



Wyoming State Auditor

STATE CAPITOL BUILDING

CHEYENNE, WYOMING 82002

JACK SIDI
STATE AUDITOR

(307) 777-7831

TOM JONES
DEPUTY STATE AUDITOR

The Honorable Mike Sullivan
Governor of Wyoming
Capitol Building
Cheyenne, Wyoming 82002

Dear Governor Sullivan:

I am pleased to submit the Annual Financial Report of the State Auditor for Fiscal Year 1987.

I draw your attention to the Highlights and the Overview. This report represents a marked departure from previous annual reports. For the first time, the Auditor's Report can better be qualified as a Financial Report of the State of Wyoming.

Feel free to call on me if you have any questions about the contents of this document.

Sincerely,

A handwritten signature in cursive script that reads "Jack Sidi".

Jack Sidi
State Auditor

HIGHLIGHTS OF OFFICE OF STATE AUDITOR

The State Auditor, since 1981, has conducted an auditing program to ensure prompt and proper collection of Wyoming's mineral royalties. This activity as authorized by Wyoming Statute 9-1-403(a)(iv) is in addition to the auditor's responsibility for maintaining the general accounting and financial reporting for the State of Wyoming.

The State Auditor's Office maintains audit programs for both state and federal lands. The state land program covers leases on state property issued through the Department of Public Lands. The federal land program is conducted through the Minerals Management Service of the U.S. Department of the Interior. Wyoming receives fifty percent (after Windfall Profit Tax) of all royalties collected on federal lands in Wyoming. Concentration has been on oil and gas production; however, reviews or audits have been conducted on coal, trona, uranium, and sand and gravel as well.

The federal government owns the majority (approximately two-thirds) of all mineral rights in Wyoming, while the state owns only a small percentage (7% - 8%). Because of this, most of our audit efforts have been concentrated on federal lands. In addition, the State Auditor's Office works under contract with the U.S. Department of the Interior to independently audit royalties due on federal properties in Wyoming. The contract calls for 100 percent reimbursement of all direct costs incurred by the State Auditor's Office during audits of federal properties in Wyoming. During FY 1987, the State Auditor's Office billed the federal government \$345,890 for cost reimbursement. This amounts to approximately 80 percent of all mineral audit program direct costs.

Wyoming pioneered the concept of audit authority delegation, and was the first state to receive a delegation from the Department of the Interior. The following table outlines the results of the mineral audit program for the last fiscal year and to date:

<u>TYPE OF PROPERTY</u>	<u>NO. OF LEASES AUDITED</u>		<u>COLLECTIONS</u>	
	<u>FY 87</u>	<u>TO DATE</u>	<u>FY 87</u>	<u>TO DATE</u>
Oil and Gas:				
Federal Lands	245	856	\$4,215,621.50	\$33,095,107.48
State Lands	12	126	690,987.20	6,163,105.33
Coal:				
Federal Lands	0	1		
State Lands	0	8		1,967,591.18
Other Minerals:				
State Lands	0	4		420,203.43
Windfall Profit Tax:				
Federal Lands				17,459,090.00
State Lands				418,141.23
	<u>257</u>	<u>982</u>	<u>\$4,906,608.70</u>	<u>\$59,523,238.65</u>
TOTAL DEPOSITED TO STATE TREASURY			\$2,867,751.49	\$41,783,451.43

OVERVIEW

This financial report represents a significant departure from previous annual reports prepared by the State Auditor for the State of Wyoming. We have attempted to provide an overview of the state's financial position and results of operations by providing Combined Financial Statements with individual funds grouped along the guidelines established by the National Council on Government Accounting in Statement 1 and endorsed by the Governmental Standards Board.

The State of Wyoming operates primarily on a cash receipts and disbursements basis at the current time and does not have centralized fixed asset records. Note 1 to the Combined Financial Statements describes the basis of accounting, scope of reporting and other accounting matters, in more detail. Thus, the financial statements are not in conformity with Generally Accepted Accounting Principles (GAAP), applicable to governmental units. Significant departures from GAAP are reported in the notes to the Combined Financial Statements.

