

**STATE OF WYOMING**

---

**COMPREHENSIVE**

**ANNUAL**

**FINANCIAL REPORT**

---

**For Fiscal Year Ended  
June 30, 2007**

**Prepared By:  
CAFR Division State Auditor's Office**

**Rita C. Meyer  
State Auditor**

# CONTENTS

## INTRODUCTORY SECTION

Letter from the State Auditor .....	i
Government Finance Officers Association Certificate .....	iv
Principal State Officials .....	v
Organizational Chart .....	vii

## FINANCIAL SECTION

Independent Auditor's Report .....	2
Management's Discussion and Analysis .....	5

### BASIC FINANCIAL STATEMENTS

Statement of Net Assets .....	19
Statement of Activities .....	20
Balance Sheet-Governmental Funds .....	22
Reconciliation of the Balance Sheet to the Statement of Net Assets .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	24
Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances to the Statement of Activities .....	25
Statement of Net Assets – Proprietary Funds .....	26
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds .....	27
Statement of Cash Flows – Proprietary Funds .....	28
Statement of Net Assets-Fiduciary Funds .....	29
Statement of Changes in Net Assets-Fiduciary Funds .....	30
Notes to the Basic Financial Statements .....	32

### REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues & Expenditures (Budget & Actual) – General Fund .....	90
Schedule of Revenues & Expenditures (Budget & Actual) – Foundation Program Fund .....	93
Schedule of Revenues & Expenditures (Budget & Actual) – Legislative Reserve Fund .....	94
Required Supplementary Information .....	96

### SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Non-Major Governmental Funds .....	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds .....	104
Combining Balance Sheet – Non-Major Special Revenue Funds .....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds .....	110
Combining Balance Sheet – Non-Major Permanent Trust Funds .....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Permanent Trust Funds .....	115
Schedule of Revenues & Expenditures (Budget & Actual) – Budgeted Non-Major Special Revenue Funds .....	116
Schedule of Revenues & Expenditures (Budget & Actual) – Budgeted Major Permanent Trust Fund .....	134
Schedule of Revenues & Expenditures (Budget & Actual) – Budgeted Non-Major Permanent Trust Funds .....	135
Combining Statement of Net Assets – Non-Major Enterprise Funds .....	140
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Non-Major Enterprise Funds .....	142
Combining Statement of Cash Flows – Non-Major Enterprise Funds .....	144
Schedule of Revenues & Expenses (Budget & Actual) – Budgeted Major Enterprise Fund .....	146
Schedule of Revenues & Expenses (Budget & Actual) – Budgeted Non-Major Enterprise Funds .....	148
Combining Statement of Net Assets – Internal Service Funds .....	154
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds .....	156
Combining Statement of Cash Flows – Internal Service Funds .....	158
Schedule of Revenues & Expenses (Budget & Actual) – Budgeted Internal Service Funds .....	160
Combining Statement of Fiduciary Net Assets – Pension Trust Funds .....	168
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds .....	170
Combining Statement of Fiduciary Net Assets – Private-Purpose Trust Funds .....	172
Combining Statement of Changes in Fiduciary Net Assets – Private-Purpose Trust Funds .....	173
Schedule of Revenues & Expenditures (Budget & Actual) – Budgeted Private-Purpose Trust Fund .....	174
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds .....	176

