

CITY OF LARAMIE, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2009

| | General | Specific Purpose Tax | Wyoming Territorial Prison Debt Service | Non-Major Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------------|--|------------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash | \$ 12,623,078 | \$ - | \$ - | \$ 6,372,761 | \$ 18,995,839 |
| Investments | 4,324,603 | - | - | 2,533,711 | 6,858,314 |
| Prepaid items | - | - | - | - | - |
| Receivables: | | | | | |
| Accounts, customers | 18,772 | - | - | - | 18,772 |
| Notes | - | - | - | 560,000 | 560,000 |
| Accrued interest | 16,639 | - | - | 26,057 | 42,696 |
| Operating | 2,447,820 | 112 | - | 352,564 | 2,800,496 |
| Restricted assets | | | | | |
| Cash and cash equivalents | 278,539 | 9,344,443 | - | - | 9,622,982 |
| Investments | - | - | 8,554,700 | 2,291,361 | 10,846,061 |
| Total Assets | <u>\$ 19,709,451</u> | <u>\$ 9,344,555</u> | <u>\$ 8,554,700</u> | <u>\$ 12,136,454</u> | <u>\$ 49,745,160</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 1,329,773 | \$ 368,498 | \$ - | \$ 627,942 | \$ 2,326,213 |
| Unearned revenue | 1,213,234 | - | - | 900,240 | 2,113,474 |
| Accrued vacation and compensatory time | 170,762 | - | - | 7,647 | 178,409 |
| Total Liabilities | <u>2,713,769</u> | <u>368,498</u> | <u>-</u> | <u>1,535,829</u> | <u>4,618,096</u> |
| FUND BALANCES | | | | | |
| Reserved for: | | | | | |
| Capital projects | 273,344 | - | - | 6,237,277 | 6,510,621 |
| Recreation center endowment | - | - | - | 2,230,951 | 2,230,951 |
| Recreation center scholarships | - | - | - | 60,410 | 60,410 |
| Debt service | - | 8,976,057 | 8,554,700 | 717,693 | 18,248,450 |
| Unreserved | | | | | |
| Special revenue funds | - | - | - | 1,354,294 | 1,354,294 |
| General fund | 16,722,338 | - | - | - | 16,722,338 |
| Total Fund Balances | <u>16,995,682</u> | <u>8,976,057</u> | <u>8,554,700</u> | <u>10,600,625</u> | <u>45,127,064</u> |
| Total Liabilities and Fund Balances | <u>\$ 19,709,451</u> | <u>\$ 9,344,555</u> | <u>\$ 8,554,700</u> | <u>\$ 12,136,454</u> | <u>\$ 49,745,160</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET ASSETS – GOVERNMENTAL FUNDS**

June 30, 2009

| | | |
|---|---------------------|----------------------|
| Fund balances- total governmental funds | | \$ 45,127,064 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Governmental capital assets | \$ 99,287,891 | |
| Less accumulated depreciation | <u>(36,178,363)</u> | 63,109,528 |
| Long-term receivables applicable to governmental activities and not due and collectible in the current period and therefore are not reported in fund balance in the governmental funds. | | |
| Long-term liabilities are not due and payable on the current period and therefore are not reported in the governmental funds. | | |
| Governmental notes payable | (10,108,367) | |
| Governmental leases payable | (9,609,312) | |
| Compensated absences | (650,706) | |
| Accrued interest on long-term debt | <u>(192,970)</u> | (20,561,355) |
| The internal service fund is used by management to charge the cost of certain activities to individual funds. The assets and liabilities of internal service fund are included in governmental activities in the statement of net assets. | | |
| | | <u>3,283,553</u> |
| Net assets of governmental activities | | <u>\$ 90,958,790</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2009

