



# A Report to Our Citizens

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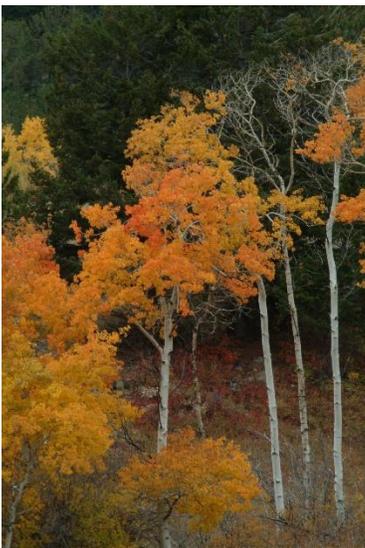
Cynthia I. Cloud, CPA  
Wyoming’s 20<sup>th</sup> State Auditor

### State Auditor’s Office

*Mailing address:*  
State Capitol, Suite 114  
Cheyenne, WY 82002  
*Physical address:*  
2020 Carey Ave., 8<sup>th</sup> Floor  
Cheyenne, WY 82001

**Phone** (307) 777-7831  
**Fax** (307) 777-6983  
**E-mail** SAOAdmin@wyo.gov

A Statewide Elected Office established in the Wyoming Constitution at Statehood



## Wyoming’s Leaders are working for:

- No cuts to the added support provided in the budget for cities, towns and counties
- The ENDOW initiative – a long-term planning effort for economic diversification
- A Task Force or super committee with full participation of Wyoming stakeholders to address school funding
- Continued implementation of the state water and energy strategies, including development of a carbon industry
- Efficient and effective government that absorbs the 11% reduction to the executive branch budget made in FY ‘16

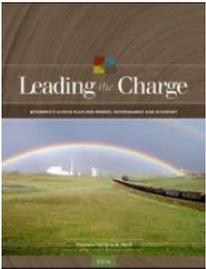


### Wyoming accolades include:

- Most business friendly tax climate
- Best state to start a business
- Best state to make a living
- Best state to retire
- AAA credit rating from Standard & Poor’s
- First in Mountain Region workforce development
- Third for new business startup activity
- Fifth highest in well-being

**We’re on the Web!**  
<http://sao.wyo.gov>

## Wyoming’s Progress: Fiscal Year 2016



**Updated energy strategy:** In 2013, Wyoming was the first state in the nation to develop a comprehensive energy strategy. With more than three-fourths of the

initiatives in that original strategy complete, an updated strategy was released in March 2016. The updated strategy, a result of public input and comments, has 11 new initiatives as priorities. New initiatives include: working to implement changes to the Endangered Species Act, review of reclamation rules, and carbon

innovation. The carbon initiative looks to advanced energy technologies and innovation and to building an industry around CO2. The Integrated Test Center, the XPrize competition for coal, and an Industrial Park project for value-added energy products are important to this effort and ongoing.

**Expanding industries:** The manufacturing sector is growing in Wyoming with Atlas Carbon, Tungsten, Searing Industries, Magpul and HiViz putting down roots here and joining long-term

industries like Vacutech, Puma Steel and L & H. The year 2016 was one of expansion - for example, McGinley Orthopedics is going gangbusters. Our world-class firearms companies

manufacture handguns, precision rifles, silencers, optics, sights and other firearms accessories. We will continue our efforts to grow manufacturing, including a robust firearms industry, in our state.



**New UW and other facilities:** Despite challenging revenue times,

Wyoming kept projects important for today and tomorrow on track in FY 2016. The Enzi STEM facility at the University of Wyoming opened. The Capitol restoration project got underway. Design work for renovations to the State Hospital

and Life Resource Center was done. Groundbreaking for the Integrated Test Center in Gillette took place.

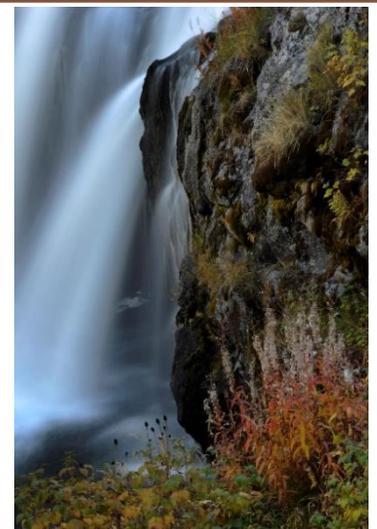
**Budget:** With the energy bust continuing to take its toll on state revenues, \$67.7 million in cuts were made in the 2016 budget session and \$250 million more cuts were made in June 2016. These reductions to the state

operating budget were difficult but necessary, and they continued the belt tightening begun in 2013. Some rainy day funds were used to smooth the budget. Even so, the rainy day fund sits at nearly \$1.6 billion and without a diversion will