## STATISTICAL SECTION (UNAUDITED)

Schedule 1-Changes in Net Assets .....	182
Schedule 2-Net Assets by Component .....	183
Schedule 3-Fund Balances of Governmental Funds.....	184
Schedule 4-Changes in Fund Balances of Governmental Funds .....	186
Schedule 5-Governmental Activities Tax-Revenues by Source.....	188
Schedule 6-General Governmental Tax-Revenues by Source .....	188
Schedule 7-Revenue Capacity.....	189
Schedule 8-Major Own Source Revenue-Mineral Severance Taxes .....	190
Schedule 9-Revenue Rates .....	191
Schedule 10-Revenue Rates for Mineral Severance Tax .....	192
Schedule 11-Sales Tax Collections by Industry .....	194
Schedule 12-Sales Tax Collections for Retail, Accommodation and Food Service Sectors.....	196
Schedule 13-Use Tax Collections by Industry .....	198
Schedule 14-Revenue Base-Assessed Value of Property.....	200
Schedule 15-Locally Assessed Value and Estimated Actual Value of Taxable Property.....	202
Schedule 16-State Assessed Value and Estimated Actual Value of Taxable Property .....	204
Schedule 17-Principal Mineral Production Tax Payers .....	206
Schedule 18-Principal Non-Mineral Tax Payers.....	207
Schedule 19-Revenue Bond Coverage .....	208
Schedule 20-Legal Debt Margin .....	210
Schedule 21-Ratios of Outstanding Debt by Type .....	212
Schedule 22-Demographic and Economic Statistics.....	214
Schedule 23-Personal Income by Major Source .....	216
Schedule 24-Principal Employers by Industry .....	218
Schedule 25-Capital Asset Statistics by Functional Category and by Fund Class .....	220
Schedule 26-State Government Authorized Full-Time Positions and Number of Active Employees .....	222
Schedule 27-Department of Employment Workers' Compensation Division .....	224
Schedule 28-Department of Employment Workers' Compensation Division .....	225
Schedule 29-Unemployment Benefits Paid and Number of Claimants .....	226
Schedule 30-Trends in AFDC/TANF and Food Stamp Caseloads and Expenditures .....	227
Other Wyoming Facts.....	228
Acknowledgements .....	229

# Rita C. Meyer

## Wyoming State Auditor



The State Auditor is a constitutional officer elected for a four year term by the general electorate of Wyoming. The Auditor is the State's chief fiscal control officer. She maintains the central fiscal accounts, acts as the official custodian of accounting records, serves as the state payroll officer, and orders all payments into and out of the funds held in the state treasury. The Auditor is also responsible for preparing the Comprehensive Annual Financial Report on the fiscal affairs of the state.

The Auditor serves as a member of the Board of Land Commissioners, the State Loan and Investment Board, the State Building Commission, and the State Canvassing Board.

Rita Meyer was elected in November 2006 to serve as Wyoming's nineteenth State Auditor. She is a graduate of the University of Wyoming with degrees in education and finance. Rita also holds an MBA in International Business from Regis University in Denver, and a Master's in National Resource Strategy from National Defense University in Washington, D.C.

Rita has served her state and nation for over 23 years as an enlisted airman and officer in the Wyoming Air National Guard. She is a combat veteran and has been deployed in support of Operation Desert Storm, Operation Provide Comfort, and Operation Enduring Freedom. She attained the rank of full Colonel in July 2004. Rita retired from military service on November 3, 2007.

Rita is married to Dr. Charles Meyer, a retired dentist and native of Rawlins, Wyoming. They have one son, Charles, an officer on active duty in the United States Navy, and a daughter-in-law, Emily, an export control attorney.

# **This report's divider pages focus on First Ladies of Wyoming.**

The First Ladies of Wyoming are extraordinary women who served and contributed to the history of Wyoming. These women were not only our First Ladies, but these women were also the first for many other accomplishments and facets of historical events.