| | General | Specific Purpose Tax | Wyoming Territorial Prison Debt Service | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------|--|------------------------------------|--------------------------------|
| REVENUES: | | | | | |
| Taxes and special assessments | \$ 3,368,276 | \$ 3,653,890 | \$ - | \$ 119,000 | \$ 7,141,166 |
| Licenses and permits | 112,886 | - | - | - | 112,886 |
| Intergovernmental | 20,053,117 | - | - | 2,842,351 | 22,895,468 |
| Charges for services | 1,798,557 | - | - | 1,105,182 | 2,903,739 |
| Fines and forfeitures | 839,015 | - | - | - | 839,015 |
| Investment income | 286,870 | 78,322 | 638,700 | 188,558 | 1,192,450 |
| Miscellaneous | 123,774 | - | - | 73,296 | 197,070 |
| Total Revenues | <u>26,582,495</u> | <u>3,732,212</u> | <u>638,700</u> | <u>4,328,387</u> | <u>35,281,794</u> |
| EXPENDITURES: | | | | | |
| Current operating: | | | | | |
| General government | 6,016,598 | 3,040,064 | - | 1,431,313 | 10,487,975 |
| Public safety | 12,457,295 | - | - | 1,167,656 | 13,624,951 |
| Health and welfare | 675,244 | - | - | - | 675,244 |
| Highways and streets | 3,212,981 | - | - | 2,175,990 | 5,388,971 |
| Culture and recreation | 2,275,039 | - | - | 1,923,881 | 4,198,920 |
| Debt service: | | | | | |
| Principal retirement | 641,628 | 2,032,137 | - | 76,682 | 2,750,447 |
| Interest | 83,608 | 343,658 | - | 10,903 | 438,169 |
| Total Expenditures | <u>25,362,393</u> | <u>5,415,859</u> | <u>-</u> | <u>6,786,425</u> | <u>37,564,677</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,220,102</u> | <u>(1,683,647)</u> | <u>638,700</u> | <u>(2,458,038)</u> | <u>(2,282,883)</u> |
| OTHER FINANCING SOURCES AND (USES): | | | | | |
| Issuance of debt | 206,402 | - | - | 794,375 | 1,000,777 |
| Transfers in | 1,279,922 | - | - | 3,581,701 | 4,861,623 |
| Transfers out | <u>(2,983,864)</u> | <u>(1,125,838)</u> | <u>-</u> | <u>(400,000)</u> | <u>(4,509,702)</u> |
| Total Other Financing Sources and (uses) | <u>(1,497,540)</u> | <u>(1,125,838)</u> | <u>-</u> | <u>3,976,076</u> | <u>1,352,698</u> |
| Net Change in Fund Balance | (277,438) | (2,809,485) | 638,700 | 1,518,038 | (930,185) |
| Fund Balances- Beginning | <u>17,273,120</u> | <u>11,785,542</u> | <u>7,916,000</u> | <u>9,082,587</u> | <u>46,057,249</u> |
| Fund Balances- Ending | <u>\$ 16,995,682</u> | <u>\$ 8,976,057</u> | <u>\$ 8,554,700</u> | <u>\$ 10,600,625</u> | <u>\$ 45,127,064</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2009

Net change in fund balances- total governmental funds \$ (930,185)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

| | | |
|---------------------------------|--------------------|-----------|
| Expenditures for capital assets | \$ 11,667,825 | |
| Less current year depreciation | <u>(3,245,206)</u> | 8,422,619 |

Capital lease proceeds provide current resources to governmental funds, but issuing debt increases long-term debt liabilities in the statement of net assets. Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceed repayments. The construction period interest expense for construction projects in progress is an expenditure in the governmental funds but the interest is capitalized as construction in progress in the statement of net assets.

| | | |
|-----------------------------------|--------------------|-----------|
| Long-term debt principal payments | 2,750,475 | |
| Proceeds from capital lease | <u>(1,000,777)</u> | 1,749,698 |

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.

| | | |
|--|---------------|--------|
| Change in accrued interest payable | (49,449) | |
| Change in long-term compensated absences | <u>69,235</u> | 19,786 |

Transfer of asset constructed in the governmental fund then transferred to the business-type activity fund. The construction costs are expenditures in the fund basis financial statements and capitalized in the government-wide financial statements.

32,297

Internal service fund is used by management to charge the cost of certain activities to individual funds. The net revenue of the internal service fund is included in governmental activities in the statement of net assets.

