,155	\$ 5,133
Water rights	1,798	1,798	-	-	1,798	1,798
Utility plant in service	424,621	419,850	159,870	155,888	584,491	575,738
Machinery and equipment	516	519	171	172	687	691
Transportation equipment	2,661	2,661	868	868	3,529	3,529
Structures and improvements	6,426	6,426	2,158	2,158	8,584	8,584
Office furniture and equipment	1,015	992	353	346	1,368	1,338
Construction in progress	8,234	6,922	4,240	3,713	12,474	10,635
Less accumulated depreciation	(213,578)	(204,433)	(75,876)	(71,874)	(289,454)	(276,307)
<b>Total</b>	<b>\$ 236,303</b>	<b>\$ 239,323</b>	<b>\$ 92,329</b>	<b>\$ 91,816</b>	<b>\$ 328,632</b>	<b>\$ 331,139</b>

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

- Completion of Christensen Road Extension.
- Completion of Water and Sewer rehabs of Geo Tech and construction.
- Completion of Floc Basin Rehab and Filter Media/Rehab at the water treatment facility.
- Contributed capital (water distribution mains, hydrants, sewer collection mains, and manholes) from development projects.
- Completion of fiber optic lines between wastewater treatment plants.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

At the close of fiscal year 2021, 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	
Christensen Road Extension - FY15	\$ 22,694
Filter 6 Media & Rehab	173,007
FLOC 3 Basin Rehab	556,337
FY19 Water Rehabs - Geo Tech & Construction	<u>3,129,574</u>
<b>Total Water Projects</b>	<b><u>\$ 3,881,612</u></b>
Sewer Projects	
FY19 Sewer Rehabs - Geo Tech & Construction	\$ 3,017,376
Crow Creek - Dry Creek Fiber Optic Line	<u>441,909</u>
<b>Total Sewer Projects</b>	<b><u>\$ 3,459,285</u></b>

Additional information on the Board's capital assets can be found in Note 3 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 \$49,863,104. Of this amount, \$4,160,000 is the 2013 Water Revenue Note and the remaining \$45,703,104 comprises loans from the State of Wyoming for various water and sewer projects.

The total indebtedness of the Board decreased by \$4,828,454 (8.83%) from \$54,691,558 to \$49,863,104 during the current fiscal year.

*Outstanding Debt – General Obligation Bonds and State Loans:*

	Waterworks Enterprise Fund		Sewer Enterprise Fund		Total Business-Type Activities	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue refunding note	\$ 4,160,000	\$ 5,030,000	\$ -	\$ -	\$ 4,160,000	\$ 5,030,000
Loans from the State of Wyoming	<u>18,716,369</u>	<u>19,779,910</u>	<u>26,986,735</u>	<u>29,881,648</u>	<u>45,703,104</u>	<u>49,661,558</u>
<b>Total</b>	<b><u>\$ 22,876,369</u></b>	<b><u>\$ 24,809,910</u></b>	<b><u>\$ 26,986,735</u></b>	<b><u>\$ 29,881,648</u></b>	<b><u>\$ 49,863,104</u></b>	<b><u>\$ 54,691,558</u></b>

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

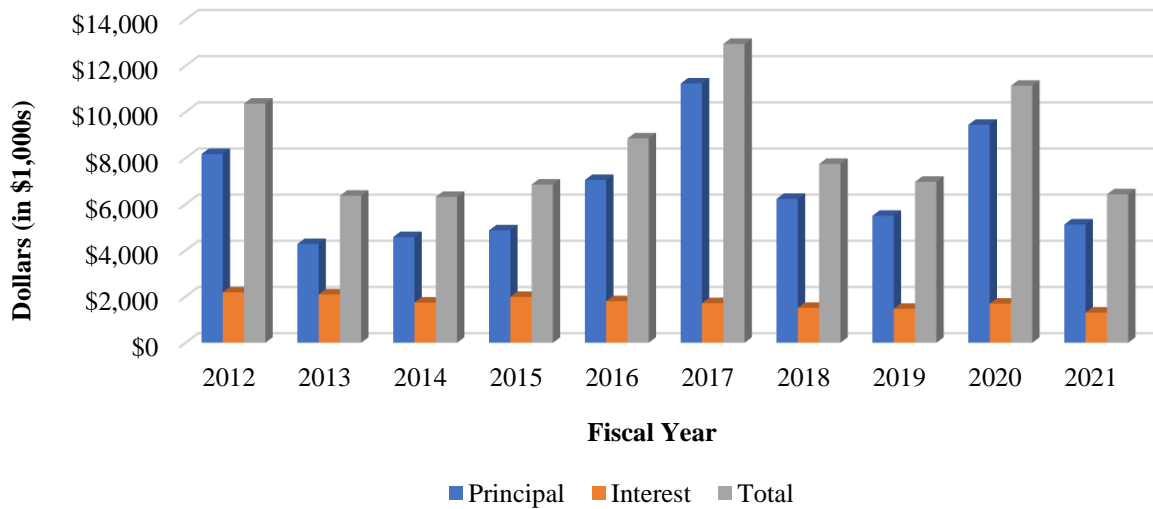
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

During fiscal year 2021, proceeds from the issuance of debt totaled \$296,334, as follows:

Project	Advance	Funding Source
DWSRF #133: RLS Hydroelectric Project	\$ 252,584	Wyoming State Lands and Investments
DWSRF #229: North City Improvements 2020	43,750	Wyoming State Lands and Investments
	<u>\$ 296,334</u>	

The Board paid \$870,000 of the 2013 Refunding Revenue Note and \$4,254,788 of additional State of Wyoming water and sewer loans. This included paying off three water loans.

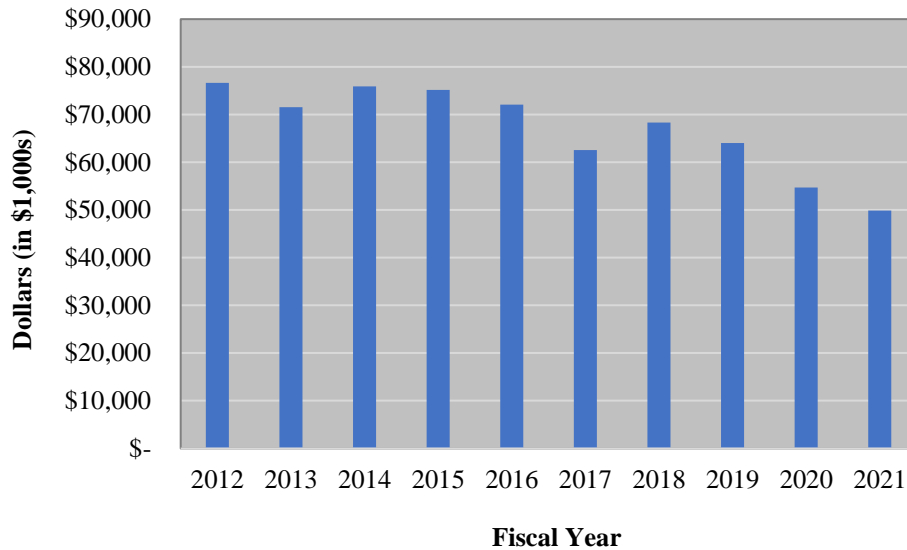
*Annual Debt Payment:*



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

*Total Principal Debt Outstanding:*



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

At the end of fiscal year 2009, Standard & 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, and because of the Board’s strong financial management, strong debt service, low water rates, adequate water supply, and the water treatment plant’s available capacity. Standard & Poor’s also described the Board’s financial outlook as “stable.”

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

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

Most of Laramie County’s economic indicators continued recovering to and surpassing 2019 levels in the second quarter of 2021. The residential housing market is hitting record-high prices. Oil prices improved during the quarter. Labor numbers improved. Unemployment rates in both the city and the county fell over the quarter and initial unemployment claims declined. Retail sales were up over the quarter and over the year. Hotel vacancies and rates are both up from this time last year. Commercial air service was suspended in April 2021 to make necessary improvements to the runway. Construction permits and values were both up over the year. Credit union and banking deposits both increased over the year.

According to the Wyoming Center for Business & Economic Analysis (WCBEA), the average monthly unemployment decreased over the year and over the quarter. The number of unemployed workers decreased from 3,934 in the second quarter of 2020 to 2,467 in the second quarter of 2021 (-37.3%) and the number decreased from 2,733 in the first quarter of 2021 to 2,467 in the second quarter of 2021 (-9.7%). Correspondingly, the average monthly unemployment rate also fell over the year and over the quarter, decreasing from 7.8% in the second quarter of 2020 to 5.0% in the second quarter of 2021 and decreased from an average monthly rate of 5.4% in the first quarter of 2021 to 5.0% in the second quarter of 2021.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Cheyenne Board of Realtors reported a 59.6% decrease in the supply of homes for sale in the city of Cheyenne and a 62.2% decrease in the supply of homes for sale in the rural part of Laramie County from the second quarter of 2020 to the second quarter of 2021. Over the last year, the supply of homes for sale decreased in the city of Cheyenne, from a monthly average of 178 units for sale in the second quarter of 2020 to a monthly average of 72 units for sale in the second quarter of 2021. In rural Laramie County, there was a decrease in the supply of homes for sale over the last year, from a monthly average of 82 in the second quarter of 2020 to a monthly average of 31 in the second quarter of 2021.

The 2020 Board of Public Utilities Water and Wastewater Rate Study recommends a 5.0% adjustment for water and wastewater rates for fiscal year 2022 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 2022 fiscal year (July 1, 2021 to June 30, 2022).

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

## **BASIC FINANCIAL STATEMENTS**



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

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

	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 2,970,320	\$ 1,825,545	\$ 4,795,865
Investments	27,453,073	14,337,864	41,790,937
Restricted assets:			
Cash and cash equivalents	92,968	-	92,968
Due from other governments	291,668	-	291,668
City of Cheyenne sanitation account	2,169,318	-	2,169,318
Receivables:			
Accounts, consumers, net	867,530	760,685	1,628,215
Estimated unbilled usage	1,920,677	905,504	2,826,181
Accrued interest	5,754	3,873	9,627
Inventories	518,185	26,182	544,367
Prepaid expenses	334,358	111,256	445,614
<b>Total current assets</b>	<b>36,623,851</b>	<b>17,970,909</b>	<b>54,594,760</b>
Noncurrent Assets			
Capital assets:			
Land	4,610,384	545,002	5,155,386
Water rights	1,797,968	-	1,797,968
Utility plant in service	424,620,935	159,869,730	584,490,665
Machinery and equipment	516,515	170,845	687,360
Transportation equipment	2,660,831	867,881	3,528,712
Structures and improvements	6,425,936	2,158,201	8,584,137
Office furniture and equipment	1,014,510	353,362	1,367,872
Construction in progress	8,234,297	4,240,526	12,474,823
	449,881,376	168,205,547	618,086,923
Less accumulated depreciation	(213,578,243)	(75,876,156)	(289,454,399)
<b>Total noncurrent assets</b>	<b>236,303,133</b>	<b>92,329,391</b>	<b>328,632,524</b>
<b>Total assets</b>	<b>272,926,984</b>	<b>110,300,300</b>	<b>383,227,284</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Refunding	214,959	-	214,959
Pension-Related Deferred Outflows	511,350	170,450	681,800
<b>Total deferred outflows of resources</b>	<b>726,309</b>	<b>170,450</b>	<b>896,759</b>

*Continued*

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

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

	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
<b>LIABILITIES</b>			
Current Liabilities			
Vouchers payable	\$ 805,265	\$ 946,484	\$ 1,751,749
Accrued compensated absences and early retirement	286,108	193,765	479,873
Accrued interest on general obligation bonds and loans	181,027	238,483	419,510
Current portion of general obligation bonds and loans	2,284,527	2,967,081	5,251,608
Unearned fees and deposits	741,234	139,806	881,040
Due to other City of Cheyenne funds	2,422,126	5,929	2,428,055
<b>Total current liabilities</b>	<b>6,720,287</b>	<b>4,491,548</b>	<b>11,211,835</b>
Noncurrent Liabilities			
Accrued compensated absences and early retirement	584,002	391,695	975,697
Net pension liability	6,754,116	2,251,372	9,005,488
General obligation bonds and loans, net of current position, deferred amount on refunding, and unamortized bond premium	20,591,842	24,019,654	44,611,496
<b>Total noncurrent liabilities</b>	<b>27,929,960</b>	<b>26,662,721</b>	<b>54,592,681</b>
<b>Total liabilities</b>	<b>34,650,247</b>	<b>31,154,269</b>	<b>65,804,516</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,636,165</b>	<b>545,388</b>	<b>2,181,553</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	212,792,370	64,408,245	277,200,615
Restricted for Debt Service and Capital Improvements	500,000	-	500,000
Unrestricted	24,074,511	14,362,848	38,437,359
<b>Total net position</b>	<b>\$ 237,366,881</b>	<b>\$ 78,771,093</b>	<b>\$ 316,137,974</b>

See Notes to Financial Statements.