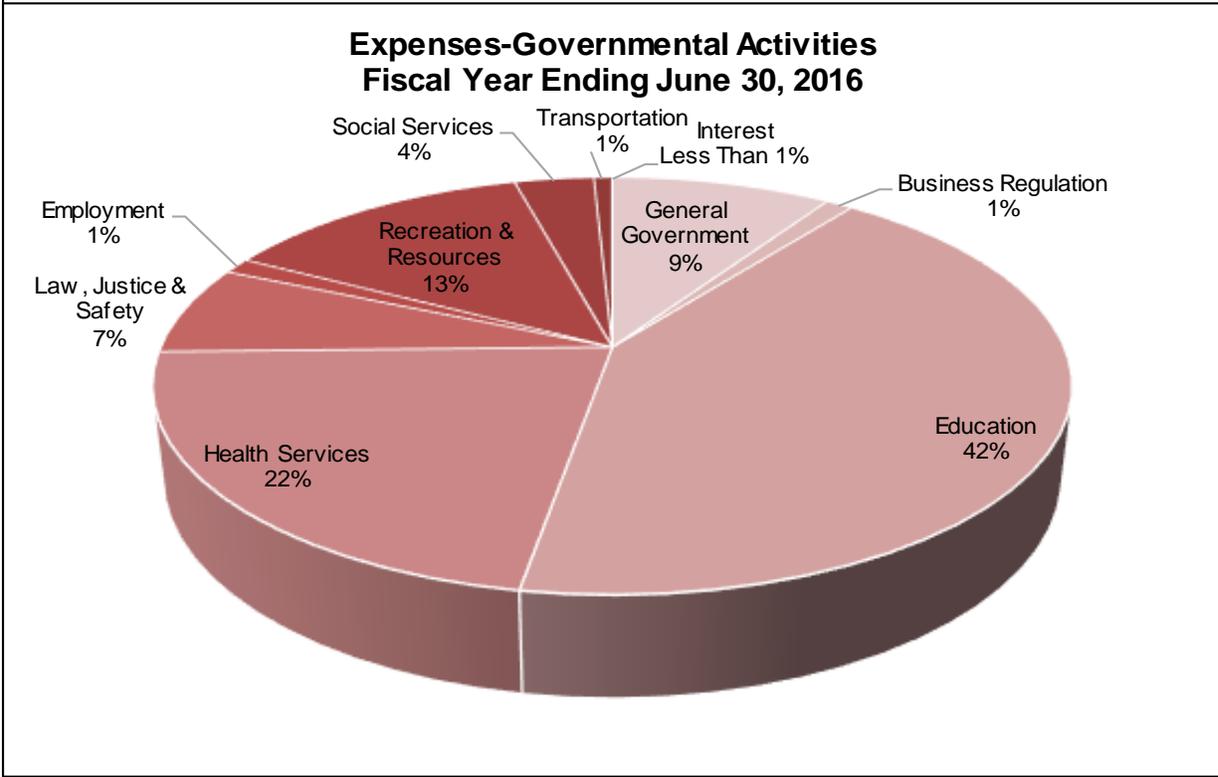
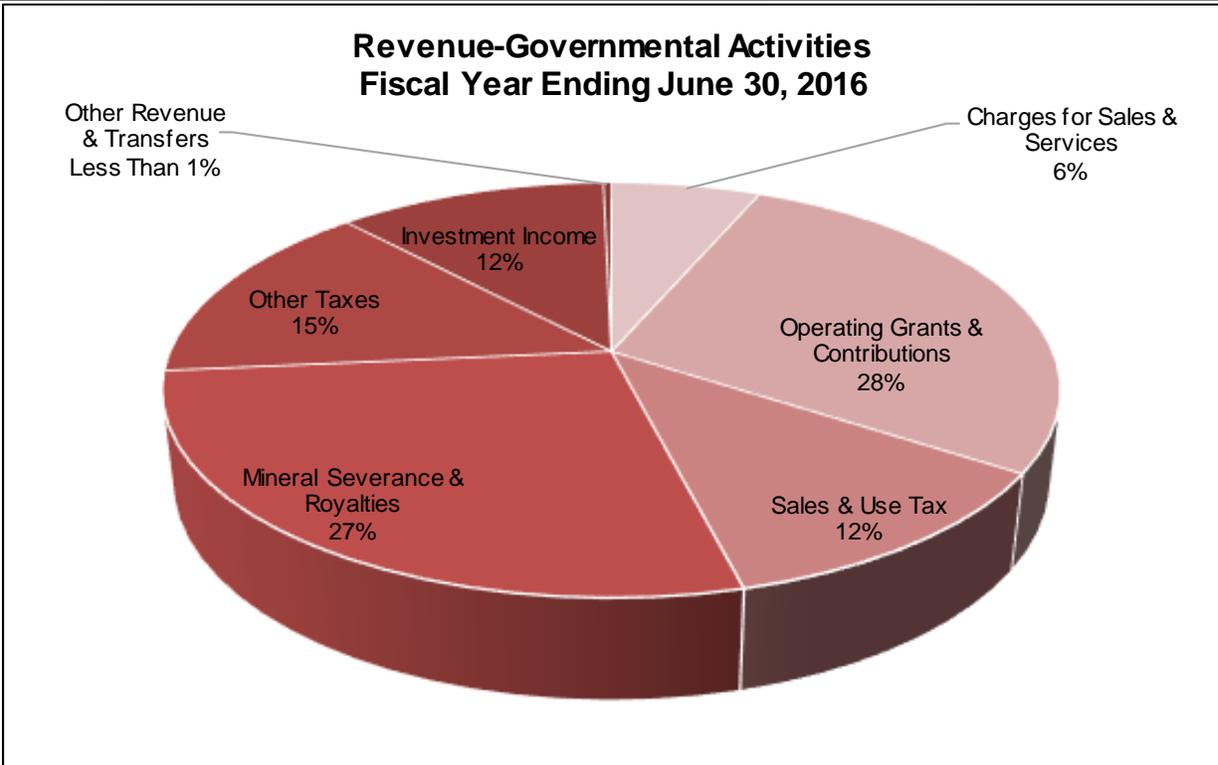
continue to grow. Education funding is separate from funding government operations and challenges lie ahead for future budgets. The time to address this problem is at hand.