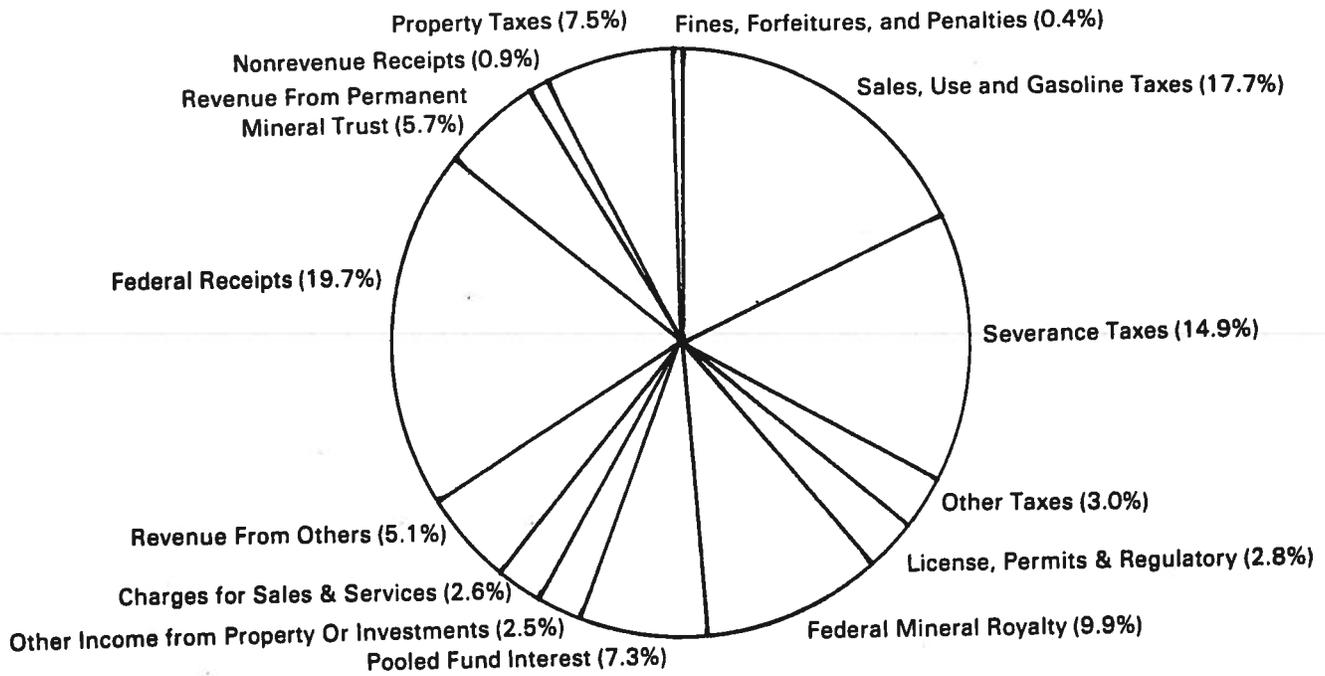
Certain disclosures provided in the notes to the Combined Financial Statement were obtained with the cooperation of the Retirement System, Treasurer's Office, Highway Department, and University of Wyoming.

Following the Combined Financial Statements are Combining Financial Statements, and Supplementary Schedules arranged by fund type. These statements and schedules provide detail on current year revenue and expenditures of individual funds, appropriation control, and cash/investment balances of individual accounts within each fund type. Significant intra-fund transactions have been eliminated on the Combining Financial Statements so that receipts shown on the "Statement of Receipts and Disbursements" by fund type may include transfers eliminated from revenue or expenditures on the Combining and Combined Financial Statements.

The final section, statistical data, includes historical information on selected receipts and expenditures for a five year period. It also summarizes the history of Wyoming Permanent Mineral Trust Fund from its creation in 1975 to present.

On the next three pages a tabular and graphic summary of the current year's revenue and expenditures by object and function is provided as an overview to the state's current financial operations.

STATE OF WYOMING
GRAPHIC PRESENTATION OF REVENUES BY SOURCE
ALL GOVERNMENTAL AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1987



Total Revenue = \$1,326,145,492

STATE OF WYOMING
ANALYSIS OF REVENUE - BY SOURCE
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1987

Revenue/Source	Governmental & Expendable Trust ¹	Proprietary ²	Similar Trust ³	Totals (Memorandum only)
Property Taxes	\$ 99,676,129	\$	\$	\$ 99,676,129
Sales, Use, and Gasoline Taxes	235,170,163 ⁴			235,170,163
Severance Taxes	196,864,312		62,469,489	259,333,801
Other Taxes	39,935,723	452	773,042	40,709,217
Licenses, Permits & Regulatory	37,364,047			37,364,047
Fines, Forfeitures, and Penalties	5,246,676			5,246,676
Federal Mineral Royalty	131,819,081			131,819,081
Pooled Fund Interest	96,328,124	494,279	30,206,339	127,028,742
Other Income From Property or Investment	33,783,815	2,981	207,348,451	241,135,247
Charges for Sales & Services	34,435,409 ⁴	57,193,733 ⁵		91,629,142
Revenue From Others	67,322,385	24,367	108,767	67,455,519
Revenue From Permanent Mineral Trust	74,925,725 ⁴			74,925,725
Federal Receipts	261,413,311			261,413,311
Nonrevenue Receipts	11,860,592		78,094,864	89,955,456
	<u>\$1,326,145,492</u>	<u>\$ 57,715,812</u>	<u>\$ 379,000,952</u>	<u>\$1,762,862,256</u>

¹Includes General, Special Revenue (Earmarked, Highway, Game & Fish, University & Permanent Land Income), Debt Service and Expendable Trust Funds.