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

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

	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Operating Revenues			
Sales and charges for services	\$ 19,973,521	\$ 12,944,938	\$ 32,918,459
Fees and miscellaneous	380,290	511,802	892,092
<b>Total operating revenues</b>	<b>20,353,811</b>	<b>13,456,740</b>	<b>33,810,551</b>
Operating Expenses			
Source of supply	1,429,289	-	1,429,289
Water treatment	1,982,251	-	1,982,251
Transmission and distribution	2,265,538	-	2,265,538
Sewer collection lines	-	1,144,242	1,144,242
Water reclamation	-	2,604,359	2,604,359
Engineering and water resources	1,096,329	347,771	1,444,100
Administrative and general	4,496,044	2,328,383	6,824,427
Information technology and customer service	879,978	291,198	1,171,176
Depreciation	9,148,524	4,003,474	13,151,998
<b>Total operating expenses</b>	<b>21,297,953</b>	<b>10,719,427</b>	<b>32,017,380</b>
<b>Operating (loss) income</b>	<b>(944,142)</b>	<b>2,737,313</b>	<b>1,793,171</b>
Nonoperating Revenues (Expenses)			
System development fees	3,633,892	892,863	4,526,755
Investment income:			
Net decrease in fair value of investments	(116,042)	(59,779)	(175,821)
Interest income	129,517	61,111	190,628
Interest and bond amortization expense	(600,046)	(726,841)	(1,326,887)
<b>Total nonoperating revenues</b>	<b>3,047,321</b>	<b>167,354</b>	<b>3,214,675</b>
<b>Income before capital contributions</b>	<b>2,103,179</b>	<b>2,904,667</b>	<b>5,007,846</b>
Capital Contributions			
Capital grants	88,827	-	88,827
Donated utilities	506,722	325,962	832,684
<b>Total capital contributions</b>	<b>595,549</b>	<b>325,962</b>	<b>921,511</b>
<b>Change in net position</b>	<b>2,698,728</b>	<b>3,230,629</b>	<b>5,929,357</b>
Net Position, beginning of year	234,668,153	75,540,464	310,208,617
Net Position, end of year	\$ 237,366,881	\$ 78,771,093	\$ 316,137,974

See Notes to Financial Statements.

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

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

	Business-Type Activities Enterprise Funds		
	Waterworks Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 20,965,308	\$ 13,500,656	\$ 34,465,964
Cash payments to suppliers	(4,954,984)	(2,562,098)	(7,517,082)
Cash payments to employees	(7,906,077)	(4,423,141)	(12,329,218)
Change in City sanitation account	(145,791)	-	(145,791)
<b>Net cash provided by operating activities</b>	<b>7,958,456</b>	<b>6,515,417</b>	<b>14,473,873</b>
Cash Flows from Capital and Related Financing Activities			
System development fees	2,699,284	672,221	3,371,505
Capital grants	88,827	-	88,827
Proceeds from issuance of debt	73,998	-	73,998
Principal paid on general obligation/revenue bonds and loan debt maturities	(2,229,875)	(2,894,913)	(5,124,788)
Interest paid on debt	(567,029)	(742,878)	(1,309,907)
Acquisition and construction of capital assets	(5,416,751)	(4,070,041)	(9,486,792)
<b>Net cash (used in) capital and related financing activities</b>	<b>(5,351,546)</b>	<b>(7,035,611)</b>	<b>(12,387,157)</b>
Cash Flows from Investing Activities			
Interest on cash and investments	25,902	9,019	34,921
Purchase of investments	(2,233,402)	-	(2,233,402)
Redemption of investments	-	1,698,480	1,698,480
<b>Net cash provided by (used in) provided by investing activities</b>	<b>(2,207,500)</b>	<b>1,707,499</b>	<b>(500,001)</b>
<b>Net increase in cash and cash equivalents</b>	<b>399,410</b>	<b>1,187,305</b>	<b>1,586,715</b>
Cash and Cash Equivalents			
Beginning	2,663,878	638,240	3,302,118
Ending	\$ 3,063,288	\$ 1,825,545	\$ 4,888,833

*Continued*

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

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

	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	\$ (944,142)	\$ 2,737,313	\$ 1,793,171
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:			
Depreciation	9,148,524	4,003,474	13,151,998
Pension liability	(663,419)	(221,140)	(884,559)
Deferred outflow - pension	188,419	62,806	251,225
Deferred inflow - pension	392,744	130,915	523,659
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities:			
Receivables	611,497	43,916	655,413
Inventories	(78,211)	(1,845)	(80,056)
Prepaid expenses	(333,767)	(111,256)	(445,023)
Vouchers payable	(162,850)	155,573	(7,277)
Due to other funds	(22,706)	(263,333)	(286,039)
Accrued compensated absences	(31,842)	(21,006)	(52,848)
City sanitation account	(145,791)	-	(145,791)
<b>Net cash provided by operating activities</b>	<b>\$ 7,958,456</b>	<b>\$ 6,515,417</b>	<b>\$ 14,473,873</b>
Noncash Investing, Capital, and Financing Activities			
Amortization of deferred refunding loss and debt premiums	\$ (44,688)	\$ -	\$ (44,688)
Donated asset acquisitions	506,722	325,962	832,684
Change in fair value of investments	(116,042)	(59,779)	(175,821)
Purchase of capital assets in accounts payable	849,353	934,411	1,783,764

See Notes to Financial Statements.

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Nature of Operations and Significant Accounting Policies**

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

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

**Reporting entity:** The Board is 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 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.

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

**NOTES TO FINANCIAL STATEMENTS**

---

**Note 1. Nature of Operations and 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 Sewer Fund) are charges to customers for sales and services. The Board also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position 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), which are reported at fair value at June 30, 2021. The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Board considers fair value measurements as of June 30, 2021 for WYO-STAR I and WYO-STAR II to be completed by the pool using the matrix pricing model and the market approach (Level 2).

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

**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 on the Statement of Net Position, net of allowances for doubtful accounts of \$51,274.

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



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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

**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 in a workweek and for callback hours. The maximum accumulation of compensatory time is 120 hours. A full-time or part-time exempt employee may earn administrative time at a rate of one-for-one for hours worked above 40 in a workweek, up to a maximum of 120 hours. Upon termination, an employee is paid for his or her accrued unused compensatory or administrative time, not to exceed 120 hours. Payment is calculated using the rate of pay at the time of termination.

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

**NOTES TO FINANCIAL STATEMENTS**

---

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

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

Cash and cash equivalents, investments, and restricted cash and cash equivalents as of June 30, 2021, as classified in the accompanying financial statements, consist of the following:

Statement of Net Position:	
Deposits with financial institutions:	
Cash	\$ 4,888,833
Deposits with Wyoming State Treasurer:	
WYO-STAR	<u>41,790,937</u>
	<u>\$ 46,679,770</u>
Cash and cash equivalents	\$ 4,795,865
Investments	41,790,937
Restricted cash and cash equivalents	<u>92,968</u>
	<u>\$ 46,679,770</u>

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

**NOTES TO FINANCIAL STATEMENTS**

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

**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 I and WYO-STAR II (collectively, WYO-STAR), the Board has invested monies at a variable and fixed contract rate of interest, respectively. There is no rating available for the WYO-STAR investments; however, under Wyoming State Statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized 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 will not be able to recover collateral securities that are in the possession of an outside party. Certain deposits held in Board bank accounts are insured by 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, 2021, the Board had bank balances on deposit of \$6,550,632. These deposits were fully collateralized or insured, as required by Wyoming State Statutes.

In addition to the applicable Wyoming State Statutes, the Board's policy requires all deposits to be collateralized at 105% of the amount invested, including accrued interest, to further reduce its exposure to custodial credit risk. At June 30, 2021, 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 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 and to 5% in any one single obligor, with the exception of funds held in WYO-STAR. Therefore, no further disclosure regarding concentrations of credit risk is required.

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

**NOTES TO FINANCIAL STATEMENTS**

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

**Interest rate risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Board's investments are held in external pooled investment accounts, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the Board attempts to match its investment maturities to expected cash flow needs. The Board's investment policy requires that the investment portfolio have a minimum level of three months of budgeted operating expenditures in short-term 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, 2021, 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	\$ 38,152,197	0.52%	\$ 38,152,197	\$ -
WYO-STAR II	<u>3,638,740</u>	2.28%	<u>-</u>	<u>3,638,740</u>
	<u>\$ 41,790,937</u>		<u>\$ 38,152,197</u>	<u>\$ 3,638,740</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Capital Assets**

A summary of changes in capital assets follows:

	Balance June 30, 2020	Additions and Transfers	Retirement and Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 5,132,694	\$ 22,692	\$ -	\$ 5,155,386
Water rights	1,797,968	-	-	1,797,968
Construction in progress	10,634,614	9,181,106	(7,340,897)	12,474,823
<b>Total capital assets not being depreciated</b>	<b>17,565,276</b>	<b>9,203,798</b>	<b>(7,340,897)</b>	<b>19,428,177</b>
Capital assets being depreciated:				
Utility plant in service	575,737,863	8,752,802	-	584,490,665
Machinery and equipment	691,340	-	(3,980)	687,360
Transportation equipment	3,528,712	-	-	3,528,712
Structures and improvements	8,584,137	-	-	8,584,137
Office furniture and equipment	1,337,468	30,404	-	1,367,872
<b>Total capital assets being depreciated</b>	<b>589,879,520</b>	<b>8,783,206</b>	<b>(3,980)</b>	<b>598,658,746</b>
Less accumulated depreciation for:				
Utility plant in service	268,772,630	12,743,146	-	281,515,776
Machinery and equipment	653,458	8,370	(3,980)	657,848
Transportation equipment	3,090,173	174,378	-	3,264,551
Structures and improvements	2,465,392	213,546	-	2,678,938
Office furniture and equipment	1,324,728	12,558	-	1,337,286
<b>Total accumulated depreciation</b>	<b>276,306,381</b>	<b>13,151,998</b>	<b>(3,980)</b>	<b>289,454,399</b>
<b>Total capital assets being depreciated, net</b>	<b>313,573,139</b>	<b>(4,368,792)</b>	<b>-</b>	<b>309,204,347</b>
<b>Total capital assets, net</b>	<b>\$ 331,138,415</b>	<b>\$ 4,835,006</b>	<b>\$ (7,340,897)</b>	<b>\$ 328,632,524</b>