## Demographic Information

	Fiscal Year 2015	Fiscal Year 2016
Population	584,153	586,107
Per Capita Income	\$54,584	\$56,081
Visitors to State Parks & Historic Sites	3,925,547	4,252,602
Public School Enrollment	93,303	94,002
State Government Employees	9,845	9,581
Unemployment Rate	4.3%	4.3%



# Wyoming’s Finances: Revenues and Expenses



*An independent audit of the State’s financial statements resulted in an unqualified audit opinion, which is best possible audit opinion. Financial information in this report is derived from Generally Accepted Accounting Principles (GAAP) data in the State’s Comprehensive Annual Financial Report prepared by the State Auditor’s Office. To see the Comprehensive Annual Financial Report, visit: <http://sao.wyo.gov/publications>.*

## 2017 and Beyond: Challenges and Opportunities

### Wyoming’s Elected Officials

Governor:  
Matthew H. Mead

Secretary of State:  
Ed Murray, III

State Auditor:  
Cynthia I. Cloud

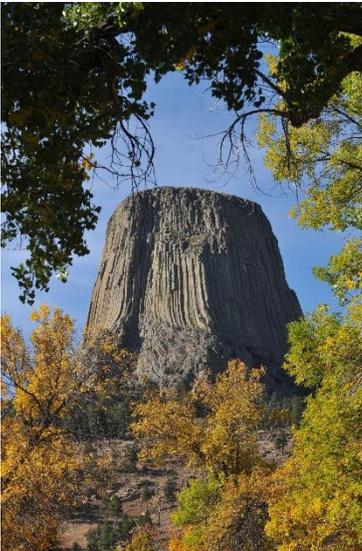
State Treasurer:  
Mark Gordon

Superintendent of Public Instruction:  
Jillian Balow

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**Thank you, Governor Mead, for contributing information contained in this report.**



Photos courtesy of Rick Carpenter

The energy downturn, which began in mid-2014, persists but the worst may be behind us. We are grateful to past and present leaders for conservative budgeting and for building up savings. The general fund standard operating budget for the executive, judicial and legislative branches has decreased since 2011. State government has shrunk. The rainy day fund, tapped to help with the revenue gap this past fiscal year, is still large. The challenge of funding K-12, school construction and school major maintenance, funded separately from state government operations, lies ahead.

State revenues – about 70% of them – come from the extractive industries. We have been working to diversify Wyoming’s economy – to broaden the economic base - and have made progress. But, diversification takes time, planning, and follow-through. The new ENDOW initiative is a long-term planning effort for economic diversification. The acronym stands for “Economically Needed Diversification Options for Wyoming.”

We must stabilize our revenue and, equally important, provide more options for our young people. We must give our young people as many reasons as possible to stay in the state. Our future is brighter the more we can keep our young people home in Wyoming. Diversifying the economy is a continuing challenge which the ENDOW initiative will address.

As we look ahead, there are many opportunities. The XPrize competition for coal at the Integrated Test Center is one. The goal is to find productive uses for carbon dioxide produced in the energy generation process - to turn CO2 into an asset. The Industrial Park project is another, and it is being pursued.

A third opportunity is to expand the outdoor industry. An Outdoor Recreation Task Force, recently formed, will provide recommendations in 2017 on how to further expand this industry. And there are more. For example, the Wyoming Office of Tourism works hard to grow our second largest industry, tourism. The current advertising campaign - “That’s WY” - is outstanding. See it on the agency’s website.

In 2019 and 2020, Wyoming will celebrate the 150<sup>th</sup> anniversaries of two Wyoming firsts - the first to grant women voting rights and the first exercise of that right in a general election in Laramie. A state committee spearheaded by members of the Laramie League of Women Voters is already preparing for the festivities.

Wyoming will always be a state that leads. We are heartened by the prospect of fewer federal regulations, pro-growth economic policies at the national level, and more authority being given to the states. We look forward to 2017 and the years beyond.