
A WYOMING FINANCIAL PERSPECTIVE

*A REPORT TO THE CITIZENS
OF THE STATE OF WYOMING
FOR FISCAL YEAR 2010*

Prepared by the Office of the
State Auditor
Cynthia I. Cloud, CPA
State Auditor
April 15, 2011

Principal State Officials

For the Fiscal Year Ending June 30, 2010

Executive Branch

Governor Dave Freudenthal

Secretary of State Max Maxfield

State Auditor Rita C. Meyer

State Treasurer Joseph B. Meyer

*Superintendent of
Public Instruction* Jim McBride

Legislative Branch

President of the Senate John Hines

Speaker of the House Colin Simpson

Judicial Branch

*Chief Justice of the
Supreme Court* Barton R. Voigt



Letter from the State Auditor

April 15, 2011

To: The Citizens of Wyoming
Honorable Matt Mead, Governor, and
Members of the Legislature

Fiscal Year 2010 marks the eighth year that the State Auditor's Office has produced an *Annual Report to the Citizens*. The purpose of this report is to communicate relevant financial, economic, and demographic information in an easy-to-understand format. The overview of state operations presented here has been summarized from our *Comprehensive Annual Financial Report (CAFR)*, and other sources as indicated. The State's financial information is presented in accordance with Generally Accepted Accounting Principles accepted in the United States of America (GAAP), and independently audited by the accounting firm of McGee, Hearne & Paiz, LLP.

The citizens' report highlights the core finances of the State and contains only selected funds. Readers who have a need for more information regarding the financial status of the State should obtain a copy of the CAFR. The CAFR, which includes the independent auditor's report, can be obtained by request from the State Auditor's Office or by accessing the State Auditor's website at: <http://sao.state.wy.us>.

Wyoming's economy depends primarily on the mineral industry. 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, and federal mineral royalties from production on federal lands in Wyoming.

The production of this report, in conjunction with the *Comprehensive Annual Financial Report (CAFR)*, is part of my continued commitment to clarify and improve financial reporting to you, the citizens of Wyoming, in order that you may have an accurate picture of the financial condition of your government.

Cynthia I. Cloud, CPA
State Auditor

OVERVIEW

For the fiscal year 2010 (July 1, 2009-June 30, 2010), Wyoming experienced positive economic and financial gains.

Wyoming's recession started at the end of 2008. The economy lost over 21,000 jobs (7%) during the recession. Nearly 60% of those losses occurred in mining and construction industries. Wyoming's economy has been recovering since January 2010. The unemployment rate went from 3.5% to 7.6% during this one year period. Wyoming's unemployment rate stood at 6.6% as of November 30, 2010.

Wyoming added 3,700 new jobs since the recovery began, with two thirds of this growth from the mineral industry alone.¹

The effects of Wyoming's economic recovery are reflected in the year-end financial condition of the State. The State's governmental funds experienced a growth of \$1.5 billion in their fund balances, for fiscal year 2010. More detailed information on the financial statements follows on pages 8 and 9, and complete financial statements can be found in the Comprehensive Annual Financial Report for the year ended June 30, 2010 on the State Auditor's Website:

<http://sao.state.wy.us/>

Wyoming by the Numbers

Wyoming Population

The 2010 census places Wyoming's

population at 563,626. For the decade Wyoming gained 70,000, the 12th fastest growth rate in the nation, but remains the least populated in the country. The population increase is the largest since 1980, when the state was in the middle of an economic boom. Much of the recent growth occurred in the second half of the decade, as lucrative work in the energy industry attracted job-seekers from other states.

Per Capita Income

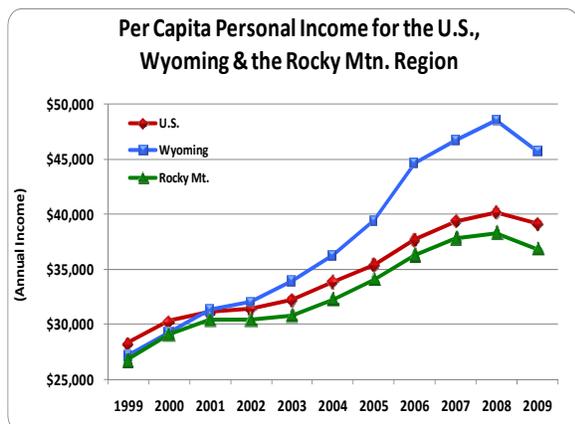
Per capita income estimates are a useful measure of an average person's economic status. Per capita income is estimated by dividing total personal income from all sources by total population. In the long run, per capita income levels of a region are affected by changing demographic composition and changing local economic conditions.