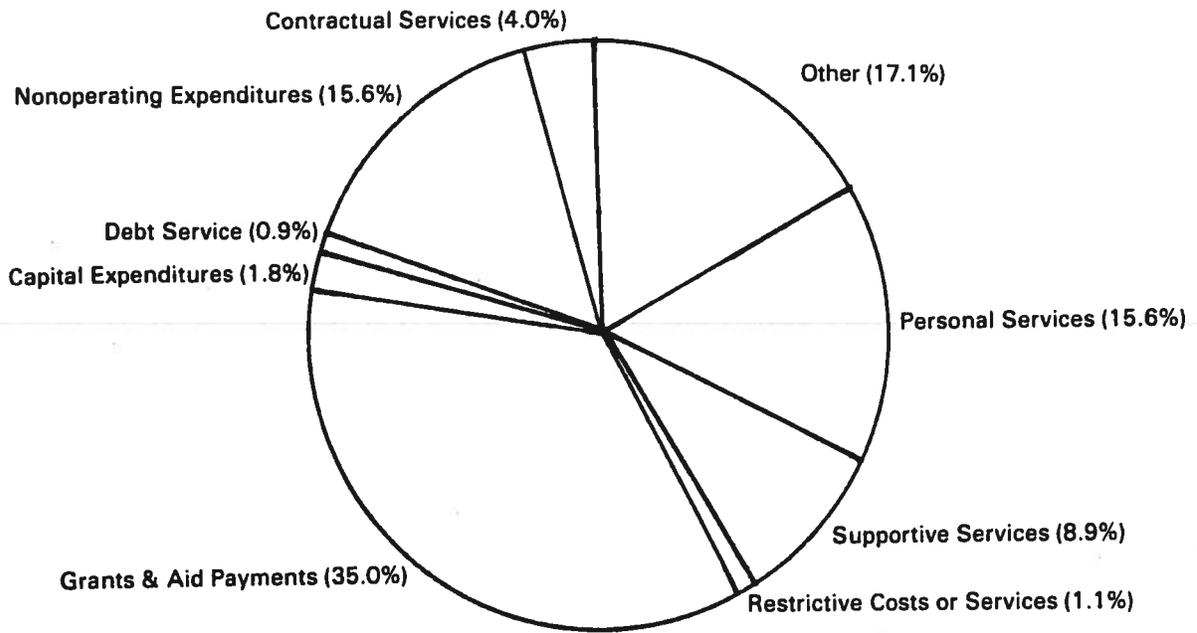
²Includes Enterprise and Intragovernmental Fund.

³Includes Nonexpendable Trust (Permanent Land, Permanent Mineral Trust and a portion of the Trust & Agency Fund) and Pension Trust Fund. It does not include receipts of the Agency Fund.

⁴Includes \$5.1 million from the Enterprise Fund - Liquor Commission and \$74.9 million from the Permanent Mineral Trust Fund. These amounts are also shown as revenue in the Proprietary and Similar Trust Funds.

⁵Includes \$27 million shown in Other Funds as expenditures. This amount reflects charges made by agencies for central services provided to other state agencies, including Data Services, Motor Vehicles, Supply Warehouse, Duplicating, Telecommunications, State Airplane and Honor Farm.

STATE OF WYOMING
GRAPHIC PRESENTATION OF EXPENDITURES PAID BY OBJECT
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1987



Total Expenditures = \$1,487,090,776

STATE OF WYOMING
ANALYSIS OF EXPENDITURES PAID - EXPENSES BY OBJECT
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1987