## **FIRST LADIES of WYOMING**

### ***Helen Marie Smith Warren***

Last Territorial First Lady

First State First Lady

1889 – 1890

### ***Amelia Kent Barber***

1892 – 1893

### ***Harriet Alice Hunt Richards***

1895 – 1899

### ***Elise "Elsie" Ingersoll Richards***

1899 – 1903

### ***Estella Wyland Chatterton***

1903 – 1905

### ***Mary Naomi Willard Brooks***

1905 – 1911

### ***Louisa David Carey***

1911 – 1915

### ***Eula Wulf Jen Kendrick***

1915 – 1917

### ***Ida Mason Christy Houx***

1917 – 1919

### ***Julia Freeman Carey***

1919 – 1923

### ***Nellie Tayloe Ross***

1923 – 1924

### ***Isabelle Craven Lucas***

1924 – 1925

### ***Zennia Jean Reynders Emerson***

1927 – 1931

### ***Lucy M. Smith Clark***

1931 – 1933

### ***Margaret Morgan Miller***

1933 – 1939

### ***Marie L. Christensen Smith***

1939 – 1943

### ***Emily Nathalie Higby Hunt***

1943 – 1949

### ***Lura DeArment Crane***

1949 – 1951

### ***Alice Catherine Donoghue Barrett***

1951 – 1953

### ***Mabel Mount Rogers***

1953 – 1955

### ***Lorna Kooi Simpson***

1955 – 1959

### ***Winifred "Win" Espy Hickey***

1959 – 1961

### ***Leona "Buddy" Switzer Gage***

1961 – 1963

### ***Martha Close Hansen***

1963 - 1967

### ***Roberta "Bobby" Harley Hathaway***

1967 – 1975

### ***Kathleen "Casey" Colter Herschler***

1975 – 1987

### ***Jane Metzler Sullivan***

1987 - 1995

### ***Sharyn L. Geringer***

1995 - 2003

### ***Nancy Roan Freudenthal***

2003 -

# Introductory Section



Mrs. Francis E. Warren was the Territorial First Lady when Wyoming entered the Union as the 44<sup>th</sup> State in 1890. Mrs. Warren was Wyoming's First Lady for only six weeks before the Wyoming State Legislature elected her husband, Francis E. Warren, as the new State's First United States Senator. Photo Credit: Wyoming State Archives, Department of State Parks and Cultural Resources.

# Rita C. Meyer, State Auditor

January 31, 2008

State Capitol  
Cheyenne, Wyoming 82002  
Telephone: 307/777-7831  
FAX: 307/777-6983

## **TO THE CITIZENS OF THE STATE OF WYOMING, THE HONORABLE DAVE FREUDENTHAL, GOVERNOR, MEMBERS OF THE WYOMING LEGISLATURE:**

State law (W.S. 9-1-403(a)(v)) requires that the State Auditor provide annual financial statements prepared in conformance with generally accepted accounting principles (GAAP) by December 15 every year. I am pleased to present this Comprehensive Annual Financial Report (CAFR) of the State of Wyoming for the fiscal year ended June 30, 2007.

The CAFR is the primary means of reporting the State of Wyoming's financial activities. McGee, Hearne & Paiz, LLP, certified public accountants, has independently audited the State of Wyoming's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the State of Wyoming for the fiscal year ended June 30, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the State of Wyoming's financial statements for the fiscal year ended June 30, 2007 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR consists of representations by the management of each State entity concerning the finances of the State of Wyoming. Responsibility for both the accuracy of the data and the completeness and reliability of the information, including all disclosures, rests with the State. To provide a reasonable basis for making these representations, the State has established an internal control framework that is designed both to protect the State's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the State of Wyoming's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the State's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This is the established and accepted standard. The financial statements have been prepared primarily from accounts and records maintained by the State Auditor. To the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit of the financial statements of the State of Wyoming was part of a broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the State of Wyoming's separately issued Compliance Report.

### **Profile of the Government**

On July 10, 1890, the State of Wyoming, known as the 'Equality State,' was the 44<sup>th</sup> state admitted to the Union. Located in the Rocky Mountain section of the western United States, Wyoming is bounded on the north by Montana, on the east by South Dakota and Nebraska, on the south by Colorado and Utah, and on the west by Utah, Idaho and Montana. It is the ninth largest state in the United States, containing 97,914 square miles. The 2000 Census put Wyoming's population at 493,782. Wyoming is home to two of the country's foremost national parks, Yellowstone National Park and Grand Teton National Park, as well as the first designated national monument, Devil's Tower.

The executive branch of Wyoming government is comprised of a Governor, Secretary of State, State Auditor, State Treasurer, and the Superintendent of Public Instruction, all of whom are elected by statewide vote every four years. The legislative branch of government is comprised of 30 state senators and 60 state representatives. The term of office for senators is four years, 15 of the members being elected at a general election at which a President of the United States is elected, the balance at the next general election. The entire body of the House of Representatives is elected every two years for a two-year term.

