



STATE OF WYOMING
STATE AUDITOR'S OFFICE

Jack Sidi
State Auditor
Tom Jones
Deputy State Auditor

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

Dear Governor Sullivan:

I am please to submit the Annual Financial Report of the State Auditor for Fiscal Year 1989.

Feel free to call on me or my staff if you have any questions about the contents of this report.

Sincerely,

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

Jack Sidi
State Auditor

HIGHLIGHTS OF OFFICE OF STATE AUDITOR

By statute, the State Auditor is the chief accountant for the State of Wyoming and is responsible for all fiscal affairs of the state, unless delegated by law to another state office.

In addition to his duties as the chief accountant, since 1981 the State Auditor has conducted an auditing program to ensure prompt and proper collection of royalties relating to mineral production in the state. At the end of fiscal year 1989 the mineral audit program was transferred to the Department of Audit.

The State Auditor maintained audit programs for both state and federal lands. The state land program covered leases on state property issued by the Department of Public Lands. The federal land program was conducted through the Minerals Management Service of the U.S. Department of the Interior under a contract delegating the audit authority to the state.

The federal government owns approximately two-thirds of all mineral rights in Wyoming and the state owns approximately eight percent. Wyoming receives fifty percent of all royalties collected on federal leases after deduction for Windfall Profit Tax. Because of the importance of federal leases and the income they provide to the state, special emphasis has been placed on oil and gas production from federal leases. However, in addition to that, audits have been performed on coal, trona, uranium, and sand and gravel.

As a result of the delegation agreement with the federal government, the State Auditor's Office is reimbursed 100 percent of its expenses for all audits of federal properties. During fiscal year 1989, this reimbursement amounted to \$425,376.33, which was 98 percent of the total program cost.

The following table outlines the results of the mineral auditing program for fiscal year 1989, and for the program since its inception:

<u>TYPE OF PROPERTY</u>	<u>NO. OF LEASES AUDITED</u>		<u>COLLECTIONS</u>	
	<u>FY 89</u>	<u>TO DATE</u>	<u>FY 89</u>	<u>FY 81 TO DATE</u>
Oil and Gas:				
Federal Lands	719	1,985	\$5,722,062.74	\$43,210,720.22
State Lands	33	178	516,856.95	6,844,221.79
Coal:				
Federal Lands		1		
State Lands		8		1,967,411.83
Other Minerals:				
State Lands		4		420,203.43
Windfall Profit Tax:				
Federal Lands				17,459,090.00
State Lands				418,141.23
	<u>752</u>	<u>2,176</u>	<u>\$6,238,919.69</u>	<u>\$70,319,788.50</u>
TOTAL DEPOSITED TO STATE TREASURY			\$3,631,811.01	\$47,767,570.72

OVERVIEW

This financial report includes the operations of all state agencies whose activities are accounted for through the state's centralized accounting system. It does not include all functions of the University of Wyoming or the state's community colleges as described in Note 1 of the Financial Statements. In these statements, 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 Accounting 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, including information on early retirement, and accrued vacation and sick leave for employees 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 and prior 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 contains a history of the budget reserve and legislative royalty impact accounts and the current year transactions of the GNMA account, including the amount of outstanding appropriations for each account. In addition, the history of the Wyoming Permanent Mineral Trust Fund from its creation in 1975 to present is summarized.