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Bonds and Loans**

The following is a summary of debt transactions of the Board for the year ended June 30, 2021:

	Balance June 30, 2020	Debt		Balance June 30, 2021	Current Portion	Long-Term Portion
		Issued	Retired			
<b>Waterworks Fund:</b>						
<b>CWSRF:</b>						
081 Phase II Reuse 2008	\$ 716,834	\$ -	\$ 64,150	\$ 652,684	\$ 65,731	\$ 586,953
084 Administrative Building 2007	185,066	-	13,415	171,651	13,750	157,901
115 Administrative Building 2009	1,223,724	-	88,704	1,135,020	90,921	1,044,099
143 Holiday Reuse 2015	637,500	-	37,500	600,000	37,500	562,500
<b>DWSRF:</b>						
034 Water Main Rehabilitation 2003	221,825	-	42,185	179,640	43,240	136,400
056 Western Hills 2005	443,846	-	50,792	393,054	52,062	340,992
065 Southern Water Main 2007	2,668,778	-	268,718	2,400,060	275,343	2,124,717
079 30" Water Main/WAFB	3,361,554	-	244,710	3,116,844	250,828	2,866,016
106 Administrative Building 2009	1,223,724	-	88,704	1,135,020	90,921	1,044,099
120 Southern Water Main Ph II 2012	5,620,761	-	340,255	5,280,506	348,762	4,931,744
133 RLS Hydroelectric Project 2013	796,164	252,584	-	1,048,748	-	1,048,748
177 Southern Water Main Ph III 2016	2,680,134	-	120,742	2,559,392	123,719	2,435,673
229 North City Improvements 2020	-	43,750	-	43,750	-	43,750
2013 Water Revenue Note	5,030,000	-	870,000	4,160,000	891,750	3,268,250
<b>Total Waterworks Fund</b>	<b>24,809,910</b>	<b>296,334</b>	<b>2,229,875</b>	<b>22,876,369</b>	<b>2,284,527</b>	<b>20,591,842</b>
<b>Sewer Fund:</b>						
<b>CWSRF:</b>						
046 CWSRF Loan 2004	12,881,277	-	2,016,191	10,865,086	2,066,595	8,798,491
060 WAFB/Parsley 2006	1,393,956	-	140,467	1,253,489	143,932	1,109,557
084 Administrative Building 2007	61,688	-	4,472	57,216	4,584	52,632
115 Administrative Building 2009	407,908	-	29,568	378,340	30,307	348,033
133 Crow Creek Plant Improvements 2013	3,971,193	-	221,457	3,749,736	226,993	3,522,743
144 Southern Sewer Interceptor 2016	1,248,664	-	52,602	1,196,062	53,899	1,142,163
159 Southern Sewer Interceptor 2018	9,509,054	-	400,588	9,108,466	410,464	8,698,002
<b>DWSRF:</b>						
106 Administrative Building 2009	407,908	-	29,568	378,340	30,307	348,033
<b>Total Sewer Fund</b>	<b>29,881,648</b>	<b>-</b>	<b>2,894,913</b>	<b>26,986,735</b>	<b>2,967,081</b>	<b>24,019,654</b>
<b>Total Waterworks and Sewer Funds</b>	<b>\$ 54,691,558</b>	<b>\$ 296,334</b>	<b>\$ 5,124,788</b>	<b>\$ 49,863,104</b>	<b>\$ 5,251,608</b>	<b>\$ 44,611,496</b>

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



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

**NOTES TO FINANCIAL STATEMENTS**

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

Long-term debt payable as of June 30, 2021 consists of the following:

2013 Refunding Revenue Water Note, original amount of \$8,740,000 due in annual principal installments ranging from \$215,000 to \$955,000 through December 2025; interest at 2.41%. Note originated to refinance the callable portion 2007 Water Revenue Bonds secured by pledge of revenues from the City's water system tap and user fees and system development fees, net of premiums.	\$ 4,160,000
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #034, original amount of \$825,000, with interest at 2.5%, due annually on December 1. Annual principal and interest payments are \$47,729 through 2025 for funding of the City's Water Main Rehabilitation Project for Fiscal Year 2004. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	179,640
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 the pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments.	393,054
Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #065, original amount of \$5,600,000 for the Southern Water Transmission Main - Phase I Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$334,582 through 2029. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment.	2,400,060
<b>Subtotal</b>	<u>7,132,754</u>

*Continued*

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 4. Bonds and Loans, *Continued***

Subtotal carried forward \$ 7,132,754

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #079, original amount of \$5,130,509 for the 30" Transmission Line Replacement Project, with interest at 2.5%, due annually on September 1. Annual principal and interest payments are \$329,107 through 2031. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment. 3,116,844

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #106, original amount of \$3,500,000 for the construction phase of the Administration Building Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment. 1,513,360

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #120, original amount of \$7,494,828 for the design and construction of Phase II of the Southern Water Transmission Main, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$480,772 per year through 2034. Secured by the pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payments. 5,280,506

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 Hydroelectric Generation Project. Interest thereon is at 0.0% for a term of 20 years. Upon completion of project, loan shall be granted principal forgiveness in an amount not to exceed \$750,000. The payments are currently estimated at \$370,000 per year. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual payment. 1,048,748

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #159, advances on \$9,900,000 loan for Southern Sewer Interceptor Main. Interest thereon is at 2.5% for a term of 20 years. Annual principal and interest payments are \$635,057 per year through 2039. Secured by pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 9,108,466

**Subtotal** 27,200,678

*Continued*

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 4. Bonds and Loans, *Continued***

Subtotal carried forward \$ 27,200,678

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #177, original amount of \$5,280,000 for the design and construction of Phase III of the Southern Water Transmission Main, with interest at 2.5%, due annually on March 1. This loan is also granted principal forgiveness up to 25% of the loan, not to exceed \$1,320,000. Annual principal and interest payments are \$186,808 per year through 2038. Secured by a pledge and assignment of revenues from the City's water system user fees necessary to meet the annual payment. 2,559,392

Due to the State of Wyoming, Office of State Lands and Investments, DWSRF Loan #229, original amount of \$3,960,000 for North City Zone Improvements Project. Interest thereon is at 2.5% for a term of 20 years. The payments are currently estimated at \$254,023 per year. Secured by pledge and assignment of revenues from the City's water system user fees necessary to meet the annual loan payment. 43,750

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #046, original amount of \$36,450,000, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$2,338,163 through 2026 for the Dry and Crow Creek Rehab construction project. Secured by the pledge and assignment of revenues generated from the City's wastewater user fees necessary to meet the annual loan payment. 10,865,086

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #060, original amount of \$2,900,000 loan for the 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 the pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 1,253,489

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. 652,684

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #084, original amount of \$375,000 loan for the planning phase of the Administration Building Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$24,055 through 2032. Secured by pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 228,867

**Subtotal** 42,803,946

*Continued*

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 4. Bonds and Loans, *Continued***

Subtotal carried forward \$ 42,803,946

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #115, original amount of \$3,500,000 for the construction phase of the Administration Building Project, with interest at 2.5%, due annually on June 1. Annual principal and interest payments are \$159,062 through 2032. Secured by pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 1,513,360

Due to the State of Wyoming, Office of State Lands and Investments, CWSRF Loan #133, original amount of \$5,000,000 for Crow Creek Plant Improvements Project, with interest at 2.5%, due annually on June 15. Annual principal and interest payments are \$320,736 through 2039. Secured by pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 3,749,736

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 pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 600,000

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 pledge and assignment of revenues from the City's wastewater user fees necessary to meet the annual loan payment. 1,196,062

**Total general obligation bonds and loans** \$ 49,863,104

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

**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, 2021 are as follows:

	Waterworks Fund		Sewer Fund	
	Principal	Interest	Principal	Interest
Years ending June 30:				
2022	\$ 2,284,527	\$ 513,616	\$ 2,967,081	\$ 670,708
2023	2,341,499	458,143	3,041,069	596,739
2024	2,450,686	401,288	3,116,862	520,927
2025	2,506,194	343,006	3,194,565	443,224
2026	2,002,933	289,678	3,276,587	361,202
2027-2031	7,304,219	877,901	4,990,232	1,158,103
2032-2036	3,220,042	202,677	4,402,023	558,683
2037-2041	657,019	27,220	1,998,316	104,775
2042-2043	109,250	-	-	-
	<u>\$ 22,876,369</u>	<u>\$ 3,113,528</u>	<u>\$ 26,986,735</u>	<u>\$ 4,414,361</u>

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

In May 2020, the Board received approval of 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 requirements. Proceeds from the debt have been used to improve, expand, and replace the distribution system, source of supply, and treatment facilities. The proportion of pledged revenues to total revenues is not estimable because annual total fees fluctuate annually. Principal and interest paid for the current year totaled \$6,406,984. Net customer revenues totaled \$33,810,551 for the year. At year-end, pledged future revenues totaled \$57,390,993, which is the amount of the remaining principal and interest on outstanding debt.

**Debt issued:** Of the \$296,334 in debt proceeds incurred during the year ended June 30, 2021, \$222,336 remains in receivables at year-end.

**Interest expense:** During the year ended June 30, 2021, the Board incurred \$1,282,196 of interest.

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 5. Retirement Commitments**

**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 pension plan administered by the WRS. The authority to establish and amend benefits and contributions 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 through the WRS website, which may be accessed at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

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

*Service Retirement Tier 1:* Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average 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 must be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

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

**Contributions:** Per Title § 9-3-412 and 413 of Wyoming State Statutes, effective July 1, 2020, member and employer contributions were required to be 9.00% and 9.12% of compensation, respectively. In accordance with Title § 9-3-412(c)(ii) of Wyoming State Statutes, the Board has elected to pay 6.50% of the member's contribution in addition to the employer's contribution. Total contributions to the pension plan from the Board were \$1,184,007 for the year ended June 30, 2021.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Retirement Commitments, *Continued***

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:** At June 30, 2021, the Board reported a liability of \$9,005,488 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The 2020 actuarial valuation incorporated assumption changes adopted by the WRS Board effective August 23, 2017. 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, 2020 to the contributions of all participating employers for the same period. At December 31, 2020, the Board's proportion was 0.4144%, which was a decrease from its December 31, 2019 proportion of 0.4209%.

For the year ended June 30, 2021, the Board recognized pension expense of \$585,294. At June 30, 2021, 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	\$ 171,132	\$ (78,307)
Changes of assumptions	55,929	-
Net difference between projected and actual earnings on pension plan investments	-	(1,974,359)
Changes in proportion and differences between contributions and proportionate share of contributions	108,314	(128,887)
Contributions subsequent to the measurement date	346,425	-
	<u>\$ 681,800</u>	<u>\$ (2,181,553)</u>

The amount of \$346,425 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021 will be recognized in pension expense, as follows:

Years ending June 30:	
2022	\$ (542,214)
2023	(218,750)
2024	(860,671)
2025	(224,543)
	<u>\$ (1,846,178)</u>



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

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Retirement Commitments, *Continued***

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

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

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

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

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

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

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

BOARD OF PUBLIC UTILITIES  
CITY OF CHEYENNE, WYOMING

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Retirement Commitments, *Continued***

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

**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 7.00%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 14,110,574	\$ 9,005,488	\$ 4,745,248

**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 contributions plans:** Board employees have the option to participate in one of two defined contribution plans. These defined contribution plans include the Wyoming Deferred Compensation Program (457 Plan) administered by the WRS and a defined contribution plan administered by VALIC Financial Advisors. Employees are allowed to contribute the maximum amount per Internal Revenue Service guidelines. The total employee contributions for the year ended June 30, 2021 were \$238,177. Beginning July 1, 2008, the Board elected to match an employee's contribution up to \$25 per month. The total matching contributions for the year ended June 30, 2021 were \$33,150.