Per Capita Personal Income in the U.S., Rocky Mountain Region and Wyoming

Wyoming's 2009 per capita personal income of \$45,705 remained above the Rocky Mountain Region's (\$36,843). The 2009 per capita income for the U.S. was \$39,138. Since 2006 Wyoming's per capita income has risen by 2.3 percent, while income levels in the Rocky Mountain Region and the U.S. have risen by 1.5 percent and 3.8 percent, respectively. **(Figure 1)**

¹ Buck McVeigh remarks to Wyoming Business Report's Southeast Wyoming Economic Forecast January, 11, 2011.

Figure 1



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Note: Rocky Mountain Region includes Colorado, Idaho, Montana, Utah, and Wyoming

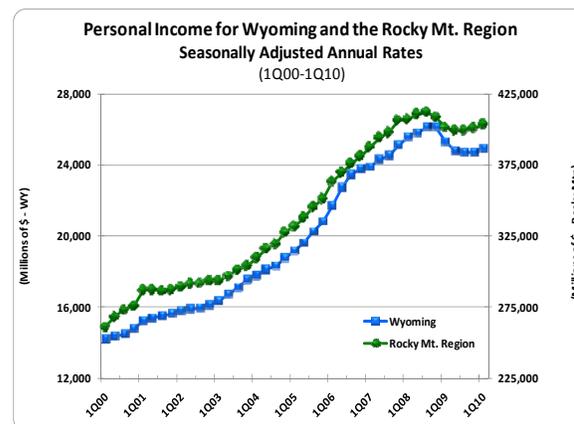
Total Personal Income

Total Personal Income (TPI) is a measure of the total income received by all the residents of a geographical area. Total personal income is calculated by adding (1) active income (earned income), (2) passive income and (3) government transfers. Earned income includes money earned by individuals such as wages, salaries and profits of individual businesses. Passive income includes investment income, interest income, income from retirement plans and annuities and rental income. Government transfers include payments to individual residents from various federal, state and local government entitlement programs. These include social security and disability programs, medical payments, income maintenance, unemployment compensation and veterans' benefits. Changes in TPI are the result of changes in the size of the labor force, average earnings, and changes in local economic conditions.

According to the Wyoming Business

Council's *Quarterly Economic Report for the State of Wyoming*, during the first quarter of 2010, Wyoming's total personal income rose 0.9 percent from the previous quarter and decreased -1.5 percent over the year. **(Figure 2)** The Rocky Mountain Region posted a 0.7 percent gain over the previous quarter and a 0.6 percent increase over the year.

Figure 2



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Note: Rocky Mountain Region includes Colorado, Idaho, Montana, Utah, and Wyoming.

Labor and Job Growth

Since June 2009, total employment in Wyoming decreased by 1,800 jobs (-0.6%). As of June 2010, Wyoming was ranked #37 in the U.S. for year over year employment growth (data through June 2010).

In the West, Wyoming ranks #12 in job growth over the past year. The changes in employment for states in the West since June 2009 are: **(Figure 3)**

Figure 3

Western States with Growing Employment		Western States with Declining Employment	
Alaska	1.24%	South Dakota	-0.05%
Utah	1.03%	Idaho	-0.19%
North Dakota	0.92%	Arizona	-0.33%
Texas	0.85%	Montana	-0.41%
Nebraska	0.13%	Hawaii	-0.52%
		Washington	-0.55%
		Wyoming	-0.61%
		Oregon	-0.97%
		Colorado	-1.44%
		California	-1.51%
		New Mexico	-1.75%
		Nevada	-2.29%

Source: U.S. Department of Labor, Bureau of Labor Statistic, June 30, 2010

Employment Growth by Industry

Wyoming's job growth since June 2009 (4,300 jobs) has occurred in the following industries: **(Figure 4)**

Figure 4

Industry	Jobs	%		AWW Q4_09
		Increase		
Government	+1,400	1.9%		\$855
Natural Resources & Mining	+900	3.6%		\$1,463
Education & Health Services	+700	2.7%		\$800
Manufacturing	+600	6.7%		\$1,022
Professional & Business Services	+500	2.8%		\$943
Transportation & Utilities	+200	1.4%		\$1,131

Source: Wyoming Department of Employment.