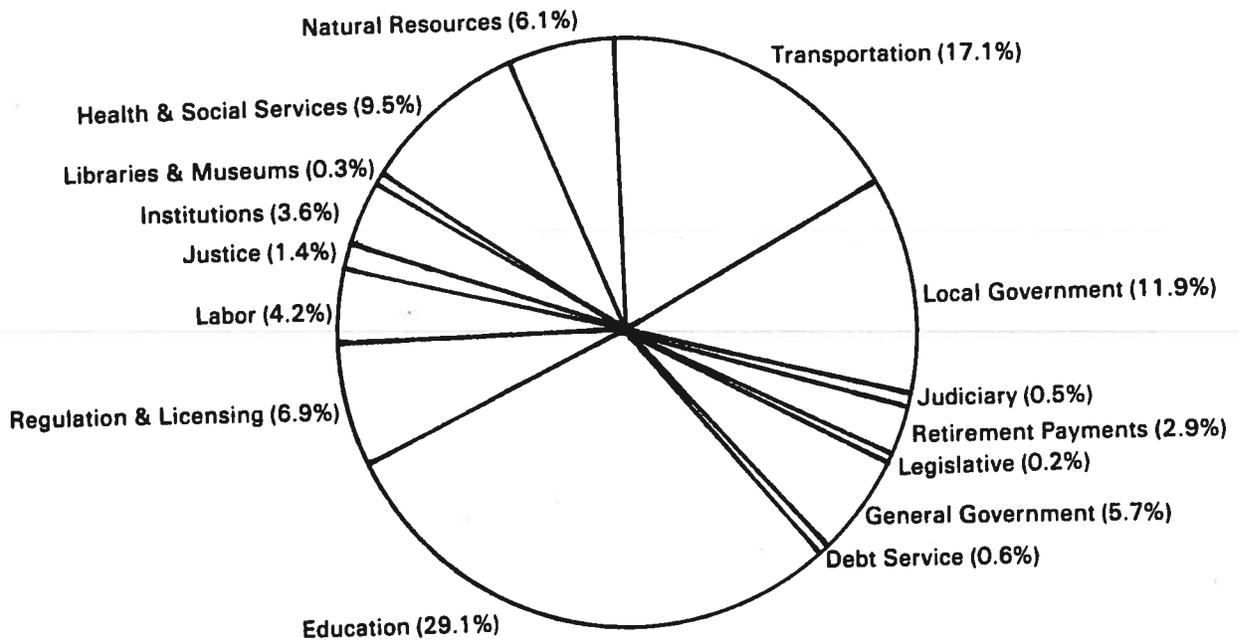
Expenditure / Object	Governmental & Expendable Trust ¹	Proprietary ²	Similar Trust ³	Totals (Memorandum only)
Personal Services	\$ 224,441,831	\$ 7,119,799	\$	\$ 231,561,630
Supportive Services	115,364,335	16,727,035	62,416	132,153,786
Restrictive Costs or Services	16,341,903	203,237		16,545,140
Grants & Aid Payments	520,461,256			520,461,256
Capital Expenditures	27,333,436			27,333,436
Debt Service	13,475,020			13,475,020
Nonoperating Expenditures	164,990,374	24,693,010	42,072,724	231,756,108
Contractual Services	56,717,070	740,461	1,467,623	58,925,154
Other	254,879,246			254,879,246
	<u>\$1,394,004,471</u>	<u>\$ 49,483,542</u>	<u>\$ 43,602,763</u>	<u>\$1,487,090,776</u>

¹Includes General, Special Revenue (Earmarked, Highway, Game & Fish, University & Permanent Land Income), Debt Service and Expendable Trust Funds. Information from Highway Fund by expenditure object code is unavailable; this amount is shown as "other."

²Includes Enterprise and Intragovernmental Fund.

³Includes Nonexpendable Trust (Permanent Land, Permanent Mineral Trust and a portion of the Trust & Agency Fund) and Pension Trust Fund. It does not include disbursements of the Agency Fund.

STATE OF WYOMING
GRAPHIC PRESENTATION OF EXPENDITURES PAID BY FUNCTION
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1987



Total Expenditures = \$1,487,090,776

STATE OF WYOMING
ANALYSIS OF EXPENDITURES PAID - EXPENSES BY FUNCTION
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1987

Function	Governmental & Expendable Trust ¹	Proprietary ²	Similar Trust ³	Totals (Memorandum only)
Education	\$ 432,888,703	\$	\$	432,888,703
Transportation	254,879,246			254,879,246
Local Government	176,400,040			176,400,040
Health & Social Services	141,646,924			141,646,924
Natural Resources	90,972,649			90,972,649
Regulation & Licensing	77,812,784	24,334,082		102,146,866
Labor	62,237,997			62,237,997
General Government	59,681,954	24,601,390		84,283,344
Institutions	52,206,983	548,070	61,436	52,816,489
Justice	20,591,835			20,591,835
Debt Service	9,501,979			9,501,979
Judiciary	7,804,908			7,804,908
Libraries & Museums	4,635,563			4,635,563
Legislative	2,742,906			2,742,906
Retirement Payments			43,541,327	43,541,327
	<u>\$1,394,004,471</u>	<u>\$ 49,483,542</u>	<u>\$ 43,602,763</u>	<u>\$1,487,090,776</u>

¹Includes General, Special Revenue (Earmarked, Highway, Game & Fish, University & Permanent Land Income), Debt Service and Expendable Trust Funds.

²Includes Enterprise and Intragovernmental Fund.

³Includes Nonexpendable Trust (Permanent Land, Permanent Mineral Trust and a portion of the Trust & Agency Fund) and Pension Trust Fund. It does not include disbursements of the Agency Fund.