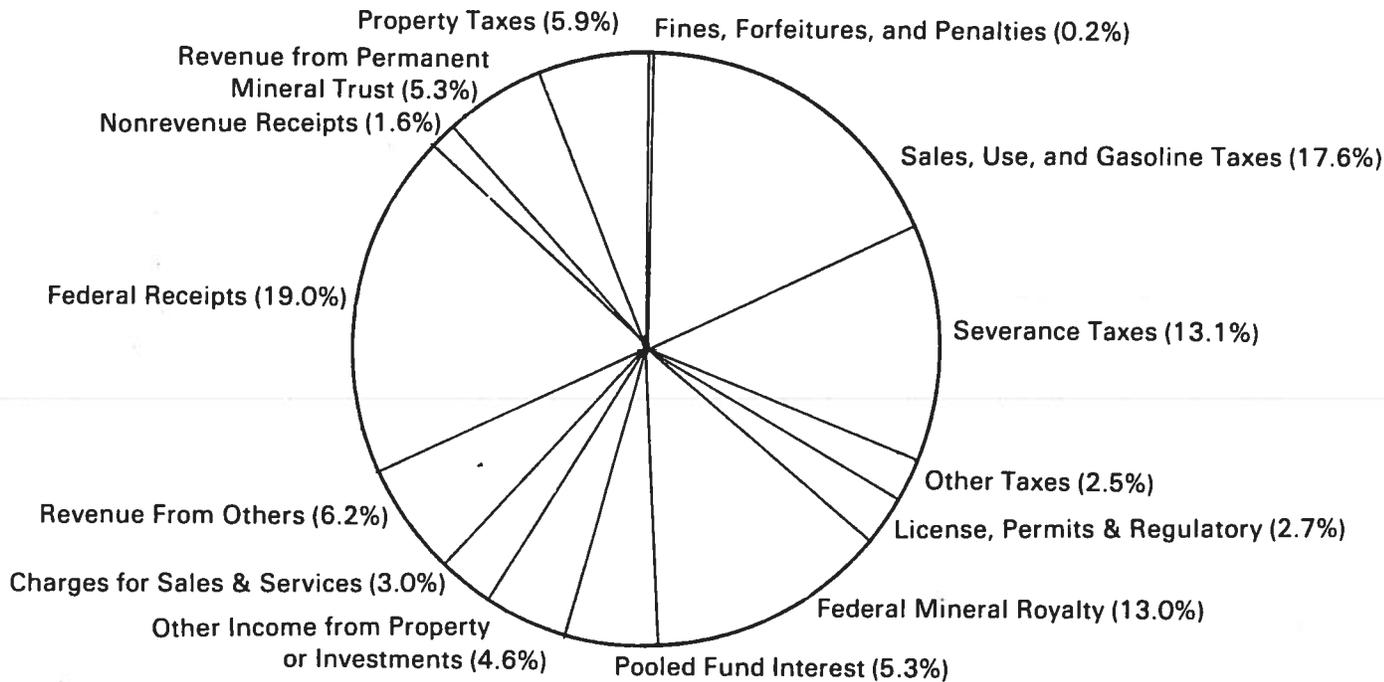
On the next six pages, a tabular and graphic summary of the current and prior year's revenue and expenditures by object and function is provided as an overview to the state's current financial operations. From this overview, it can be seen that revenue from general government functions (general fund, special revenue funds, and debt service fund) totaled \$1.36 billion in fiscal year 1989, an increase of 8.4 percent from fiscal year 1988. This increase was primarily the result of increased federal mineral royalty collections, investment income, federal receipts and the partial transfer of the GNMA Agency Account. Other revenue remained relatively stable. However, it was still necessary to transfer \$69 million from the state's Budget Reserve and the Legislative Royalty Impact Account to meet expenditure requirements.

Expenditures for general government functions totaled \$1.41 billion in fiscal year 1989, a 1.8 percent increase from fiscal year 1988. In the object area, this increase was reflected in personal services (1.5 percent), supportive services (4.0 percent), grant and aid payments (0.8 percent), nonoperating expenditures (.7 percent), contractual services (8.9 percent) and highway department expenditures (5.0 percent). These increases were partially offset by small decreases in restrictive services (4.6 percent) and capital expenditures (3.1 percent). In the functional area, the largest dollar increases were reflected in local government (17.3 percent), health and social services (12.4 percent), transportation (4.9 percent) and institutions (7.1 percent). The most substantial dollar decrease in expenditures (21.8 percent) was noted by natural resources, due to water development's reduced expenditures.