Wyoming's job decline since June 2009 (-6,100 jobs) has occurred **(Figure 5)** in the following industries:

Figure 5

Industry	Jobs	%		AWW Q4_09
		Decrease		
Construction	-3,700	-14.6%		\$947
Other Services	-1,200	-9.8%		\$624
Leisure & Hospitality	-500	-1.4%		\$320
Financial Activities	-300	-2.6%		\$880
Retail Trade	-300	-1.0%		\$506
Information	-100	-2.5%		\$762

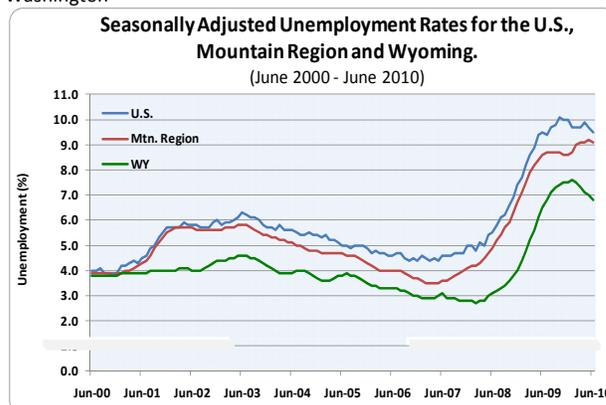
Source: Wyoming Department of Employment.

Unemployment in Wyoming

According to the *Quarterly Economic Report for the State of Wyoming for the period ending June 30, 2010* prepared by the Wyoming Business Council, unemployment rates fluctuated between 6.8 percent and 7.6 percent through the first half of 2010. Wyoming's unemployment rate remains below that of the U.S. and the Mountain Region. Wyoming's unemployment rate is currently 6.8 percent, while the Mountain Region's rate is 9.1 percent and the U.S. rate is at 9.5. **(Figure 6)** Of all the geographic divisions, the Pacific Division* posted the highest jobless rate in June at 11.4 percent.

Figure 6

*Pacific Division includes Alaska, California, Hawaii, Oregon, and Washington



Source: U.S. Department of Labor

Note: Mtn. Region includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming



Financial Reporting Information

This Popular Report contains information from only selected funds and does not include any of the State's component units.

Wyoming accounts for its revenues and expenditures within various funds and fund types. In general, there are three types of funds: governmental, proprietary (business-type) and fiduciary. Fiduciary funds' assets are held in a trustee or agency capacity for others and cannot be used to support the State's own programs. Therefore, fiduciary funds are not included within this report. Within the Governmental Fund Type, there are five fund types: general, special revenue, debt, capital improvement, and permanent. Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs.

Component units are governmental entities legally separate from the State but with significant operational or financial relationships with the State. The discretely presented component units of the State are the University of Wyoming, Department of Transportation, Wyoming Pipeline Authority, Wyoming Infra-Structure Authority, Wyoming Community Development Authority, and the Wyoming Business Council. All of these entities issue their own financial statements.

The proprietary (business-type) funds include Enterprise Funds and the Internal Service Funds. The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of

the State, or to other governmental units, on a cost-reimbursement basis. The Internal Service Funds are reported with the Governmental Funds in the Statement of Net Assets and Statement of Activities but are shown as a proprietary (business-type) fund under the modified accrual accounting method.

Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenue and expenses are classified as operating and non-operating. Operating revenues and expenses generally result from providing goods and services. All other revenues and expenses are reported as non-operating.

The State reports its governmental and business-type funds on the same full accrual basis of accounting in its Statement of Net Assets and Statement of Activities.