**Note 6. Due from Other Governments**

Amounts due from other governments of \$291,668 as of June 30, 2021 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 2021. Upon receipt of these pay requests, the Board applies to other governmental entities for grant and/or loan monies to pay contractors.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 7. Accrued Compensated Absences and Early Retirement**

Compensated absences and early retirement obligations have been accrued in the financial statements of the Board and consist of the following at June 30, 2021:

	Waterworks Fund	Sewer Fund	Total
Vacation leave	\$ 399,218	\$ 271,532	\$ 670,750
Compensatory/administrative time	79,738	53,159	132,897
Sick leave	289,475	192,983	482,458
Early retirement obligation	101,679	67,786	169,465
	<u>\$ 870,110</u>	<u>\$ 585,460</u>	<u>\$ 1,455,570</u>

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due within One Year
Compensated absences and early retirement:					
Waterworks Fund	\$ 901,952	\$ 456,346	\$ (488,188)	\$ 870,110	\$ 286,108
Sewer Fund	606,466	203,633	(224,639)	585,460	193,765
	<u>\$ 1,508,418</u>	<u>\$ 659,979</u>	<u>\$ (712,827)</u>	<u>\$ 1,455,570</u>	<u>\$ 479,873</u>

**Note 8. Related-Party Transactions**

The Board collects sanitation charges on behalf of the City. At June 30, 2021, the Board had cash and receivables relating to the City's sanitation charges of \$2,262,286. The Board also owed the City \$165,769 for fuel charges, legal fees, and the Board's share of construction projects.

**Note 9. Major Customers**

For the year ended June 30, 2021, the Board had a customer that accounted for more than 10% of the Board's billed water and/or sewer revenues, as follows:

	Water	Sewer	Total
South Cheyenne Water and Sewer District	<u>\$ 1,834,093</u>	<u>\$ 1,430,690</u>	<u>\$ 3,264,783</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Commitments**

As of June 30, 2021, 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 2021, the amounts below represent the activity pertaining to the respective contract as a whole:

	Expended to June 30, 2021	Total Contract	Total Commitment at June 30, 2021
<b>Waterworks Fund:</b>			
VOL 10 - I.T. Projects	\$ 1,015,812	\$ 1,155,750	\$ 139,938
Scada Rehab	33,509	1,123,000	1,089,491
AEM Wellfield Survey	216,137	518,156	302,019
Evers (Vandehei-Bishop) - 16	929,212	960,000	30,788
Prairie-Frontier - 17	198,507	265,336	66,829
FY20 Water Rehabs	4,128,755	4,630,000	501,245
26th Street Phase II	190,295	583,592	393,297
Water Main Rehabs - 19	3,129,575	3,362,300	232,725
North City Zone	172,627	12,000,000	11,827,373
FY21 Water Rehabs	111,421	2,759,822	2,648,401
Southwest Drive	6,688	500,000	493,312
Hydroelectric Generator	1,225,313	7,400,000	6,174,687
Filter Media & Rehab	448,507	672,100	223,593
Floc Basic Rehab	1,218,683	2,416,000	1,197,317
	<u>13,025,041</u>	<u>38,346,056</u>	<u>25,321,015</u>
<b>Sewer Fund:</b>			
FY19 Sewer Rehabs	3,017,376	3,088,715	71,339
FY20 Sewer Rehabs	1,430,835	2,149,000	718,165
26th Street Phase II	14,316	122,500	108,184
Evers (Vandehei-Bishop) - 16	873,287	922,000	48,713
Sludge Dewatering	1,662,466	3,100,000	1,437,534
2013 MST PLAN VOL 10 PRJT	288,329	385,250	96,921
Fiber Optic Line DC-CC	441,909	452,937	11,028
Scada Rehab	11,227	65,000	53,773
	<u>7,739,745</u>	<u>10,285,402</u>	<u>2,545,657</u>
	<u>\$ 20,764,786</u>	<u>\$ 48,631,458</u>	<u>\$ 27,866,672</u>

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

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Risk Management**

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

As of June 30, 2021, the Board is a member of the Wyoming Association of Risk Management (WARM), which is a separate legal agency created under Wyoming State Statutes for the purpose of establishing a shared risk pool and/or jointly purchasing insurance coverage. The participating entities are responsible for paying premiums into the pool, which are calculated annually and are based upon actuarially sound and recognized pooling practices. The pool is responsible for determining the amounts of the premiums charged to the entities and is also responsible for managing the pool's assets. The entities have the right to submit claims for losses incurred. The pool has the right to collect premiums and admit or terminate members for nonpayment of premiums. The Board's management considers the assets of WARM to be sufficient to cover any claims that may be incurred by its members.

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**Public Employee Pension Plan  
Last Eight 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%
<b>2021</b>	<b>0.4144%</b>	<b>9,005,488</b>	<b>7,636,289</b>	<b>117.93%</b>	<b>79.24%</b>

*\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains 10 years of data.*

See Notes to Required Supplementary Information.



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

**SCHEDULE OF THE BOARD'S CONTRIBUTIONS  
Public Employee Pension Plan  
Last Eight 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%
<b>2021</b>	<b>694,066</b>	<b>694,066</b>	<b>-</b>	<b>7,610,377</b>	<b>9.12%</b>

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

See Notes to Required Supplementary Information.

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Changes in benefit terms:** There were no changes in benefit terms between the initial December 31, 2013 measurement date through the December 31, 2020 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 December 31, 2016 actuarial experience study. Further, there have been various assumption changes in discount rates, investment rates of return, inflation rates, and payroll growth rates from the initial December 31, 2013 measurement date through the December 31, 2020 measurement date. See the table below:

	Measurement Date (Plan Year-End)							
	2013	2014	2015	2016	2017	2018	2019	2020
Discount rate	7.75%	7.75%	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%
Investment rate of return	7.75%	7.75%	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%
Inflation increase rate	3.25%	3.25%	3.25%	3.25%	3.25%	2.25%	2.25%	2.25%
Payroll growth rate	4.25%-6.00%	4.25%-6.00%	4.25%-6.00%	4.25%-6.00%	4.25%-6.00%	4.75%-8.75%	2.50%-6.50%	2.50%-6.50%

## **SUPPLEMENTARY INFORMATION**

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

**BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2021**

	Waterworks Fund			
	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget
	Original	Final		
Operating Revenues				
Sales and charges for services	\$ 20,880,300	\$ 20,880,300	\$ 19,973,521	\$ (906,779)
Fees and miscellaneous	315,000	315,000	380,290	65,290
<b>Total operating revenues</b>	<b>21,195,300</b>	<b>21,195,300</b>	<b>20,353,811</b>	<b>(841,489)</b>
Nonoperating Revenues				
Investment income	363,000	363,000	13,475	(349,525)
System development fees	1,930,600	1,930,600	3,633,892	1,703,292
Capital grants	-	-	88,827	88,827
Donated utilities	-	-	506,722	506,722
<b>Total nonoperating revenues</b>	<b>2,293,600</b>	<b>2,293,600</b>	<b>4,242,916</b>	<b>1,949,316</b>
<b>Total revenues</b>	<b>23,488,900</b>	<b>23,488,900</b>	<b>24,596,727</b>	<b>1,107,827</b>
Operating Expenses				
Source of supply	1,734,520	2,032,720	1,429,289	(603,431)
Water treatment	2,226,200	2,236,200	1,982,251	(253,949)
Transmission and distribution	2,552,000	2,556,000	2,265,538	(290,462)
Sewer collection lines	-	-	-	-
Water reclamation	-	-	-	-
Engineering and water resources	1,381,425	1,372,425	1,096,329	(276,096)
Administrative and general	4,883,400	5,565,880	4,496,044	(1,069,836)
Information technology and customer service	1,110,500	1,162,500	879,978	(282,522)
<b>Total operating expenses</b>	<b>13,888,045</b>	<b>14,925,725</b>	<b>12,149,429</b>	<b>(2,776,296)</b>
Nonoperating Expenses				
Capital purchases	458,400	552,350	428,106	(124,244)
Construction work in progress	17,302,500	28,213,747	5,195,094	(23,018,653)
Debt service, interest	611,700	567,150	555,358	(11,792)
Debt service, principal	2,050,300	2,230,250	2,229,875	(375)
<b>Total nonoperating expenses</b>	<b>20,422,900</b>	<b>31,563,497</b>	<b>8,408,433</b>	<b>(23,155,064)</b>
<b>Total expenses</b>	<b>34,310,945</b>	<b>46,489,222</b>	<b>20,557,862</b>	<b>(25,931,360)</b>
<b>(Deficiency) excess of revenues over expenses</b>	<b>\$ (10,822,045)</b>	<b>\$ (23,000,322)</b>	<b>\$ 4,038,865</b>	<b>\$ 27,039,187</b>

Sewer Fund				
Budgeted Amounts		Actual Budget Basis	Variance with Final Budget	
Original	Final			
\$ 13,465,700	\$ 13,465,700	\$ 12,944,938	\$ (520,762)	
495,000	495,000	511,802	16,802	
13,960,700	13,960,700	13,456,740	(503,960)	
101,000	101,000	1,332	(99,668)	
600,000	600,000	892,863	292,863	
-	-	-	-	
-	-	325,962	325,962	
701,000	701,000	1,220,157	519,157	
14,661,700	14,661,700	14,676,897	15,197	
-	-	-	-	
-	-	-	-	
-	-	-	-	
1,566,400	1,836,129	1,144,242	(691,887)	
2,902,875	3,308,302	2,604,359	(703,943)	
444,775	520,317	347,771	(172,546)	
2,453,300	2,709,950	2,328,383	(381,567)	
370,400	387,400	291,198	(96,202)	
7,737,750	8,762,098	6,715,953	(2,046,145)	
449,900	1,099,251	203,789	(895,462)	
2,835,200	10,410,095	3,991,459	(6,418,636)	
787,000	736,900	726,841	(10,059)	
2,851,800	2,901,900	2,894,913	(6,987)	
6,923,900	15,148,146	7,817,002	(7,331,144)	
14,661,650	23,910,244	14,532,955	(9,377,289)	
\$ 50	\$ (9,248,544)	\$ 143,942	\$ 9,392,486	

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

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

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

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

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

## STATISTICAL SECTION (UNAUDITED)

This part of the City of Cheyenne, Wyoming Board of Public Utilities' 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.