638,585

Change in net assets of governmental activities \$ 9,932,800

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

June 30, 2009

| | Business-Type Activities- Enterprise Funds | | | | Governmental Activity- Internal Service Fund |
|--|--|--------------------------|-------------------------|--------------------------|---|
| | Water | Waste Water | Solid Waste | Total | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash | \$ 7,145,453 | \$ 4,956,551 | \$ 2,539,037 | \$ 14,641,041 | \$ 1,810,868 |
| Investments | 405,052 | 2,277,176 | 894,344 | 3,576,572 | 1,843,698 |
| Receivables: | | | | | |
| Accounts, customers | 450,024 | 267,638 | 189,604 | 907,266 | - |
| Accrued interest | 4,157 | 30,543 | 9,258 | 43,958 | 12,101 |
| Operating | <u>82,073</u> | <u>-</u> | <u>-</u> | <u>82,073</u> | <u>22,005</u> |
| Total current assets | <u>8,086,759</u> | <u>7,531,908</u> | <u>3,632,243</u> | <u>19,250,910</u> | <u>3,688,672</u> |
| Noncurrent Assets | | | | | |
| Restricted investments | 317,287 | - | - | 317,287 | - |
| Capital assets | | | | | |
| Land | 3,026,954 | 119,142 | 211,970 | 3,358,066 | - |
| Water rights | 87,685 | - | - | 87,685 | - |
| Construction in progress | 420,397 | 168,727 | - | 589,124 | - |
| Buildings | 13,576,108 | 16,796,795 | 71,400 | 30,444,303 | - |
| Improvements | 51,540,019 | 11,490,928 | - | 63,030,947 | - |
| Furniture and equipment | 5,510,917 | 1,500,794 | 2,547,002 | 9,558,713 | - |
| Infrastructure | - | 1,476,603 | - | 1,476,603 | - |
| Accumulated depreciation | <u>(28,414,702)</u> | <u>(10,716,123)</u> | <u>(1,387,720)</u> | <u>(40,518,545)</u> | <u>-</u> |
| Total noncurrent assets | <u>46,064,665</u> | <u>20,836,866</u> | <u>1,442,652</u> | <u>68,344,183</u> | <u>-</u> |
| Total Assets | <u>\$ 54,151,424</u> | <u>\$ 28,368,774</u> | <u>\$ 5,074,895</u> | <u>\$ 87,595,093</u> | <u>\$ 3,688,672</u> |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | \$ 858,237 | \$ - | \$ 179,424 | \$ 1,037,661 | \$ 125,009 |
| Accrued interest payable | 135,547 | 133,942 | 509 | 269,998 | - |
| Compensated absences | 94,060 | 31,965 | 46,006 | 172,031 | - |
| Unearned income | 42,650 | - | - | 42,650 | - |
| Benefit claims incurred but not reported | - | - | - | - | 280,110 |
| Revenue bonds- current | 390,000 | - | - | 390,000 | - |
| Notes payable- current | <u>687,029</u> | <u>728,534</u> | <u>80,882</u> | <u>1,496,445</u> | <u>-</u> |
| Total current liabilities | <u>2,207,523</u> | <u>894,441</u> | <u>306,821</u> | <u>3,408,785</u> | <u>405,119</u> |

(Continued)

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

June 30, 2009

(Continued)

| | Business-Type Activities- Enterprise Funds | | | Total | Governmental Activity- Internal Service Fund |
|---|--|----------------------|---------------------|----------------------|---|
| | Water | Waste Water | Solid Waste | | |
| Noncurrent Liabilities | | | | | |
| Revenue bonds payable | 4,235,000 | - | - | 4,235,000 | - |
| Landfill closure costs | - | - | 1,936,566 | 1,936,566 | - |
| Notes payable | <u>2,402,389</u> | <u>7,202,340</u> | <u>217,356</u> | <u>9,822,085</u> | - |
| Total noncurrent liabilities | <u>6,637,389</u> | <u>7,202,340</u> | <u>2,153,922</u> | <u>15,993,651</u> | - |
| | | | | | |
| Total Liabilities | <u>8,844,912</u> | <u>8,096,781</u> | <u>2,460,743</u> | <u>19,402,436</u> | <u>405,119</u> |
| | | | | | |
| NET ASSETS | | | | | |
| Invested in capital assets (net of related debt) | 38,032,960 | 12,905,992 | 1,144,414 | 52,083,366 | - |
| Restricted for capital projects | 317,287 | - | - | 317,287 | - |
| Unrestricted | <u>6,956,265</u> | <u>7,366,001</u> | <u>1,469,738</u> | <u>15,792,004</u> | <u>3,283,553</u> |
| Total Net Assets | <u>\$ 45,306,512</u> | <u>\$ 20,271,993</u> | <u>\$ 2,614,152</u> | <u>\$ 68,192,657</u> | <u>\$ 3,283,553</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2009