Financial Highlights

Government-Wide:

- The assets of the State of Wyoming exceeded its liabilities as of June 30, 2010 by \$12.2 billion (reported as net assets). This is an increase of \$1.6 billion from June 30, 2009. Of this amount, \$4 billion is unrestricted net assets that may be used to meet the government's ongoing obligations. (Figure7)

Figure 7
State of Wyoming's Net Assets for Fiscal Year Ended June 30, 2010

Dollars in Millions (rounded)	Governmental	Business-Type	Total Primary
	Activities	Activities	Government
Current and other non-current assets	15,736	1,982	17,718
Capital assets, net of accumulated depreciation	816	8	824
Total assets	16,552	1,990	18,542
Current liabilities	4,329	679	5,008
Long-term liabilities	223	1,082	1,306
Total liabilities	4,553	1,761	6,314
Net assets:			
Invested in capital assets, net of related debt	777	8	785
Restricted	7,340	197	7,537
Unrestricted (deficit)	3,883	24	3,907
Total net assets	12,000	229	12,229

Fund Level:

Figure 8

State of Wyoming's Changes in Net Assets for Fiscal Year Ended June 30, 2010

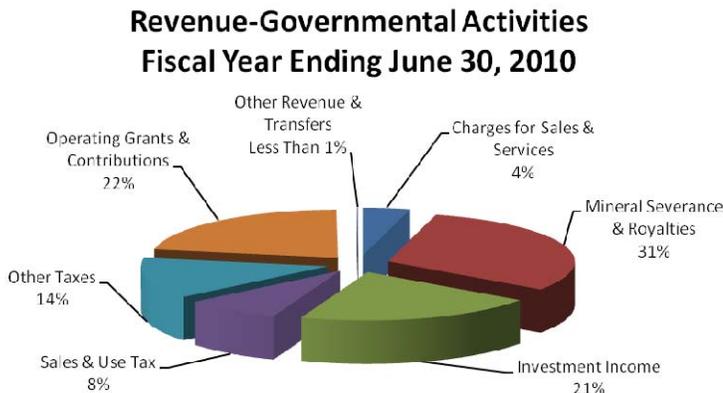
	Statement of Activities					
	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
Program revenues:						
Charges for services	\$ 175,990,641	\$ 197,446,166	\$ 401,487,167	\$ 386,892,034	\$ 577,477,808	\$ 584,338,200
Operating grants	983,093,735	1,145,916,316	21,904,841	102,951,972	1,004,998,576	1,248,868,288
Capital grants and contributions	19,493,061	16,988,488	-	-	19,493,061	16,988,488
General revenues:						
Taxes	2,884,826,612	2,872,485,489	-	-	2,884,826,612	2,872,485,489
Investment income	(670,535,152)	1,137,579,134	(16,224,753)	139,028,560	(686,759,905)	1,276,607,694
Total Revenues	3,392,868,897	5,370,415,593	407,167,255	628,872,566	3,800,036,152	5,999,288,159
Expenses:						
General government	207,239,377	251,898,109	-	-	207,239,377	251,898,109
Business regulations	31,607,565	32,978,156	-	-	31,607,565	32,978,156
Education	1,724,849,807	1,387,461,384	-	-	1,724,849,807	1,387,461,384
Health services	829,958,468	822,512,283	-	-	829,958,468	822,512,283
Law, justice and safety	261,297,086	345,123,584	-	-	261,297,086	345,123,584
Employment	52,638,304	56,863,708	-	-	52,638,304	56,863,708
Recreation and resource development	484,103,235	553,438,643	-	-	484,103,235	553,438,643
Social services	148,598,028	139,061,992	-	-	148,598,028	139,061,992
Transportation	111,759,433	128,182,011	-	-	111,759,433	128,182,011
Interest	2,455,954	2,257,847	-	-	2,455,954	2,257,847
Workers' Compensation Insurance	-	-	322,381,655	324,793,767	322,381,655	324,793,767
Liquor Commission	-	-	72,363,854	71,872,201	72,363,854	71,872,201
Canteen Fund	-	-	1,579,448	1,611,814	1,579,448	1,611,814
Subsidence Insurance	-	-	45,041	156,703	45,041	156,703
Honor Farm Ag. sales	-	-	258,092	430,158	258,092	430,158
WY Health Insurance	-	-	18,229,100	22,461,821	18,229,100	22,461,821
Unemployment Compensation	-	-	140,629,285	275,448,594	140,629,285	275,448,594
Total Expenses	3,854,507,257	3,719,777,717	555,486,476	696,775,058	4,409,993,732	4,416,552,775
Increase (decrease) in net assets before transfers	(461,638,360)	1,650,637,876	(148,319,221)	(67,902,492)	(609,957,581)	1,582,735,384
Transfers	11,643,664	7,860,946	(11,643,664)	(7,860,946)	-	-
Increase (decrease) in Net Assets	(449,994,696)	1,658,498,822	(159,962,885)	(75,763,438)	(609,957,581)	1,582,735,384
Net assets beginning	10,850,001,516	10,298,312,210	462,289,974	304,961,645	11,312,291,490	10,603,273,855
Prior Period Adjustment (Footnote 1(D))	(101,694,610)	42,607,730	2,634,555	-	(99,060,055)	42,607,730
Net Assets Beginning Restated	10,748,306,906	10,340,919,940	464,924,529	304,961,645	11,213,231,435	10,645,881,585
Net Assets Ending	\$ 10,298,312,210	\$ 11,999,418,762	\$ 304,961,644	\$ 229,198,207	\$ 10,603,273,854	\$ 12,228,616,969