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

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

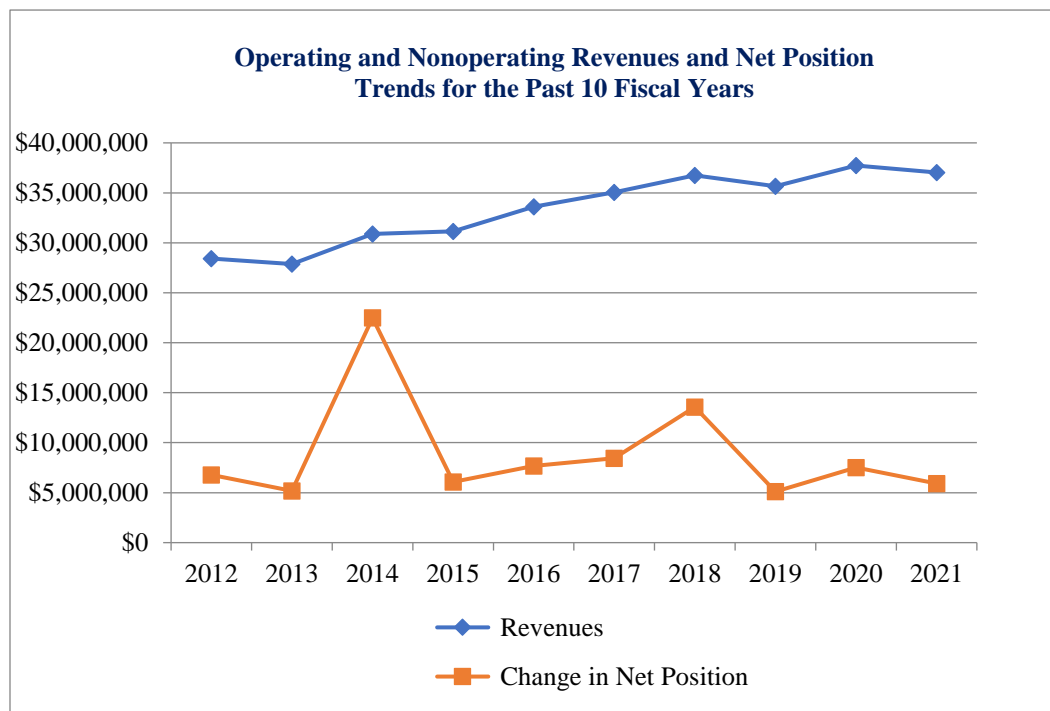
	2012	2013	2014	2015
Primary Government				
Net investment in capital assets	\$ 212,588,231	\$ 215,502,795	\$ 234,533,472	\$ 240,632,987
Restricted	1,389,594	1,389,594	1,103,001	1,103,001
Unrestricted	25,507,519	27,757,842	31,498,933	26,138,255
<b>Total primary government net position</b>	<b>\$ 239,485,344</b>	<b>\$ 244,650,231</b>	<b>\$ 267,135,406</b>	<b>\$ 267,874,243</b>

	2016		2017		2018		2019		2020		2021
\$	247,414,892	\$	255,737,548	\$	266,767,253	\$	266,643,536	\$	275,249,371	\$	<b>277,200,615</b>
	500,000		500,000		500,000		500,000		500,000		<b>500,000</b>
	27,643,743		27,774,167		30,326,170		35,556,920		34,459,246		<b>38,437,359</b>
\$	275,558,635	\$	284,011,715	\$	297,593,423	\$	302,700,456	\$	<b>310,208,617</b>	\$	<b>316,137,974</b>

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

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

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total Nonoperating (Expenses) Revenues	Income before Capital Contributions	Capital Contributions	Change in Net Position
2012	\$ 28,594,129	\$ 26,005,418	\$ 2,588,711	\$ (179,719)	\$ 2,408,992	\$ 4,381,020	\$ 6,790,012
2013	28,417,091	26,474,263	1,942,828	(543,390)	1,399,438	3,765,449	5,164,887
2014	28,030,122	27,483,943	546,179	2,855,489	3,401,668	19,083,507	22,485,175
2015	28,223,658	27,605,751	617,907	2,906,969	3,524,876	2,554,040	6,078,916
2016	31,243,040	29,990,481	1,252,559	2,380,668	3,633,227	4,051,165	7,684,392
2017	32,881,259	30,735,969	2,145,290	2,176,250	4,321,540	4,131,540	8,453,080
2018	34,518,439	31,800,359	2,718,080	2,228,947	4,947,027	8,634,681	13,581,708
2019	33,403,006	33,329,702	73,304	2,259,035	2,332,339	2,774,694	5,107,033
2020	35,313,159	33,035,590	2,277,569	2,419,841	4,697,410	2,810,751	7,508,161
<b>2021</b>	<b>33,810,551</b>	<b>32,017,380</b>	<b>1,793,171</b>	<b>3,214,675</b>	<b>5,007,846</b>	<b>921,511</b>	<b>5,929,357</b>



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

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

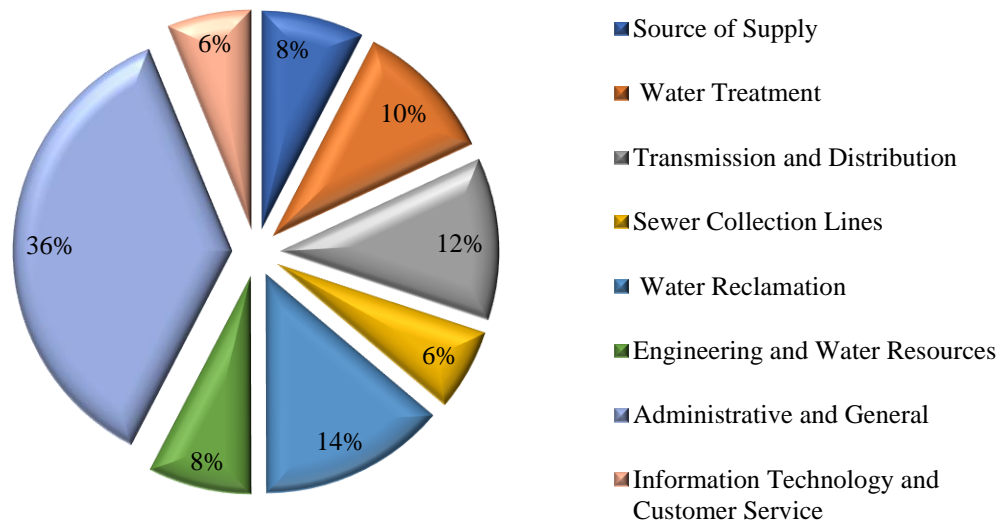
Fiscal Year	Water Sales	Sewer Charges	Fees and Miscellaneous	Total
2012	\$ 19,136,331	\$ 8,699,568	\$ 758,230	\$ 28,594,129
2013	18,727,876	8,913,119	776,096	28,417,091
2014	17,210,780	9,737,163	1,082,179	28,030,122
2015	16,927,691	10,203,095	1,092,872	28,223,658
2016	19,264,134	11,013,457	965,449	31,243,040
2017	20,331,453	11,793,475	756,331	32,881,259
2018	21,305,003	12,300,941	912,495	34,518,439
2019	19,383,845	13,008,656	1,010,505	33,403,006
2020	21,236,291	13,307,490	769,378	35,313,159
<b>2021</b>	<b>19,973,521</b>	<b>12,944,938</b>	<b>892,092</b>	<b>33,810,551</b>

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

**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
2012	\$ 1,245,052	\$ 2,222,510	\$ 1,975,019	\$ 1,112,374	\$ 2,305,548	\$ 1,078,469
2013	1,218,162	1,779,324	2,015,765	1,109,167	2,360,921	1,136,793
2014	1,426,207	1,846,817	2,052,179	1,144,516	2,348,946	1,199,393
2015	1,334,981	1,869,151	2,040,958	1,181,757	2,400,409	1,204,863
2016	1,351,996	1,874,575	2,074,783	1,239,039	2,473,365	1,338,086
2017	1,412,417	2,182,952	2,111,073	1,145,985	2,504,492	1,339,279
2018	1,955,042	1,933,235	2,449,095	1,309,261	2,472,745	1,454,326
2019	1,444,920	2,018,472	2,524,185	1,543,025	2,614,490	1,399,688
2020	1,615,195	2,069,031	2,458,197	1,109,534	2,423,284	1,578,134
<b>2021</b>	<b>1,429,289</b>	<b>1,982,251</b>	<b>2,265,538</b>	<b>1,144,242</b>	<b>2,604,359</b>	<b>1,444,100</b>

**Allocation of FY2021 Operating Expenses**

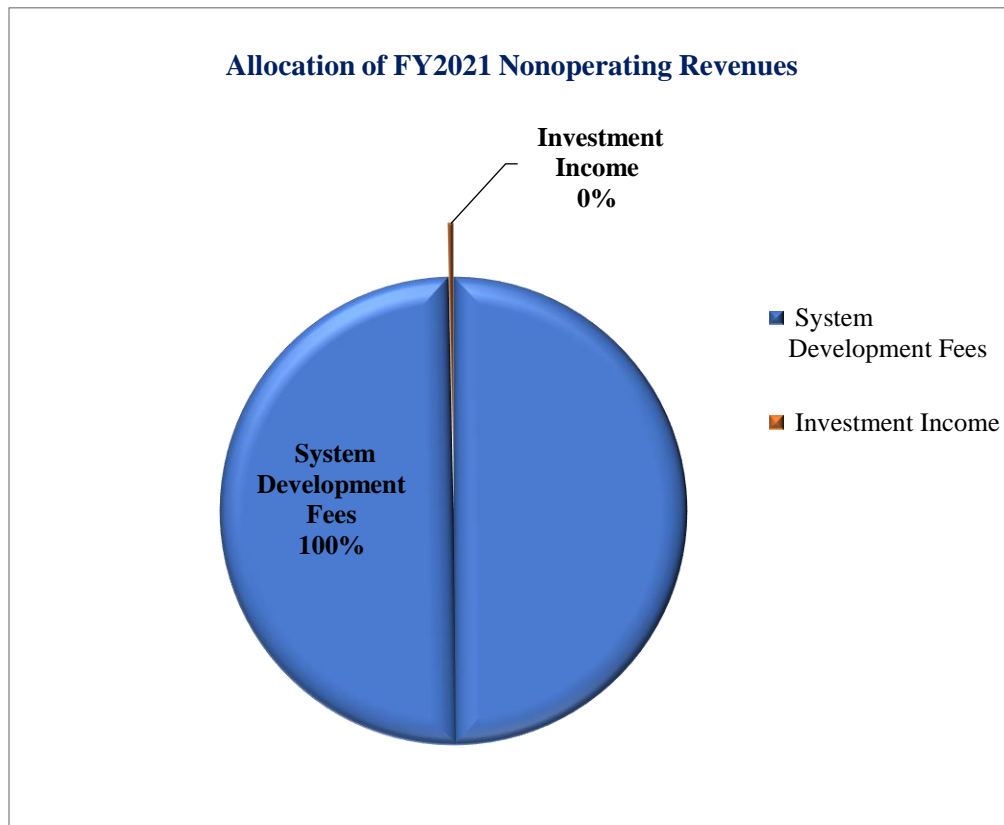


Administrative and General	Information Technology and Customer Service	Subtotal, Expenses before Depreciation	Depreciation	Total Operating Expenses
\$ 4,362,575	\$ 1,044,593	\$ 15,346,140	\$ 10,659,278	\$ 26,005,418
5,118,473	1,004,269	15,742,874	10,731,389	26,474,263
5,603,288	1,049,253	16,670,599	10,813,344	27,483,943
5,249,576	1,132,188	16,413,883	11,191,868	27,605,751
6,530,009	1,157,416	18,039,269	11,951,212	29,990,481
6,727,482	1,185,779	18,609,459	12,126,510	30,735,969
6,781,904	1,177,920	19,533,528	12,266,831	31,800,359
7,879,510	1,349,029	20,773,319	12,556,383	33,329,702
7,450,156	1,246,750	19,950,281	13,085,309	33,035,590
<b>6,824,427</b>	<b>1,171,176</b>	<b>18,865,382</b>	<b>13,151,998</b>	<b>32,017,380</b>