| | Business-Type Activities- Enterprise Funds | | | | Governmental Activity- Internal Service Fund |
|---|--|----------------------|---------------------|----------------------|---|
| | Water | Waste Water | Solid Waste | Total | |
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 5,586,644 | \$ 3,532,497 | \$ 2,163,035 | \$ 11,282,176 | \$ 2,381,769 |
| Other income | 115,105 | 6,664 | 50,021 | 171,790 | - |
| Total operating revenues | <u>5,701,749</u> | <u>3,539,161</u> | <u>2,213,056</u> | <u>11,453,966</u> | <u>2,381,769</u> |
| OPERATING EXPENSES | | | | | |
| Personal services | 1,342,638 | 786,476 | 1,131,096 | 3,260,210 | - |
| Contractual services | 667,128 | 649,367 | 227,010 | 1,543,505 | - |
| Materials and supplies | 1,252,215 | 921,211 | 231,861 | 2,405,287 | - |
| Landfill closure costs | - | - | 489,202 | 489,202 | - |
| Depreciation | 1,759,254 | 792,209 | 221,871 | 2,773,334 | - |
| Benefit payments | - | - | - | - | 1,918,563 |
| Total operating expenses | <u>5,021,235</u> | <u>3,149,263</u> | <u>2,301,040</u> | <u>10,471,538</u> | <u>1,918,563</u> |
| Operating income (loss) | <u>680,514</u> | <u>389,898</u> | <u>(87,984)</u> | <u>982,428</u> | <u>463,206</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| Investment income (loss) | 73,347 | (346,793) | 61,762 | (211,684) | 143,379 |
| Plant investment fees | 284,148 | 258,009 | - | 542,157 | - |
| Interest expense | <u>(371,551)</u> | <u>(200,110)</u> | <u>(6,095)</u> | <u>(577,756)</u> | <u>-</u> |
| Total nonoperating revenue (expenses) | <u>(14,056)</u> | <u>(288,894)</u> | <u>55,667</u> | <u>(247,283)</u> | <u>143,379</u> |
| Income (loss) before transfers and capital contributions | <u>666,458</u> | <u>101,004</u> | <u>(32,317)</u> | <u>735,145</u> | <u>606,585</u> |
| TRANSFERS AND CONTRIBUTIONS | | | | | |
| Capital Contributions: | | | | | |
| Capital grants | 179,374 | 1,382,930 | - | 1,562,304 | - |
| Transfers: | | | | | |
| Transfers in | 32,297 | - | - | 32,297 | 32,000 |
| Transfers (out) | <u>(187,108)</u> | <u>(102,732)</u> | <u>(94,082)</u> | <u>(383,922)</u> | <u>-</u> |
| | <u>24,563</u> | <u>1,280,198</u> | <u>(94,082)</u> | <u>1,210,679</u> | <u>32,000</u> |
| Change in net assets | 691,021 | 1,381,202 | (126,399) | 1,945,824 | 638,585 |
| Net assets at beginning of year | <u>44,615,491</u> | <u>18,890,791</u> | <u>2,740,551</u> | <u>66,246,833</u> | <u>2,644,968</u> |
| Net assets at end of year | <u>\$ 45,306,512</u> | <u>\$ 20,271,993</u> | <u>\$ 2,614,152</u> | <u>\$ 68,192,657</u> | <u>\$ 3,283,553</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2009

| | <u>Business-Type Activities- Enterprise Funds</u> | | | | <u>Governmental Activity- Internal Service Fund</u> |
|--|---|------------------------|------------------------|--------------------|---|
| | <u>Water</u> | <u>Waste Water</u> | <u>Solid Waste</u> | <u>Total</u> | |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: | | | | | |
| CASH FLOWS FROM OPERATIONS: | | | | | |
| Receipts from customers | \$ 7,193,082 | \$ 4,066,219 | \$ 2,122,974 | \$ 13,382,275 | \$ 2,398,649 |
| Other operating cash receipts | 115,105 | 6,664 | 50,021 | 171,790 | - |
| Payments to suppliers | (1,989,264) | (1,570,578) | (458,258) | (4,018,100) | (1,865,300) |
| Payments to employees | <u>(1,344,856)</u> | <u>(786,476)</u> | <u>(1,126,933)</u> | <u>(3,258,265)</u> | <u>-</u> |
| Net cash from operating activities | <u>3,974,067</u> | <u>1,715,829</u> | <u>587,804</u> | <u>6,277,700</u> | <u>533,349</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Transfers in | 32,297 | - | - | 32,297 | 32,000 |
| Transfers (out) | <u>(187,108)</u> | <u>(102,732)</u> | <u>(94,082)</u> | <u>(383,922)</u> | <u>-</u> |
| Net cash from noncapital financing activities | <u>(154,811)</u> | <u>(102,732)</u> | <u>(94,082)</u> | <u>(351,625)</u> | <u>32,000</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Acquisition of capital assets | (2,170,062) | (1,775,769) | (754,502) | (4,700,333) | - |
| Interest paid on long-term debt | (416,325) | (196,323) | (6,604) | (619,252) | - |
| Principal payments on long-term debt | (2,705,281) | (681,653) | (40,628) | (3,427,562) | - |
| Plant investment fees | 284,148 | 258,009 | - | 542,157 | - |
| Grant revenue | 179,374 | 1,382,930 | - | 1,562,304 | - |
| Proceeds from long-term debt | <u>2,040,000</u> | <u>234,919</u> | <u>338,865</u> | <u>2,613,784</u> | <u>-</u> |
| Net cash from capital and related financing activities | <u>(2,788,146)</u> | <u>(777,887)</u> | <u>(462,869)</u> | <u>(4,028,902)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Purchase of investments | (731,000) | (1,070,739) | (593,704) | (2,395,443) | (982,179) |
| Proceeds from sale of investments | 402,442 | 1,285,227 | 554,029 | 2,241,698 | 915,445 |
| Interest earned on investments | <u>73,633</u> | <u>187,014</u> | <u>65,412</u> | <u>326,059</u> | <u>79,509</u> |
| Net cash from investing activities | <u>(254,925)</u> | <u>401,502</u> | <u>25,737</u> | <u>172,314</u> | <u>12,775</u> |