- As of June 30, 2010, the State of Wyoming's governmental funds reported combined ending fund balances of \$11.4 billion, an increase of \$1.5 billion.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$149 million.
- The enterprise funds reported net assets at year-end of \$229 million, a decline of \$75.7 million from June 30, 2009.

Governmental Activities Revenues

The following is a graphical representation of the Statement of Activities (Figure 9) revenues for governmental activities.

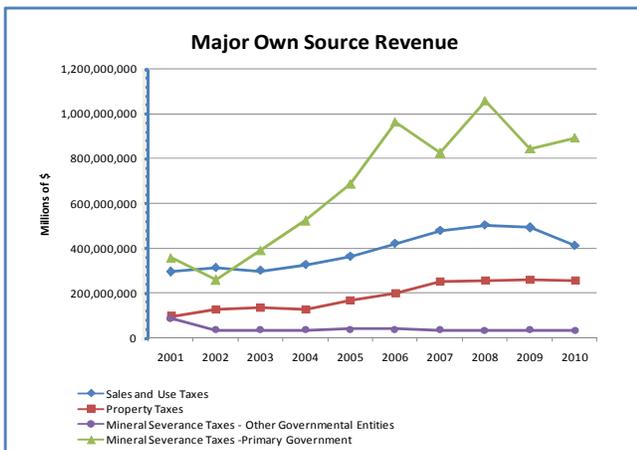
Figure 9



Revenue Capacity-Major Own-Source Revenue

Mineral severance taxes have in recent years have been the State's largest own-source of revenue. Sales and use taxes are also a significant source of the State's own-source revenue. The table which follows (Figure 11) shows Major Own Source Revenue, by mineral source and severance taxes coming into the State for the last 10 years.

Figure 11



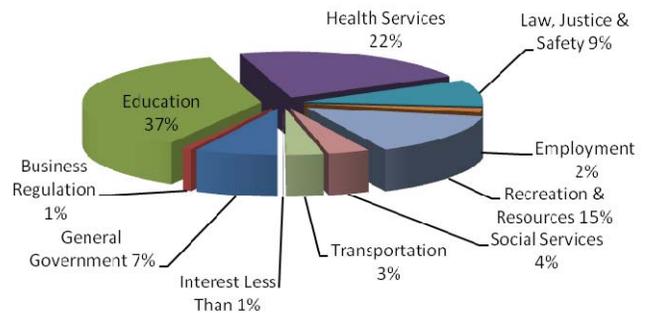
Source: Wyoming Dept. of Administration & Information, Economic Analysis Division; Wyoming State Government Revenue Forecast Fiscal Year 2011-2016

Governmental Activities Expenses

The following is a graphical representation of the Statement of Activities (Figure 10) expenses for governmental activities.

Figure 10

Expenses-Governmental Activities Fiscal Year Ending June 30, 2010



Revenues and Expenditure Changes

Figure 12 shows those revenues and expenditures experiencing significant percentage changes from Fiscal Year 2009 to Fiscal Year 2010.