The State of Wyoming provides a full range of services. Under the Governor are fifteen Cabinet level departments: Administration and Information, Agriculture, Attorney General, Department of Audit, Corrections, Employment, Engineer, Environmental Quality, Family Services, Game and Fish, Health, Revenue, State Parks and Cultural Resources, Transportation, and Workforce Services. There are also 19 separate operating agencies and 13 licensing boards and commissions

Among the 19 separate operating agencies are seven entities which are legally separate but considered as component units of the State of Wyoming as the State has significant operational and/or financial relationships with them. Six of the component units' financial data are reported in columns separate from the financial data of the primary government (the State). Those organizations are the University of Wyoming, Department of Transportation, Wyoming Community Development Authority, Wyoming Pipeline Authority, Wyoming Infrastructure Authority and Wyoming Business Council. The Wyoming Building Corporation is a blended component unit; its financial data is blended into the primary government financial data. Additional information on all seven of these legally separate entities can be found in Note 1 in the notes to the financial statements.

### **Budgetary Process**

The biennial budget serves as the foundation for the State of Wyoming's financial planning and control. Wyoming statutes require the Governor to prepare and submit a biennial budget to the Legislature every even-numbered year. Budgets are prepared for a biennial period and are augmented, if necessary, with supplemental appropriations during the legislative sessions conducted in odd-numbered years. Budgets are adopted at the program level by agency. The Legislature may add, change, or delete any budget items proposed by the Governor. The Governor may authorize changes and revisions to approved budgets during the budget term, including increasing appropriations in the event of federal revenue above the initial budget approved by the Legislature. Budget-to-actual comparisons are provided in the CAFR for each individual governmental fund for which an appropriated biennial budget has been adopted. For the general fund, the foundation program fund, and the budget reserve fund, this comparison is presented as part of the required supplementary information. For governmental funds other than the major funds, this comparison is presented in the supplementary information section of the CAFR.

### **State Economy**

Wyoming's economic well-being continues to depend primarily on the mineral industry, by far the largest industry here. Wyoming's economy is the least diversified of the 50 states. Revenues to the State of Wyoming are generated by the production of oil, natural gas, coal, trona and coal bed methane gas and come from severance taxes, ad valorem tax on production, ad valorem tax on real and personal property and federal mineral royalties from production on federal lands in Wyoming.

In 2006, Wyoming produced 446.7 million short tons of coal, an increase of 42.4 million short tons or 10.5 percent for the year. The dominance of Wyoming in U.S. coal production is reflected by the fact that the largest mine in the state (and the United States) is the Black Thunder Mine, which produced 92.7 million short tons in 2006. This Wyoming mine alone produced more coal than the total of all the mines in 23 other individual coal-producing states.

Improved railroad capacity in Wyoming in 2006 resulted in increased shipments, which allowed utilities to rebuild coal stockpiles during the year and to alleviate much of the pent-up demand caused by the restrictions during the repair and maintenance work on the southern Powder River Basin (PRB) rail line in 2005.

The lack of pipeline capacity to ship Wyoming produced natural gas continues to hinder Wyoming. The Wyoming Pipeline Authority continues to work to develop more capacity for the state's natural gas

producers. Lack of pipeline capacity continues to depress the price Wyoming producers receive for their product; this translates into lost severance tax revenue to the State.

Primarily because of the energy boom, Wyoming's economy remained steady last year. Wyoming was well below the national unemployment rate of 4.5% with an unemployment rate at June 30, 2007 of 3.3%.

Each year the Division of Economic Analysis (EA) of the Department of Administration and Information forecasts economic conditions in Wyoming for a ten-year period. This report and additional economic and demographic information can be found on the Division of Economic Analysis website: <http://eadiv.state.wy.us>.