(Continued)

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2009
(Continued)

| | <u>Business-Type Activities- Enterprise Funds</u> | | | | <u>Governmental Activity- Internal Service Fund</u> |
|--|---|------------------------|------------------------|----------------------|---|
| | <u>Water</u> | <u>Waste Water</u> | <u>Solid Waste</u> | <u>Total</u> | |
| Net change in cash and cash equivalents | 776,185 | 1,236,712 | 56,590 | 2,069,487 | 578,124 |
| Cash, beginning | <u>6,369,268</u> | <u>3,719,839</u> | <u>2,482,447</u> | <u>12,571,554</u> | <u>1,232,744</u> |
| Cash, ending | <u>\$ 7,145,453</u> | <u>\$ 4,956,551</u> | <u>\$ 2,539,037</u> | <u>\$ 14,641,041</u> | <u>\$ 1,810,868</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES: | | | | | |
| Income (loss) from operations | \$ 680,514 | \$ 389,898 | \$ (87,984) | \$ 982,428 | \$ 463,206 |
| Adjustments to reconcile income (loss) from operations to net cash from operating activities | | | | | |
| Depreciation | 1,759,254 | 792,209 | 221,871 | 2,773,334 | - |
| (Increase) decrease in accounts receivable | 1,563,788 | 533,722 | (40,061) | 2,057,449 | 16,880 |
| Increase (decrease) in accounts payable | (69,471) | - | 8,939 | (60,532) | 75,982 |
| (Decrease) in compensated absences payable | (2,668) | - | (4,163) | (6,831) | - |
| Increase in unearned income | 42,650 | - | - | 42,650 | - |
| Increase in landfill closure costs | - | - | 489,202 | 489,202 | - |
| Increase in benefit claims incurred but not reported payable | - | - | - | - | (22,719) |
| Net cash from operating activities | <u>\$ 3,974,067</u> | <u>\$ 1,715,829</u> | <u>\$ 587,804</u> | <u>\$ 6,277,700</u> | <u>\$ 533,349</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2009

| | <u>Cemetery Trust Fund</u> |
|--|--------------------------------|
| ASSETS | |
| Cash | \$ 7,988 |
| Interest receivable | 2,874 |
| Investments | <u>595,544</u> |
| Total Assets | <u>\$ 606,406</u> |
| LIABILITIES | |
| Accounts payable | <u>\$ -</u> |
| Total Liabilities | <u>-</u> |
| NET ASSETS | |
| Restricted for cemetery perpetual care | <u>606,406</u> |
| Total Net Assets | <u>606,406</u> |
| | <u>\$ 606,406</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2009

| | <u>Cemetery Trust Fund</u> |
|-------------------------------|--------------------------------|
| ADDITIONS: | |
| Revenue | |
| Cemetery lot sales | \$ 8,960 |
| Investment income | <u>30,689</u> |
| Total Additions | <u>39,649</u> |
| DEDUCTIONS: | |
| Operating expended | <u>46,772</u> |
| Total Deductions | <u>46,772</u> |
| Net decrease | (7,123) |
| Net assets- Beginning of Year | <u>613,529</u> |
| Net assets- End of Year | <u>\$ 606,406</u> |

See Accompanying Notes to the Basic Financial Statements.