The State of Wyoming's proprietary funds (intragovernmental and enterprise) showed a decrease in both revenues and expenditures between fiscal years 1988 and 1989. Trust funds (pension and various permanent funds) remained relatively stable between 1988 and 1989. Revenue showed a modest increase of approximately \$2 million reflecting increased investment income of \$11.6 million (5.6 percent) with an offsetting reduction of severance taxes of \$7.9 million (13.4 percent) due to a diversion as explained in the notes to the Financial Statements and federal receipts of \$1.9 million (44.1 percent). The only major expenditures from these funds include pension related costs which showed a \$6.4 million increase (12.6 percent) from the prior fiscal year.

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STATE OF WYOMING
GRAPHIC PRESENTATION OF REVENUES BY SOURCE
ALL GOVERNMENTAL AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1989



Total Revenue = \$1,355,156,522

STATE OF WYOMING
ANALYSIS OF REVENUE - BY SOURCE
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1989

Expenditure / Object	Governmental & Expendable			Totals (Memorandum only)	
	Trust ¹	Proprietary ²	Similar Trust ³	June 30, 1989	June 30, 1988
Property Taxes	\$ 80,360,846	\$	\$	\$ 80,360,846	\$ 77,439,924
Sales, Use, and Gasoline Taxes	238,000,599	(339)		238,000,260	238,937,856
Severance Taxes	177,087,047		50,788,173	227,875,220	229,633,577
Other Taxes	33,917,342		700,000	34,617,342	32,647,073
Licenses, Permits & Regulatory	36,775,343			36,775,343	38,049,272
Fines, Forfeitures, and Penalties	2,602,662			2,602,662	1,966,548
Federal Mineral Royalty	176,174,584			176,174,584	160,262,661
Pooled Fund Interest	72,134,888	361,238	16,666,435	89,162,561	95,323,209
Other Income From Property or Investment	62,453,733		201,743,283	264,197,016	232,323,130
Charges for Sales & Services	40,015,910	49,057,202		89,073,112	85,932,389
Revenue From Others	83,741,420		573,519	84,314,939 ⁶	55,623,410
Revenue From Permanent Mineral Trust	72,518,002			72,518,002	72,274,883
Federal Receipts	258,006,341		2,456,679	260,463,020	241,070,400
Nonrevenue Receipts	<u>21,367,805</u>	<u>8,144</u>	<u>75,747,319</u>	<u>97,123,268</u>	<u>88,535,472</u>
	<u>\$1,355,156,522</u>	<u>\$ 49,426,245</u>	<u>\$ 348,675,408</u>	<u>\$1,753,258,175</u>	<u>\$1,650,019,804</u>

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

²Includes Enterprise and Intragovernmental Fund.