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

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

Fiscal Year	System Development Fees	Investment Income	Insurance Proceeds and Gain/Loss on Disposal of Assets	Other Income	Intergovernmental Revenues	Specific Purpose Tax	Interest Expense	Total Nonoperating (Expenses) Revenues
2012	\$ 1,928,153	\$ 77,077	\$ -	\$ -	\$ -	\$ -	\$ (2,184,949)	\$ (179,719)
2013	1,532,008	18,990	-	-	-	-	(2,094,388)	(543,390)
2014	4,151,596	101,738	248,729	26,939	-	-	(1,673,513)	2,855,489
2015	4,480,380	68,815	7,925	-	-	-	(1,650,151)	2,906,969
2016	4,014,691	144,963	21,625	-	-	-	(1,800,611)	2,380,668
2017	3,553,222	102,756	42,640	-	-	-	(1,522,368)	2,176,250
2018	3,110,333	319,220	96,516	-	-	-	(1,297,122)	2,228,947
2019	2,494,133	1,030,925	7,000	-	-	-	(1,273,023)	2,259,035
2020	2,971,279	872,696	-	-	-	-	(1,424,134)	2,419,841
<b>2021</b>	<b>4,526,755</b>	<b>14,807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,326,887)</b>	<b>3,214,675</b>



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

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

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

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



2016	2017	2018	2019	2020	2021
\$ 3.97	\$ 4.05	\$ 4.17	\$ 4.29	\$ 4.42	\$ <b>4.42</b>
4.91	5.01	5.15	5.30	5.46	<b>5.46</b>
6.09	6.21	6.39	6.58	6.78	<b>6.78</b>
7.58	7.73	7.96	8.19	8.44	<b>8.44</b>
3.97	4.05	4.17	4.29	4.42	<b>4.42</b>
4.91	5.01	5.15	5.30	5.46	<b>5.46</b>
6.09	6.21	6.39	6.58	6.78	<b>6.78</b>
7.58	7.73	7.96	8.19	8.44	<b>8.44</b>
4.36-5.12	4.45-5.22	4.58-5.37	4.93-5.53	5.08-5.70	<b>5.08-5.70</b>
2.56	2.61	2.69	2.77	2.85	<b>2.85</b>
2.08	2.12	2.18	2.24	2.31	<b>2.31</b>
3.71	3.78	3.89	4.00	4.12	<b>4.12</b>
5.50-187.27	5.61-191.02	5.77-196.75	5.94-202.65	6.12-208.73	<b>6.12-208.73</b>
\$ 4.43	\$ 4.62	\$ 4.76	\$ 4.90	\$ 5.15	\$ <b>5.15</b>
4.61-79.06	4.70-80.64	4.84-83.06	4.98-85.55	5.23-89.83	<b>5.23-89.83</b>

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

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

Customer	Fiscal Year 2021		Fiscal Year 2021	
	Billed Water Revenues		Gallons (1,000s)	
	Amount	%	Amount	%
South Cheyenne Water and Sewer District	\$ 1,834,093	9.18%	357,335	9.92%
Holly Frontier Refining & Marketing	1,341,542	6.72%	258,132	7.16%
F.E. Warren Air Force Base	721,548	3.61%	138,067	3.83%
Laramie County School District #1	446,943	2.24%	75,198	2.09%
Microsoft Corporation	418,324	2.09%	27,479	0.76%
Cheyenne Country Club	212,695	1.06%	41,449	1.15%
State of Wyoming	153,293	0.77%	67,300	1.87%
Cheyenne Regional Medical Center	112,183	0.56%	21,330	0.59%
Department of Veterans Affairs	111,418	0.56%	17,817	0.49%
Cheyenne Housing Authority	79,835	0.41%	14,312	0.40%
<b>Subtotal (10 largest)</b>	<b>5,431,874</b>	<b>27.20%</b>	<b>1,018,419</b>	<b>28.26%</b>
Balance from other customers	14,541,647	72.80%	2,584,959	71.74%
<b>Grand total</b>	<b>\$ 19,973,521</b>	<b>100.00%</b>	<b>3,603,378</b>	<b>100.00%</b>

Customer	Fiscal Year 2012		Fiscal Year 2012	
	Billed Water Revenues		Gallons (1,000s)	
	Amount	%	Amount	%
Holly Frontier Refining & Marketing	\$ 2,813,072	14.70%	736,445	16.66%
South Cheyenne Water and Sewer District	1,393,892	7.28%	350,224	7.92%
F.E. Warren Air Force Base	1,197,976	6.26%	297,063	6.72%
Laramie County School District #1	401,838	2.10%	96,250	2.18%
State of Wyoming	288,411	1.51%	66,967	1.52%
Cheyenne Country Club	188,282	0.48%	76,553	1.73%
Cheyenne Regional Medical Center	107,369	0.98%	26,013	0.59%
Cheyenne Housing Authority	91,124	0.56%	21,891	0.50%
Department of Veterans Affairs	75,552	0.39%	18,715	0.42%
Pinewood Village	67,260	0.36%	17,119	0.39%
<b>Subtotal (10 largest)</b>	<b>6,624,776</b>	<b>34.62%</b>	<b>1,707,240</b>	<b>38.63%</b>
Balance from other customers	12,511,555	65.38%	2,712,081	61.37%
<b>Grand total</b>	<b>\$ 19,136,331</b>	<b>100.00%</b>	<b>4,419,321</b>	<b>100.00%</b>

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

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

Customer	Fiscal Year 2021		Fiscal Year 2021	
	Billed Sewer Revenues		Sewer Gallons (1,000s)	
	Amount	%	Amount	%
South Cheyenne Sewer and Water District	\$ 1,430,690	11.05%	272,436	12.47%
Holly Frontier Refining & Marketing	927,980	7.17%	165,056	7.56%
F.E. Warren Air Force Base	448,973	3.47%	85,367	3.91%
Microsoft Corporation	219,554	1.70%	27,928	1.28%
Cheyenne Light Fuel & Power/Black Hills Power Company	123,682	0.96%	23,958	1.10%
Laramie County School District #1	101,793	0.79%	18,500	0.85%
Department of Veterans Affairs	82,376	0.64%	15,828	0.72%
Cheyenne Housing Authority	63,570	0.49%	10,811	0.49%
State of Wyoming	60,211	0.47%	11,115	0.51%
Dish Purchasing Corporation	54,872	0.40%	10,620	0.49%
<b>Subtotal (10 largest)</b>	<b>3,513,701</b>	<b>27.14%</b>	<b>641,619</b>	<b>29.38%</b>
Balance from other customers	9,431,237	72.86%	1,542,589	70.62%
<b>Grand total</b>	<b>\$ 12,944,938</b>	<b>100.00%</b>	<b>2,184,208</b>	<b>100.00%</b>

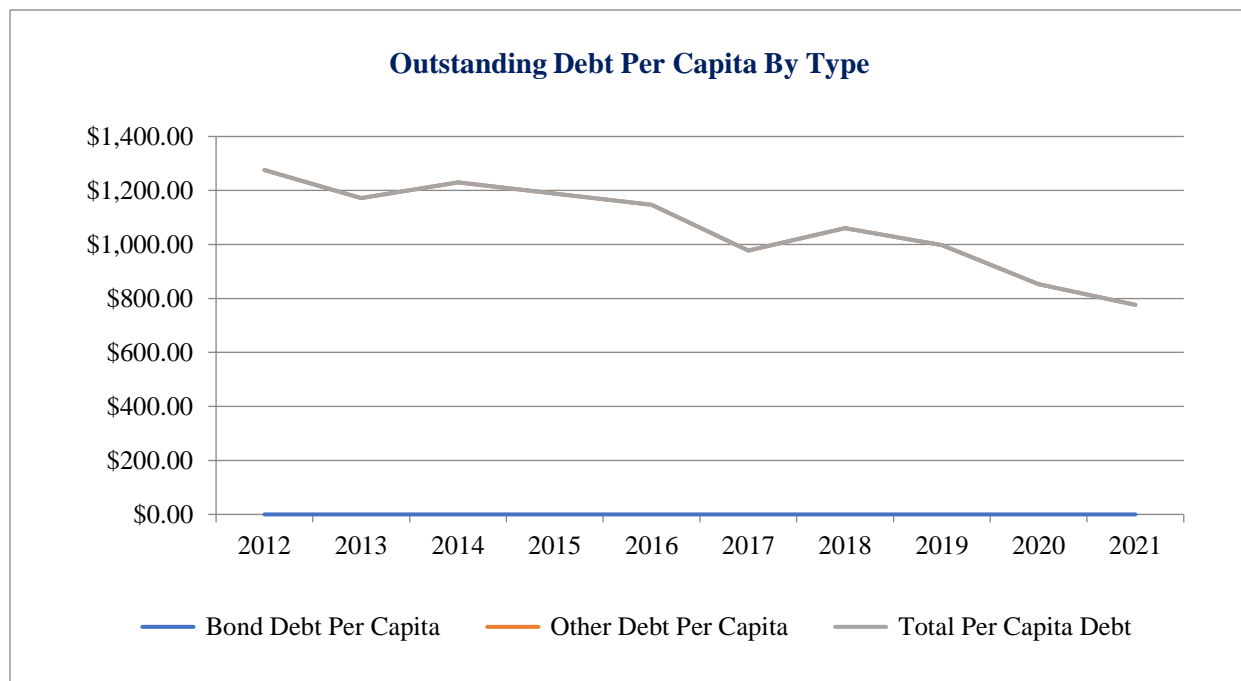
  

Customer	Fiscal Year 2012		Fiscal Year 2012	
	Billed Sewer Revenues		Sewer Gallons (1,000s)	
	Amount	%	Amount	%
South Cheyenne Sewer and Water District	\$ 829,217	9.53%	239,658	10.98%
Holly Frontier Refining & Marketing	412,011	4.74%	101,969	4.67%
F.E. Warren Air Force Base	401,879	4.62%	115,917	5.31%
Laramie County School District #1	81,244	0.93%	22,223	1.02%
Cheyenne Regional Medical Center	72,885	0.84%	20,693	0.95%
Pinewood Village	64,129	0.74%	18,348	0.84%
Cheyenne Housing Authority	60,949	0.70%	15,832	0.73%
State of Wyoming	56,743	0.65%	15,342	0.70%
Walmart Distribution Center	45,442	0.52%	8,701	0.40%
Frontier Mall	32,502	0.37%	9,135	0.41%
<b>Subtotal (10 largest)</b>	<b>2,057,001</b>	<b>23.64%</b>	<b>567,818</b>	<b>26.01%</b>
Balance from other customers	6,642,567	76.36%	1,615,117	73.99%
<b>Grand total</b>	<b>\$ 8,699,568</b>	<b>100.00%</b>	<b>2,182,935</b>	<b>100.00%</b>

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

**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
2012	\$ -	-	0.00%	\$ 76,662,873	1,275.67	2.85%	\$ 76,662,873
2013	-	-	0.00%	71,545,772	1,171.82	2.46%	71,545,772
2014	-	-	0.00%	75,878,271	1,229.45	2.50%	75,878,271
2015	-	-	0.00%	75,171,561	1,188.41	2.41%	75,171,561
2016	-	-	0.00%	72,072,190	1,146.82	2.33%	72,072,190
2017	-	-	0.00%	62,549,494	977.05	1.98%	62,549,494
2018	-	-	0.00%	68,303,303	1,060.40	2.15%	68,303,303
2019	-	-	0.00%	64,030,449	998.04	2.03%	64,030,449
2020	-	-	0.00%	54,691,558	852.48	1.73%	54,691,558
<b>2021</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>49,863,104</b>	<b>776.26</b>	<b>1.58%</b>	<b>49,863,104</b>