CITY OF LARAMIE, WYOMING

NOTES TO BASIC FINANCIAL STATEMENTS
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CITY OF LARAMIE, WYOMING

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. The City has implemented the financial reporting requirements of GASB Statement Nos. 33 and 34.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government: City of Laramie

Discretely Presented Component Units: Downtown Development Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Discretely Presented Component Units

The discretely presented component unit is a separate legal entity that meets the component unit criteria described above but does not meet the criteria for blending. The component unit that is directly presented is described below:

The Downtown Development Authority created to administer funds collected for the purpose of the beautification of the downtown area of the City of Laramie. The Authority was funded by a mill levy for the downtown area and is subject to approval by the property owners in the business district. This levy was not renewed, however, the Authority has funds remaining to be used for the specific purpose of the Authority. The Downtown Development Authority's governing board was appointed by the City Council and the City maintains the books for the Authority, collected revenues and paid expenditures. This component unit is discretely presented in the financial statements. Separate financial statements are not issued.

NOTES TO BASIC FINANCIAL STATEMENTS

Blended Component Units

Currently, the City has no blended presented component units.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue

sources that are legally restricted to expenditures for certain purposes.

NOTES TO BASIC FINANCIAL STATEMENTS

Capital Project Funds

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following four Capital Project Funds.

Council Construction Fund is used to account for the design and construction of various city projects.

Parks and Recreation Development Fund is used to account for costs of acquiring land for and developing new parks and recreation facilities and the improvements to existing parks.

Special Purpose Tax Fund is used to account for the construction and improvements for the City projects in the 2001 Special Purpose Tax. The City projects are as follows: City Hall remodeling and boiler replacement, Community Recreation Center construction, furnishing and equipment, acquisition and construction enhancements of an indoor ice rink, acquisition and/or construction of an outdoor swimming pool, street and water line reconstruction, Historic Downtown Laramie streetscape and construction of the East Side water tank project.

West Laramie Capital Projects Fund is used to account for the remaining funds from a Special Assessments District and is to be used for capital improvements within the district.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the City other than debt service payments made by enterprise funds.

Proprietary Fund

Enterprise Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Waterworks and Waste Water Utilities Fund and the Solid Waste Fund.

Internal Service Fund

The Internal Service Fund is used to account for the financing of employee health insurance.

NOTES TO BASIC FINANCIAL STATEMENTS

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trust or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The City's fiduciary fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of third parties and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide financial statements. The City's fiduciary fund is the Cemetery Perpetual Care Fund, which is a private purpose trust fund for the benefit of the cemetery users. The fund is used to report cemetery lot sales and related expenses associated with the cemetery lots and lot development.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

| <u>Fund</u> | <u>Brief Description</u> |
|---|--|
| Major Funds: | |
| General | See above description |
| Capital Projects: | |
| Special Purpose Tax Fund | See above description |
| Debt Service Fund: | |
| Wyoming Territorial Prison Debt Service Fund | Accounts for the accumulation of resources for, and the payment of, general long-term debt, interest and related costs. |
| Proprietary: | |
| Waterworks and Waste Water | Accounts for revenue and expenditures of providing water and sewer services on a user charge basis to the general public. |
| Solid Waste Fund | Accounts for revenue and expenditures of providing refuse collection and disposal services on a user charge basis to the general public. |
| Nonmajor Funds: | |
| Capital Projects Fund: | |

Council Construction Fund See above description
Parks and Recreation

NOTES TO BASIC FINANCIAL STATEMENTS

Development Fund See above description

West Laramie Capital
Projects See above description

Proprietary Funds:
Solid Waste Fund

Accounts for revenue and expenditures of providing refuse collection and disposal services on a user charge basis to the general public

Internal Service Fund See above description

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2 below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
3. Fiduciary funds are being reported using the economic resources measurement focus method.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of

NOTES TO BASIC FINANCIAL STATEMENTS

accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Major revenue sources accrued generally consist of property taxes, sales and use taxes and grants. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 3.A.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note 3.H. for details of interfund transactions, including receivables and payables at year-end.

NOTES TO BASIC FINANCIAL STATEMENTS

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Capital Assets

The accounting treatment over property, plant, and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three years.

Government-wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

– Buildings 25–40 years

- Improvements 10–40 years
- Machinery and Equipment 5–20 years

NOTES TO BASIC FINANCIAL STATEMENTS

- Utility System 25–40 years
- Infrastructure 20–40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the Special Purpose Tax Fund that are legally restricted as to their use. The restricted assets are related to proceeds from the issuance of long-term debt that are restricted for capital construction projects and capital facilities sales tax funds restricted for the purchase and/or repayment of debt associated with the construction.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and a court-assessed judgment.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City’s policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources as they are considered matured, while the proprietary funds report the liability as it is incurred.