### **Long Term Financial Planning**

The Legislature put its final stamp on the standards that will guide the Hathaway Scholarship program by delineating the number of years of math, science, language arts and social studies students will have to take, as well as setting out the grade point averages necessary to qualify for scholarships that range from \$800 to \$1,600 per semester. The Legislature also delineated the funds for the Hathaway Scholarship program as permanent funds. This program will be fully funded during fiscal year 2008.

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Wyoming for its CAFR for the fiscal year ended June 30, 2006. This was the seventh consecutive year and nine of the past ten years that the State has received this prestigious award. To be awarded a Certificate of Achievement, the State published an easily readable and efficiently organized CAFR. This report also satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid only for a one-year period. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The CAFR represents the responsibility of the State Auditor to give the citizens of Wyoming an accurate picture of the financial condition of their State government. Great strides have been made in the past few years to improve our State's accounting and financial reporting: implementation of GAAP, preparation of the CAFR, an independent audit of our financial statements, and implementation of various Governmental Accounting Standards Board (GASB) standards. All have contributed to better financial management. My appreciation goes out to the Legislature and our staff for making these improvements possible.

Preparation of the CAFR could not have been accomplished without the cooperation and capable assistance of all State agencies. I especially appreciate the staff in the State Auditor's Office, whose commitment to serve the citizens of Wyoming is exemplary. I extend thanks to the Division of Economic Analysis and the CREG Committee for information used in this letter. I also thank the State Parks and Cultural Resources, State Archives and Technical Services, for the use of their photographs and narratives that showcase Wyoming's first ladies. Thank you!