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

**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
2012	\$ 21,327,661	\$ -	\$ 21,327,661	0.00%
2013	21,847,014	-	21,847,014	0.00%
2014	23,105,605	-	23,105,605	0.00%
2015	24,088,253	-	24,088,253	0.00%
2016	25,325,684	-	25,325,684	0.00%
2017	26,553,503	-	26,553,503	0.00%
2018	27,429,211	-	27,429,211	0.00%
2019	23,389,951	-	23,389,951	0.00%
2020	30,965,064	-	30,965,064	0.00%
<b>2021</b>	<b>32,910,392</b>	<b>-</b>	<b>32,910,392</b>	<b>0.00%</b>

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

**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				
2012	\$ 21,038,714	\$ 9,865,383	\$ 11,173,331	\$ 6,185,564	\$ 1,310,423	\$ 7,495,987	1.49
2013	20,266,843	10,017,855	10,248,988	3,494,377	1,559,833	5,054,210	2.03
2014	21,248,671	10,765,898	10,482,773	2,411,738	1,127,753	3,539,491	2.96
2015	19,989,573	10,481,000	9,508,573	2,669,343	1,230,045	3,899,388	2.44
2016	22,173,104	11,553,006	10,620,098	4,600,459	1,106,343	5,706,802	1.86
2017	22,350,483	12,065,681	10,284,802	6,797,789	989,086	7,786,875	1.32
2018	24,535,960	12,900,076	11,635,884	3,967,990	863,593	4,831,583	2.41
2019	22,496,205	13,349,935	9,146,270	4,147,847	877,457	5,025,304	1.82
2020	24,576,424	13,295,274	11,281,150	6,621,814	699,873	7,321,687	1.54
<b>2021</b>	<b>24,001,178</b>	<b>12,149,429</b>	<b>11,851,749</b>	<b>2,229,875</b>	<b>567,029</b>	<b>2,796,904</b>	<b>4.24</b>

\* 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).

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fiscal	Sewer		Net Revenues		Debt Service		Coverage
Year	Gross	Expenses**	Available for	Principal	Interest	Total	Ratio***
	Revenues*		Debt Service				
2012	\$ 9,560,645	\$ 5,480,757	\$ 4,079,888	\$ 1,990,398	\$ 875,883	\$ 2,866,281	1.42
2013	9,701,246	5,725,019	3,976,227	2,095,725	887,892	2,983,617	1.33
2014	11,310,453	5,904,701	5,405,752	2,211,174	807,121	3,018,295	1.79
2015	12,791,205	5,932,883	6,858,322	2,199,687	757,339	2,957,026	2.32
2016	13,251,215	6,486,263	6,764,952	2,451,648	854,584	3,306,232	2.05
2017	14,229,394	6,543,778	7,685,616	4,436,586	724,348	5,160,934	1.49
2018	13,508,548	6,633,452	6,875,096	2,267,475	651,867	2,919,342	2.36
2019	14,438,859	7,423,384	7,015,475	2,325,635	593,705	2,919,340	2.40
2020	14,580,710	6,654,307	7,926,403	2,824,496	993,520	3,818,016	2.08
<b>2021</b>	<b>14,350,935</b>	<b>6,715,953</b>	<b>7,634,982</b>	<b>2,894,913</b>	<b>726,841</b>	<b>3,621,754</b>	<b>2.11</b>

\* Gross revenues do not include capital contributions.

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

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

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

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

Fiscal Year	Estimated Population	Personal Income (1,000s)*	Per Capita Income*	Unemployment Rate*	School Enrollment*
2012	60,096	\$ 4,572,791	\$ 49,443	6.9%	14,982
2013	61,055	4,795,529	50,755	6.1%	15,022
2014	62,845	4,969,568	51,870	4.9%	14,893
2015	63,254	4,744,712	49,225	4.2%	15,392
2016	63,590	4,836,235	49,796	4.6%	15,087
2017	64,019	4,971,731	50,563	4.1%	15,122
2018	64,413	5,150,637	52,039	3.7%	15,283
2019	64,156	5,384,262	54,113	3.3%	15,826
2020	64,165	**	**	3.8%	15,585
<b>2021</b>	<b>64,235</b>	**	**	<b>5.4%</b>	**

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

\* For Laramie County

\*\* Information not yet available



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

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

2021*	
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

2012	
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](http://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.*

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

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

	Budgeted Positions as of June 30,			
	2012	2013	2014	2015
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
<b>Subtotal</b>	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	-	-	-	-
<b>Subtotal</b>	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	12.0	12.0
Support services	11.0	11.0	11.0	11.0
Sup. dist. and col. fac. staff	5.5	5.5	5.5	5.5
<b>Subtotal</b>	41.5	41.5	41.5	41.5
Engineering and Water Resources				
Engineering staff	7.0	7.0	7.0	7.0
Inspections and locates	4.0	4.0	4.0	4.0
Instrumentation and telemetry	4.0	4.0	4.0	4.0
Source of supply	6.0	6.0	6.0	6.0
<b>Subtotal</b>	21.0	21.0	21.0	21.0
Water Reclamation				
Management/support staff	5.0	5.0	5.0	6.0
Laboratory staff	2.0	2.0	2.0	2.0
Plant supervisors/operators	16.0	16.0	16.0	16.0
<b>Subtotal</b>	23.0	23.0	23.0	24.0
<b>Total</b>	128.5	128.5	128.5	129.5

Budgeted Positions as of June 30,					
2016	2017	2018	2019	2020	2021
8.0	8.0	8.0	8.5	8.5	<b>8.5</b>
6.0	6.0	6.0	6.0	6.5	<b>6.5</b>
4.0	4.0	4.0	4.0	5.0	<b>5.0</b>
5.0	5.0	5.0	5.0	5.0	<b>5.0</b>
23.0	23.0	23.0	23.5	25.0	<b>25.0</b>
2.0	2.0	2.0	2.0	2.0	<b>1.5</b>
13.0	13.0	13.0	13.0	13.0	<b>13.0</b>
2.0	2.0	2.0	2.0	2.0	<b>2.0</b>
3.0	3.0	3.0	3.0	3.0	<b>3.0</b>
-	-	-	-	6.0	<b>6.0</b>
20.0	20.0	20.0	20.0	26.0	<b>25.5</b>
13.0	13.0	13.0	13.0	13.0	<b>13.0</b>
14.0	14.0	15.0	15.0	15.0	<b>15.0</b>
11.0	11.0	11.0	11.0	11.0	<b>11.0</b>
5.5	5.5	5.5	5.5	5.5	<b>5.5</b>
43.5	43.5	44.5	44.5	44.5	<b>44.5</b>
8.0	8.0	8.0	8.0	8.0	<b>8.0</b>
4.0	4.0	4.0	4.0	4.0	<b>4.0</b>
5.0	5.0	5.0	5.0	5.0	<b>5.0</b>
6.0	6.0	6.0	6.0	-	<b>-</b>
23.0	23.0	23.0	23.0	17.0	<b>17.0</b>
6.0	6.0	6.0	6.0	6.0	<b>5.5</b>
2.0	2.0	2.0	2.0	2.0	<b>2.0</b>
16.0	16.0	16.0	16.0	16.0	<b>16.0</b>
24.0	24.0	24.0	24.0	24.0	<b>23.5</b>
133.5	133.5	134.5	135.0	136.5	<b>135.5</b>

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

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

	2012	2013	2014	2015
<b>Water Treatment</b>				
Raw Water Collection Mains (miles)	49	49	49	49
Raw Water Transmission Mains (miles)	222	222	222	222
Treated Water Transmission Mains (miles)	67	67	67	67
Treated Water Distribution Mains (miles)	374	379	389	389
Gallons of treated water storage (millions)	35	35	35	35
Reservoir levels at June 30 (acre-feet*)	37,756	36,990	39,832	39,678
Water treatment plant capacity (mgd)	32	32	32	32
Peak day **	June 18, 2012	June 26, 2013	July 8, 2013	July 21, 2014
Peak day (mgd)	28.70	29.70	29.27	25.79
Peak month **	June 2012	August 2012	July 2013	July 2014
Peak month (million gallons)	695.76	767.65	699.86	651.13
Total water delivered (acre-feet)	16,176	15,272	13,377	13,587
Average daily demand (mgd)**	14.40	13.63	11.94	12.13
<b>Recycled Water</b>				
Miles of delivery pipeline	14.99	14.99	14.99	13.59
Treatment capacity (mgd)	4.0	4.0	4.0	4.0
Total recycled water delivered (acre-feet)	585.05	546.05	330.24	155.84
Peak day	June 6, 2012	July 20, 2012	July 3, 2013	July 8, 2014
Peak day (mgd)	2.14	2.23	2.05	1.24
<b>Water Reclamation***</b>				
Miles of sewer collection mains	319	323	327	327
Water reclamation capacity (mgd)	17.0	17.0	17.0	17.0
Peak month	July 2011	May 2012	May 2014	May 2015
Peak month (million gallons)	323.4	298.8	313.3	326.1
Peak month average per day (mgd)	10.43	9.64	10.10	10.52
Total wastewater treated (000 gallons)	3,236,048	3,199,300	3,297,782	2,948,876
Average (mgd)	8.85	8.77	9.04	8.08

\* 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.

2016	2017	2018	2019	2020	2021
49	49	49	49	49	<b>49</b>
222	222	222	222	222	<b>222</b>
68	75	76	78	78	<b>78</b>
395	398	399	407	407	<b>413</b>
35	36.5	36.5	36.5	36.5	<b>36.5</b>
39,791	40,272	39,078	39,815	39,815	<b>38,813</b>
32	32	32	32	32	<b>32</b>
June 22, 2016	July 20, 2016	July 5, 2017	July 11, 2018	September 2, 2019	<b>July 8, 2020</b>
26.11	30.32	25.93	28.15	26.71	<b>28.63</b>
August 2015	July 2016	July 2017	July 2018	August 2019	<b>July 2020</b>
699.17	732.46	704.65	608.34	693.65	<b>723.43</b>
14,088	14,692	13,480	13,096	14,495	<b>13,309</b>
12.58	13.12	12.79	11.69	12.94	<b>11.88</b>
14.99	14	14.00	14.00	14.00	<b>14</b>
4.0	4.0	4.0	4.0	4.0	<b>4.0</b>
167.62	341.64	478.93	389.91	617.21	<b>531.43</b>
June 21, 2016	June 28, 2017	June 13, 2018	August 31, 2018	September 3, 2019	<b>July 10, 2020</b>
1.24	1.89	2.57	2.07	2.14	<b>2.21</b>
331	337	327	335	335	<b>339</b>
17.0	17.0	17.0	17.0	17.0	<b>17.0</b>
July 2015	May 2017	May 2018	June 2019	July 2019	<b>May 2021</b>
344.5	264.1	279.5	310.31	305.15	<b>277.3</b>
11.11	12.70	9.01	10.34	9.84	<b>10.45</b>
3,159,522	2,928,120	3,011,040	3,127,340	3,025,704	<b>2,772,970</b>
8.63	8.03	8.25	8.56	8.28	<b>7.52</b>

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

**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)
2012	5,271	4,419	425	427	8.10%	2,183	4.33	3.46
2013	5,022	4,373	394	255	5.08%	2,160	4.28	3.46
2014	4,359	3,927	310	122	2.80%	2,209	4.36	3.91
2015	4,427	3,694	370	363	8.20%	2,183	4.62	4.21
2016	4,435	3,921	326	188	4.24%	2,242	4.81	4.43
2017	4,788	4,097	417	274	5.72%	2,298	4.96	4.62
2018	4,731	4,166	445	120	2.54%	2,299	5.11	5.35
2019	4,267	3,823	315	129	3.02%	2,354	5.07	5.52
2020	4,723	3,782	396	545	11.54%	2,354	5.41	5.70
<b>2021</b>	<b>4,537</b>	<b>3,603</b>	<b>404</b>	<b>530</b>	<b>11.68%</b>	<b>2,184</b>	<b>5.59</b>	<b>5.93</b>
<b>Average</b>	<b>4,656</b>	<b>3,981</b>	<b>380</b>	<b>295</b>	<b>6.34%</b>	<b>2,247</b>		