Deferred Revenue

Deferred revenues arise when potential revenue does not meet both the measurable and

NOTES TO BASIC FINANCIAL STATEMENTS

available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed and the revenue is recognized.

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements. See Note 3.H. for additional disclosures.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

Sales Tax

The City presently levies a four-cent sales tax on taxable sales within the City. The sales tax is collected by the Wyoming Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by vendors. The sales tax is recorded entirely in the General Fund. Sales taxes collected by the State in June and July (which represent sales for May and June) and received by the City in July and August have been accrued and are included under the caption “Due from other governments.”

Use Tax

The City levies a four-cent use tax on personal property purchased outside the city limits

NOTES TO BASIC FINANCIAL STATEMENTS

but stored, used, or consumed within the city. The use tax is collected by the Wyoming Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue, which is one month after the tax is received from the vendors. The use taxes are allocated entirely to the General Fund. Use taxes collected by the State in June and July and received by the City in July and August are included under the caption "Due from other governments."

Specific Purpose Tax

On August 1, 2002, the residents of Albany County approved a 1% specific purpose tax to fund several capital projects for Albany County, the City of Laramie and the Town of Rock River. The tax is in the form of sales and use tax and is collected by the Wyoming Department of Revenue and remitted to the Albany County Treasurer who in turn distributes the funds to the participating organizations in proportion to their participation in the projects. A joint powers board was formed to administer to funds and finance the projects. Upon collection of the \$41,601,181 approved by the voters, the tax will lapse which is projected to be fulfilled during the fiscal year ended June 30, 2011.

Property Tax

Property taxes are levied in the first week of August of each year and are collectible in two installments. Installments are due on September 1 and March 1 and are collectible on November 10 and May 10. If the first installment is made after November 10, the entire amount is due by December 31. Property taxes attach an enforceable lien on the property if the payment is not made by November 10 and May 10.

The City can request a tax not in excess of eight mills plus an additional amount (currently 0.75 mil) for the extinguishment of general obligation debt in any one year for the purpose of paying the costs incurred in performing the governmental functions essential to the convenience, safety and happiness of the citizens.

The Office of the Albany County Treasurer bills and collects the property taxes and remits to the City its portion. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. For the amount of any additional property taxes receivable after the 60-day period, an additional accrual is made in the government-wide financial statements.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both

NOTES TO BASIC FINANCIAL STATEMENTS

| | |
|---|------------|
| Expenditures | |
| General Fund | |
| Decrease in administrative services expenditures | \$ (1,204) |
| Increase in other general government expenditures | 66,578 |
| Increase in judicial expenditures | 626 |
| Increase in police expenditures | 90,964 |
| Increase in fire department expenditures | 248,000 |
| Increase in highway and streets expenditures | 79,279 |

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the City’s compliance with significant laws and regulations and demonstration of its stewardship over the City include the following:

2.A. FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

| <u>Fund</u> | <u>Required By</u> |
|--|--------------------|
| Cemetery Trust Fund | State Law |
| Wyoming Territorial Prison Debt Service Fund | Loan Agreement |
| Specific Purpose Tax Fund | Trust Indenture |

2.B. COMPLIANCE WITH FINANCE RELATED AND LEGAL CONTRACTUAL PROVISIONS

The City has no material violations of finance related legal contractual provisions.

2.C EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The City has no material excess of expenditures over appropriations in individual funds.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

3.A CASH AND INVESTMENTS

Effective July 1, 2004 the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures. This statement establishes financial reporting standards for all state and local governments pertaining to the presentation and disclosure requirement of deposits and investment risks related to credit risk, inherent rate risk and foreign currency risk. Adoption of this accounting standard had no impact on total net assets.

NOTES TO BASIC FINANCIAL STATEMENTS

Wyoming Statute 9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to do business in the state of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities in which the State Treasurer may by law invest in. Alternatively, a depository may pledge to deposits with conventional real estate mortgages and loans connected with mortgages at a ratio of one and one half (1 ½ :1) of the value of public funds secured by the securities.

The City investment policy specifies that internally invested funds may be invested in a combination of fixed-income, minimal risk instruments and money market funds. Investment goals for internally invested funds are designed to achieve a return to provide income, protect assets from risk and maintain liquidity to meet spending requirements. Investments are limited to collateralized bank certificates of deposits, money market funds or federally guaranteed or insured securities. Custodial services are utilized to safeguard the assets and provide monthly reports.