Best regards,

Rita C. Meyer  
State Auditor

# **PRINCIPAL STATE OFFICIALS**

---

## **EXECUTIVE BRANCH**

---

**Dave Freudenthal, Governor**

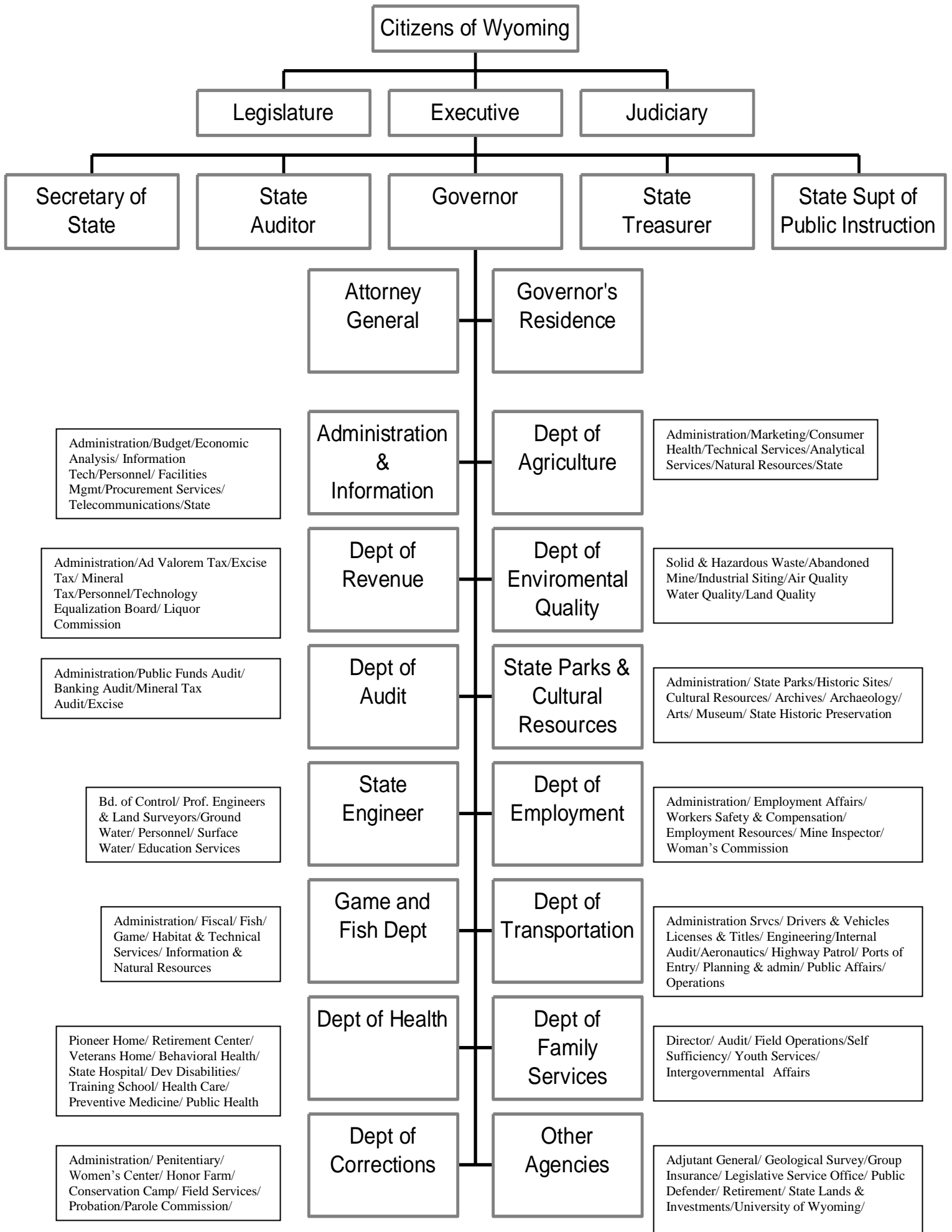
**Max Maxfield, Secretary of State**

**Rita C. Meyer, Auditor**

**Joseph B. Meyer, Treasurer**

**Jim McBride, Superintendent of Public Instruction**





Citizens of Wyoming

Legislature

Executive

Judiciary

Secretary of State

State Auditor

Governor

State Treasurer

State Supt of Public Instruction

Attorney General

Governor's Residence

Administration/Budget/Economic Analysis/ Information Tech/Personnel/ Facilities Mgmt/Procurement Services/ Telecommunications/State

Administration & Information

Dept of Agriculture

Administration/Marketing/Consumer Health/Technical Services/Analytical Services/Natural Resources/State

Administration/Ad Valorem Tax/Excise Tax/ Mineral Tax/Personnel/Technology Equalization Board/ Liquor Commission

Dept of Revenue

Dept of Environmental Quality

Solid & Hazardous Waste/Abandoned Mine/Industrial Siting/Air Quality Water Quality/Land Quality

Administration/Public Funds Audit/ Banking Audit/Mineral Tax Audit/Excise

Dept of Audit

State Parks & Cultural Resources

Administration/ State Parks/Historic Sites/ Cultural Resources/ Archives/ Archaeology/ Arts/ Museum/ State Historic Preservation

Bd. of Control/ Prof. Engineers & Land Surveyors/Ground Water/ Personnel/ Surface Water/ Education Services

State Engineer

Dept of Employment

Administration/ Employment Affairs/ Workers Safety & Compensation/ Employment Resources/ Mine Inspector/ Woman's Commission

Administration/ Fiscal/ Fish/ Game/ Habitat & Technical Services/ Information & Natural Resources

Game and Fish Dept

Dept of Transportation

Administration Svcs/ Drivers & Vehicles Licenses & Titles/ Engineering/Internal Audit/Aeronautics/ Highway Patrol/ Ports of Entry/ Planning & admin/ Public Affairs/ Operations

Pioneer Home/ Retirement Center/ Veterans Home/ Behavioral Health/ State Hospital/ Dev Disabilities/ Training School/ Health Care/ Preventive Medicine/ Public Health

Dept of Health

Dept of Family Services

Director/ Audit/ Field Operations/Self Sufficiency/ Youth Services/ Intergovernmental Affairs

Administration/ Penitentiary/ Women's Center/ Honor Farm/ Conservation Camp/ Field Services/ Probation/Parole Commission/

Dept of Corrections

Other Agencies

Adjutant General/ Geological Survey/Group Insurance/ Legislative Service Office/ Public Defender/ Retirement/ State Lands & Investments/University of Wyoming/