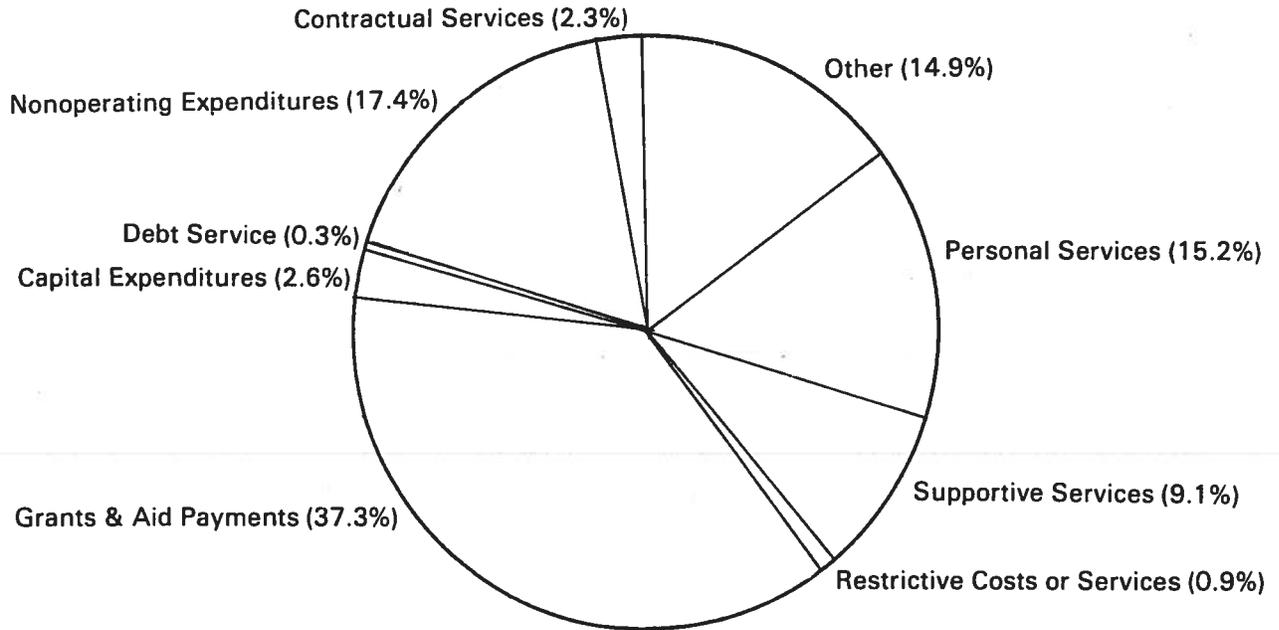
³Includes Nonexpendable Trust (Permanent Land, Permanent Mineral Trust and a portion of the Trust & Agency Fund) and Pension Trust Fund. It does not include receipts of the Agency Fund.

⁴Includes \$4.6 million (\$1.2 million for Taxes and \$3.4 million for Charges) from the Enterprise Fund - Liquor Commission, and \$72.5 million from the Permanent Mineral Trust Fund. These amounts are also shown as revenue in the Proprietary and Similar Trust Funds.

⁵Includes \$20 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.

⁶Includes \$21.4 million transferred from GNMA account, which is reported in agency fund.

STATE OF WYOMING
GRAPHIC PRESENTATION OF EXPENDITURES PAID BY OBJECT
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1989



Total Expenditures = \$1,517,135,941

STATE OF WYOMING
ANALYSIS OF EXPENDITURES PAID - EXPENSES BY OBJECT
ALL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1989