Figure 12

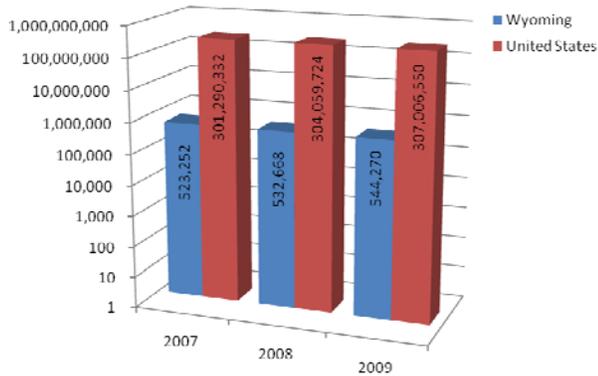
General Fund Revenue and Other Financing Sources for Fiscal Year Ended June 30, 2010				
	FY09	FY10	Increase (Decrease)	Percent Change
Taxes:				
Sales & Use	522,223,050	442,823,944	(79,399,106)	-15%
Mineral Severance	228,216,617	221,228,314	(6,988,303)	-3%
Other Taxes	24,091,772	23,833,362	(258,410)	-1%
Licenses and Permits	7,641,217	7,833,063	191,846	3%
Fines & Forfeitures	4,693,486	5,126,345	532,859	12%
Use of Property	4,440,067	6,439,376	1,999,309	45%
Investment Income	140,285,339	452,147,329	311,861,990	222%
Charges for Sales & Services	28,103,341	21,994,547	(6,108,794)	-22%
Revenue from Others	23,116,434	32,322,799	9,206,365	40%
Federal	614,187,997	641,037,374	26,849,377	4%
Miscellaneous Receipts	81,235	-	(81,235)	-100%
Federal Mineral Royalties	2,000,000	2,000,000	-	0%
Other	-	-	-	0%
Total Revenues	1,598,980,555	1,856,786,453	257,805,898	16%
Other Financing Sources:				
Capital Leases	285,173	131,883	(153,290)	-54%
Transfers-In	821,478,762	1,087,284,228	265,805,466	32%
Total Other Financing Sources	821,763,935	1,087,416,111	265,652,176	32%
Financing Sources	\$ 2,420,744,490	2,944,202,564	523,458,074	22%



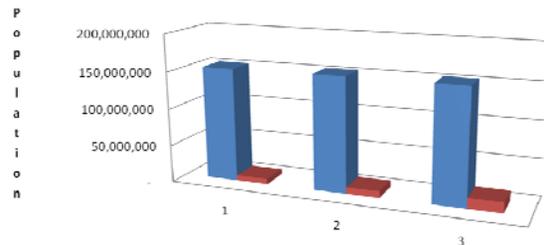
Statistical Section

This part of the State of Wyoming's Popular Annual Financial Report presents information as a context for understanding the information in the financial statements

United States v. Wyoming Population

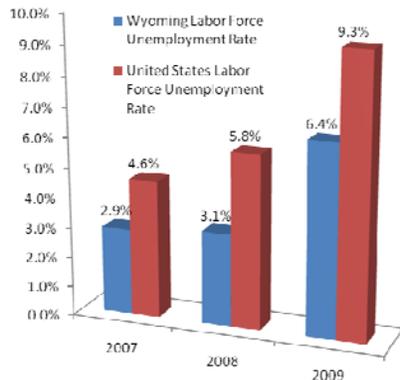


United States Labor Force and Employment

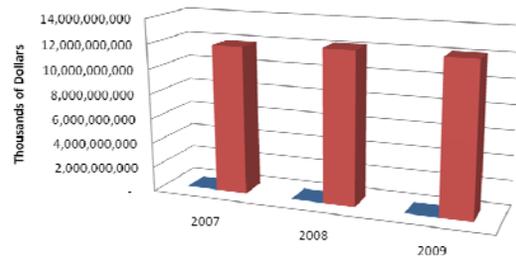


	1	2	3
United States Labor Force	153,124,000	154,287,000	154,142,000
Unemployed	7,078,000	8,924,000	14,265,000

United States v. Wyoming Unemployment Rate



Wyoming v. United States Total Personal Income



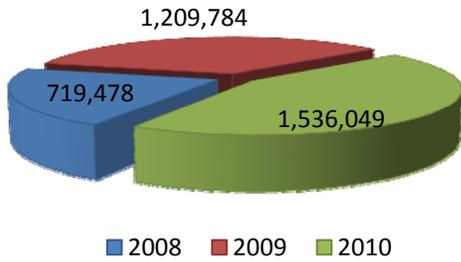
	2007	2008	2009
Wyoming (thousands of dollars)	24,457,288	25,892,041	26,221,601
United States (thousands of dollars)	11,879,836,000	12,225,589,000	12,165,474,000

State Government Number of Active Employees and Earnings			
(Excluding the University of Wyoming, Wyoming Community Development Association, Wyoming Business Council, and Wyoming Building Corporation)			
	2008	2009	2010
Function-Active Employees	9,574	9,586	10,412
Function-Regular Earnings	\$406,228,102	\$ 435,611,869	\$ 458,141,100

Active employees include at-will positions and board members.