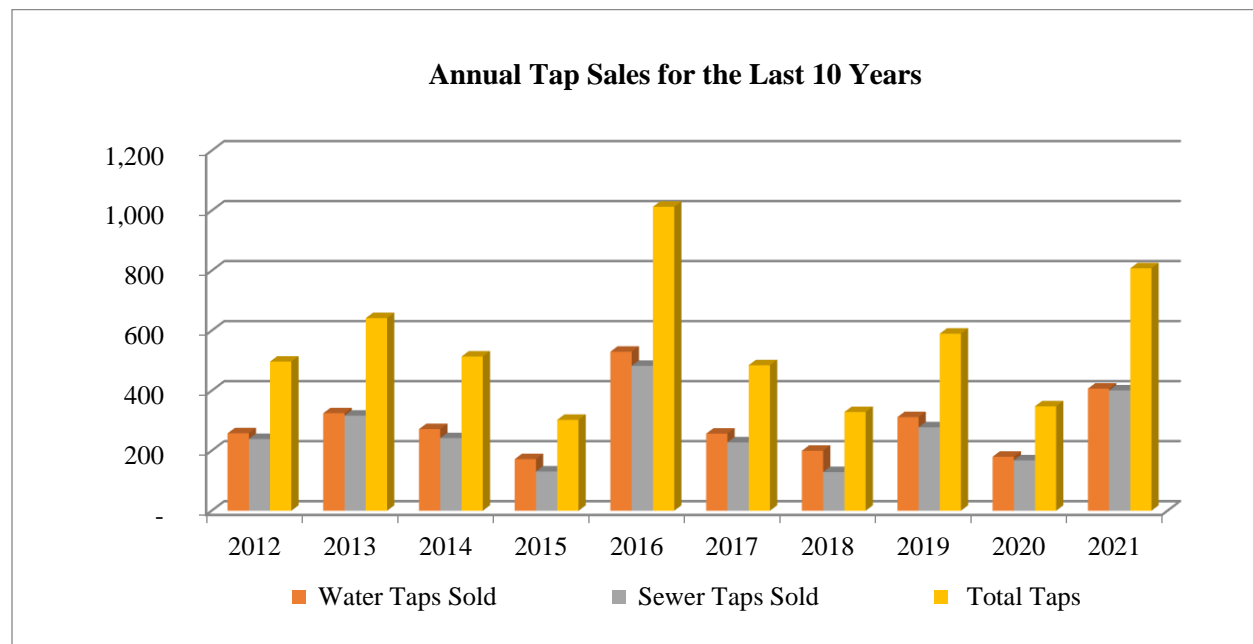
**Notes:** Gallons are presented in millions.

- (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.

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

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

Fiscal Year	Water Meter Taps Sold	Sewer Taps Sold	Total Taps
2012	258	239	497
2013	325	317	642
2014	272	242	514
2015	172	131	303
2016	530	483	1,013
2017	257	228	485
2018	200	129	329
2019	312	278	590
2020	180	168	348
<b>2021</b>	<b>407</b>	<b>401</b>	<b>808</b>

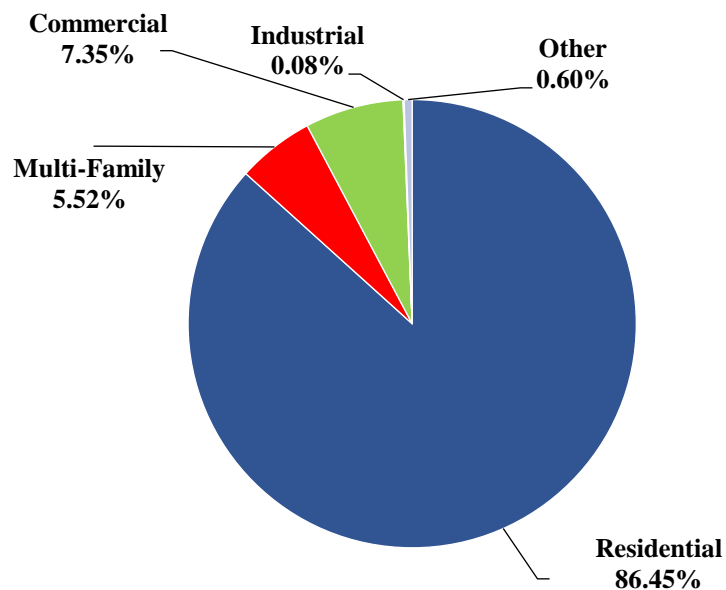


**BOARD OF PUBLIC UTILITIES  
CITY OF CHEYENNE, WYOMING**

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

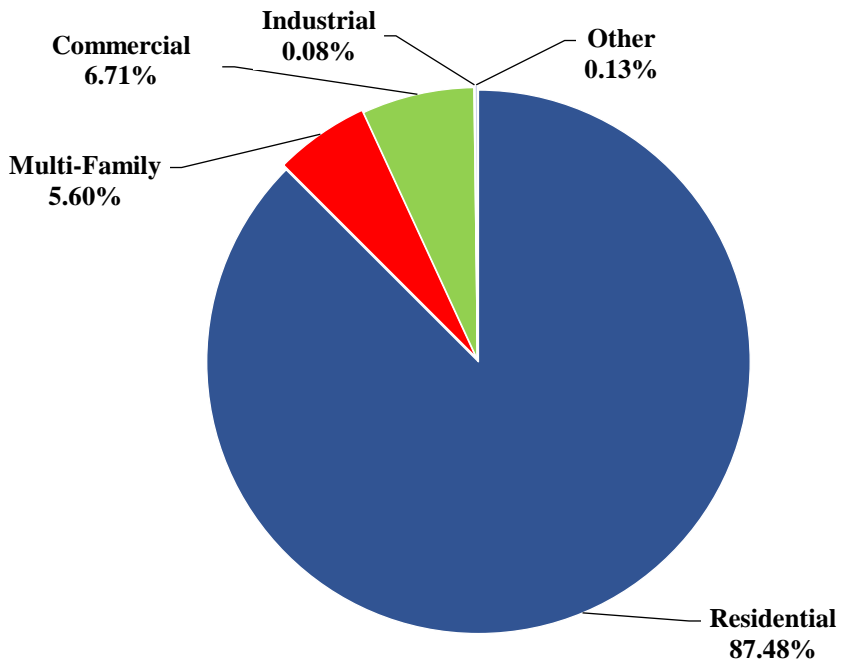
Fiscal Year	Water					Sewer	
	Residential	Multi-Family	Commercial	Industrial	Other	Residential	Multi-Family
2012	19,460	1,249	1,680	21	198	19,365	1,246
2013	19,917	1,266	1,677	21	151	19,565	1,251
2014	19,913	1,250	1,695	21	180	19,831	1,252
2015	20,195	1,250	1,711	17	152	20,120	1,251
2016	20,382	1,257	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
<b>2021</b>	<b>21,290</b>	<b>1,365</b>	<b>1,745</b>	<b>19</b>	<b>142</b>	<b>21,170</b>	<b>1,362</b>

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





Sewer			Total	
Commercial	Industrial	Other	Water	Sewer
1,563	21	13	22,608	22,208
1,561	20	15	23,032	22,412
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
<b>1,615</b>	<b>17</b>	<b>33</b>	<b>24,561</b>	<b>24,197</b>



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

**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
2012	60,096	2,152,263	98.12	3,657,056	166.72
2013	61,055	2,079,444	93.31	3,620,334	162.46
2014	62,845	1,883,289	82.10	3,277,123	142.87
2015	63,254	1,725,254	74.73	3,073,629	133.13
2016	63,590	1,827,595	78.74	3,305,945	142.43
2017	64,019	1,880,860	80.49	3,386,465	144.93
2018	64,413	1,908,840	81.19	3,472,373	147.69
2019	64,156	1,762,892	75.28	3,174,183	135.55
2020	64,165	1,880,928	80.31	3,141,813	134.15
<b>2021</b>	<b>64,235</b>	<b>1,976,543</b>	<b>84.30</b>	<b>2,911,251</b>	<b>124.17</b>

\* 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.

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

**METERED WATER SALES BY CUSTOMER CLASS AND OPERATING  
AND DEBT SERVICE COST PER 1,000 GALLONS SOLD (UNAUDITED)  
Last 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
2012	2,152,263	770,326	734,467	3,657,056	297,063	350,224	19,996	69,948
2013	2,079,444	720,911	819,979	3,620,334	255,285	357,885	26,880	71,441
2014	1,883,289	686,023	709,881	3,279,193	180,714	326,086	27,746	104,216
2015	1,725,254	694,585	653,790	3,073,629	189,640	313,828	29,781	61,452
2016	1,827,595	760,494	717,856	3,305,945	177,298	321,242	38,695	55,614
2017	1,880,860	714,806	790,799	3,386,465	174,401	336,733	63,312	92,226
2018	1,908,840	716,843	846,690	3,472,373	182,857	346,075	72,589	60,905
2019	1,762,892	678,390	732,901	3,174,183	162,078	336,601	69,864	53,724
2020	1,880,928	664,346	596,545	3,141,819	148,843	339,309	62,629	65,078
<b>2021</b>	<b>1,976,543</b>	<b>676,576</b>	<b>258,132</b>	<b>2,911,251</b>	<b>138,067</b>	<b>357,335</b>	<b>88,454</b>	<b>74,525</b>

\* Excluding depreciation.

Recycled Water	Oil and Gas	Construction	Total Water Sales (Gallons)	Total Water Operating Expenses*	Operating Cost per 1,000	Total Water Debt Service	Debt Cost per 1,000
20,008	54	4,972	4,419,321	\$ 9,865,383	\$ 2.23	\$ 7,495,987	\$ 1.70
21,320	19	19,447	4,372,611	10,017,855	2.29	5,054,210	1.16
17,122	515	13,235	3,948,827	10,765,898	2.73	3,539,491	0.90
16,032	2,099	7,732	3,694,193	10,481,000	2.84	3,899,388	1.06
13,348	936	8,606	3,921,684	11,553,006	2.95	5,706,802	1.46
18,380	-	25,903	4,097,420	12,065,681	2.94	7,786,875	1.90
14,284	3,144	13,444	4,165,671	12,900,076	3.10	4,831,583	1.16
17,313	48	10,041	3,823,852	13,349,936	3.49	5,025,304	1.31
16,912	-	7,898	3,782,488	13,295,274	3.51	7,321,687	1.94
<b>24,211</b>	<b>-</b>	<b>9,525</b>	<b>3,603,368</b>	<b>12,149,429</b>	<b>3.37</b>	<b>2,796,904</b>	<b>0.78</b>

## **COMPLIANCE SECTION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the City of Cheyenne, Wyoming Board of Public Utilities (the Board) as of and for the year ended June 30, 2021, 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 11, 2021.

**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.

**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.

A handwritten signature in cursive script that reads "McGee, Hearne & Paiz, LLP".

Cheyenne, Wyoming

October 11, 2021

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

**SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2021**

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**I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

☐ Yes

☒ No

☐ Yes

☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes

☒ No



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

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

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**I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS**

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

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