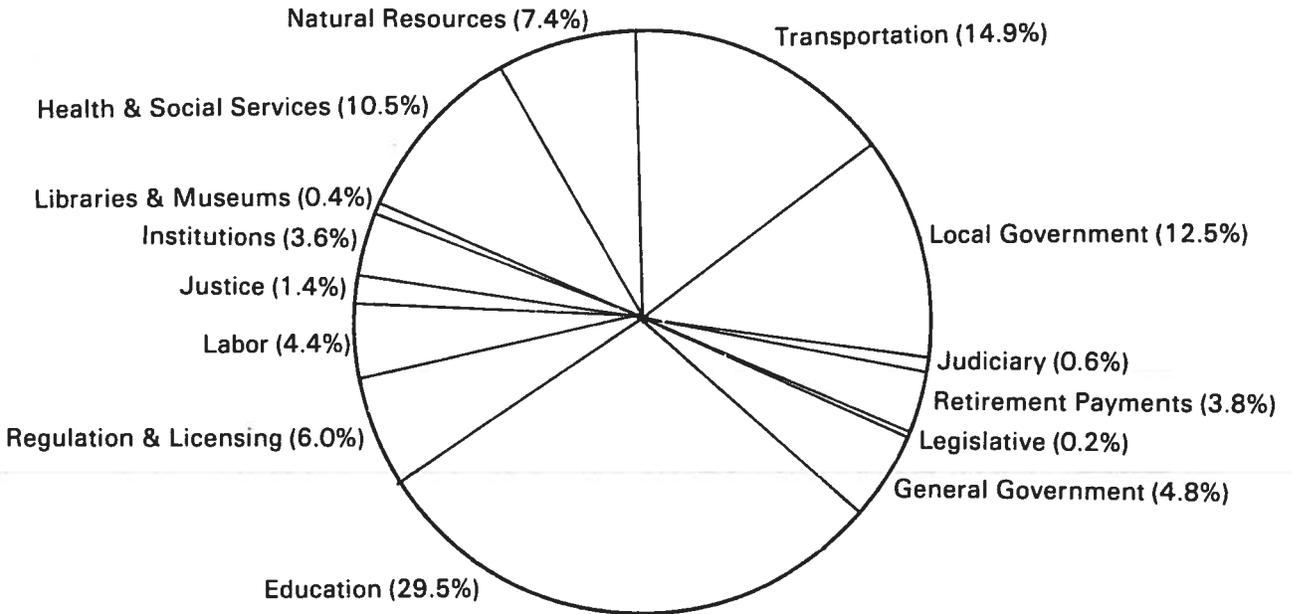
Expenditure / Object	Governmental & Expendable			Totals (Memorandum only)	
	Trust ¹	Proprietary ²	Similar Trust ³	June 30, 1989	June 30, 1988
Personal Services	\$ 224,149,096	\$ 6,908,490	\$	\$ 231,057,586	\$ 227,547,687
Supportive Services	122,257,265	16,245,559	29,180	138,532,004	135,446,009
Restrictive Costs or Services	12,676,010	167,383		12,843,393	13,436,480
Grants & Aid Payments	565,329,014		15,935	565,344,949	560,986,518
Capital Expenditures	39,931,844			39,931,844	41,225,377
Debt Service	4,061,283			4,061,283	5,808,180
Nonoperating Expenditures	183,923,472	24,130,233	55,293,979	263,347,684	243,701,292
Farm Loan Delinquencies					10,323,380
Contractual Services	33,175,635	528,036	1,910,666	35,614,337	32,562,320
Other	<u>226,402,861</u>			<u>226,402,861</u>	<u>215,758,137</u>
	<u>\$1,411,906,480</u>	<u>\$ 47,979,701</u>	<u>\$ 57,249,760</u>	<u>\$1,517,135,941</u>	<u>\$1,486,795,380</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, 1989



Total Expenditures = \$1,517,135,941

STATE OF WYOMING
ANALYSIS OF EXPENDITURES PAID - EXPENSES BY FUNCTION
ALL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1989

Expenditure / Object	Governmental & Expendable			Totals (Memorandum only)	
	Trust ¹	Proprietary ²	Similar Trust ³	June 30, 1989	June 30, 1988
Education	\$ 447,094,262	\$	\$	\$ 447,094,262	\$ 453,713,712
Transportation	226,402,861			226,402,861	215,758,137
Local Government	189,739,853			189,739,853	161,775,625
Natural Resources	112,304,006			112,304,006	143,745,031
Health & Social Services	160,173,982			160,173,982	142,456,652
Regulation & Licensing	68,001,901	23,367,577		91,369,478	92,397,892
Labor	66,416,411			66,416,411	64,830,744
Institutions	54,010,793	567,630	42,072	54,620,495	50,915,648
General Government	48,796,886	24,044,494		72,841,380	73,293,442
Justice	21,416,773			21,416,773	19,969,084
Judiciary	8,673,828			8,673,828	8,120,229
Libraries & Museums	5,959,775			5,959,775	5,085,074
Legislative	2,915,149			2,915,149	2,254,147
Retirement Payments			57,207,688	57,207,688	50,838,650
Debt Service					<u>1,641,313</u>
	<u>\$1,411,906,480</u>	<u>\$ 47,979,701</u>	<u>\$ 57,249,760</u>	<u>\$1,517,135,941</u>	<u>\$1,486,795,380</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.



Sheep wagon, Two Bar Ranch, Natrona County, 1903. Wyoming State Archives, Museums and Historical Department photo.