Trends in AFDC/TANF and Food Stamp Caseloads and Expenditures Last Three Fiscal Years

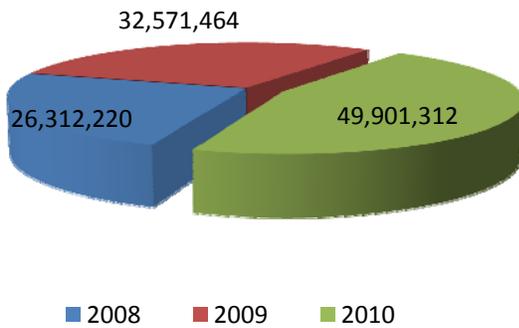
Total Paid AFDC/TANF



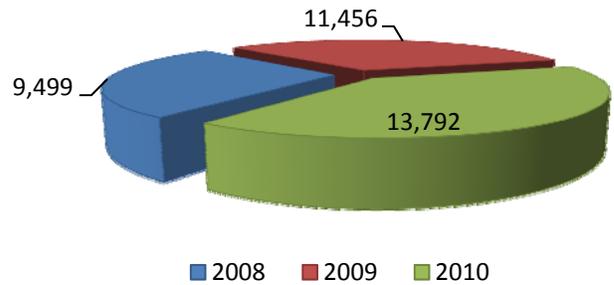
of Average Monthly AFDC/TANF Grants



Total Paid Food Stamps



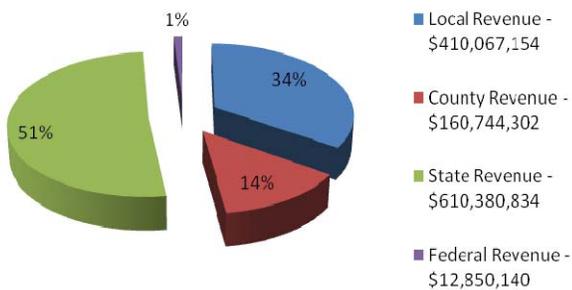
Average Monthly Food Stamp Households



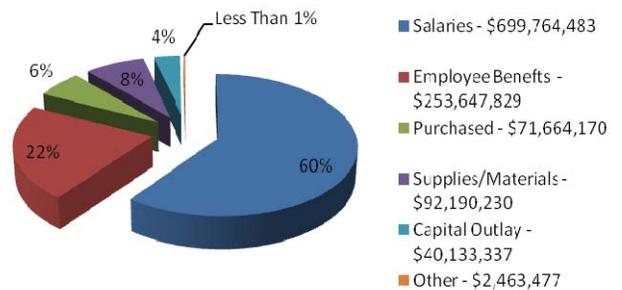
Source: Department of Family Services; Report FR007 AF/POWER and Report FR051 FS/EBT

Wyoming Department of Education

2008-09 General Fund Revenues by Source



2008-09 General Fund Expenditures by Object



Sources: Wyoming Department of Education; 2009 Statistical Report Series #3



All photos courtesy of Mike Lewis

OTHER WYOMING FACTS

Important Dates

- 1867 – Wyoming’s first coal mine opened in Carbon County.
- 1868 – Wyoming became a territory, and the first state to give women the right to vote.
- 1872 – Yellowstone became the first official National Park.
- 1884 – First settlers arrived in Jackson Hole.
- 1890 – Wyoming became the 44th state.
- 1890 – Wyoming’s present Constitution was adopted.
- 1903 – Wyoming’s first State Fair was held in Douglas.
- 1906 – Devil’s Tower was designated as the first National Monument.
- 1925-1927 – Wyoming’s first female Governor, Mrs. Nellie Tayloe Ross.
- 1994 – Wyoming leads the country in coal production with 3 million tons per week.

Geography

- Area: 97,818 square miles
- Highest Elevation: Gannett Peak - 13,804 ft.
- Lowest Elevation: Belle Fourche River – 3,099 ft.
- **State Motto** – Equal Rights
- **State Bird** – Western Meadowlark
- **State Flower** – Indian Paintbrush
- **State Nickname** – Equality State
- **State Tree** – Cottonwood
- **State Flag** – A bison on a blue field bordered in white and red