Deposits

At June 30, 2009, the carrying amount of the City's demand deposits in financial institutions was \$40,601,955. The demand deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the City. All deposits qualified were held by a qualified depository as outlined in the state statutes.

At June 30, 2009, the City had \$4,676,897 on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

Investments

As of June 30, 2009, the City had investments with weighted average maturities as shown in the following table:

| Investment Type | Carrying Amount | Fair Value | Weighted Average Maturity in Years |
|--|-----------------|---------------|------------------------------------|
| Federal Home Loan Mortgage Corporation | \$ 2,395,000 | \$ 2,378,808 | 4.64 |
| Federal National Mortgage Association | 1,808,000 | 1,798,349 | 7.72 |
| Federal Farm Credit Bank | 424,421 | 421,087 | 17.65 |
| Government National Mortgage Association | 525,884 | 557,362 | 24.79 |
| U.S. Treasury Strips | 8,554,700 | 8,554,700 | 5.38 |
| Federal Home Loan Bank | 1,965,000 | 2,001,288 | 3.89 |
| Certificates of deposit | 3,607,184 | 3,607,184 | 0.51 |
| State of Wyoming Investment Pool | 4,676,897 | 4,676,897 | |
| Money Market | 41,798 | 41,798 | |
| Total | \$ 23,998,884 | \$ 24,037,473 | |

NOTES TO BASIC FINANCIAL STATEMENTS

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio ongoing basis for changes in effective yields amounts.

Within the U.S. Government Agency Securities Discount Notes category are Federal Home Loan, Fannie Mae securities and GNMA securities that are highly sensitive to changes in interest rates. The City does not have a formal policy for interest rate risk. However, the risk is mitigated by the review the portfolio ongoing basis for changes in effective yields amounts.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The table below shows quality ratings and insured status of investments that are not rated:

| | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Federal Home Loan Mortgage Corporation | \$ 2,378,808 | \$ 2,378,808 | \$ - | \$ - |
| Federal National Mortgage Association | 1,798,349 | 1,798,349 | - | - |
| Federal Farm Credit Bank | 421,087 | 421,087 | - | - |
| Government National Mortgage Association | 557,362 | - | 557,362 | - |
| U.S. Treasury Strips | 8,554,700 | 8,554,700 | - | - |
| Federal Home Loan Bank | 2,001,288 | 2,001,288 | - | - |
| Certificates of Deposit | 3,607,184 | - | - | 3,607,184 |
| State of Wyoming Investment Pool | 4,676,897 | - | - | 4,676,897 |
| Money Market | 41,798 | - | - | 41,798 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>\$ 24,037,473</u> | <u>\$ 15,154,232</u> | <u>\$ 557,362</u> | <u>\$ 8,325,879</u> |

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in possession of an outside party. The City does not have a formal policy for custodial credit risk. Investments are held in safekeeping by external custodians in the City's name.

NOTES TO BASIC FINANCIAL STATEMENTS

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Concentration of risk is not addressed in the internal investment policy. At June 30, 2009, the City held securities from the following issuers in excess of 5% of the total portfolio:

| | |
|---------------------------------------|----------------------|
| Federal National Mortgage Association | 1,798,349 |
| U.S. Treasury | 8,554,700 |
| Federal Home Loan Bank | 2,001,288 |
| US Bank- Certificates of Deposit | <u>2,230,951</u> |
| Total | <u>\$ 16,964,096</u> |

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or a deposit. The City's policy is not to invest in

foreign current which mitigates their exposure to foreign currency risk.

3.B. RESTRICTED ASSETS

The amounts reported as restricted assets or cash, investments and accrued interest are held by the trustee on behalf of the City. These amounts are restricted for use in the construction and financing of projects approved by the voters of the City of Laramie and Albany County. There is an additional amount restricted as an "endowment" fund for the recreation center operations. The restricted net assets as of June 30, 2009 are as follows:

| <u>Fund</u> | <u>Amount</u> |
|--|--------------------------|
| Recreation Center Fund | \$ 2,291,361 |
| General fund | 273,344 |
| Emergency 911 Fund | 717,693 |
| City Council Construction Fund | 5,857,889 |
| Parks and Recreation Construction Fund | 273,725 |
| West Laramie Construction Fund | 105,663 |
| Specific Purpose Tax Fund | 8,976,057 |
| Water Fund | 317,287 |
| Wyoming Territorial Prison Debt Service Fund | <u>8,554,700</u> |
| Total restricted net assets | <u>\$ 27,367,719</u> |

3.C. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consists of utilities receivable. Accounts

NOTES TO BASIC FINANCIAL STATEMENTS

receivable of the governmental activities consists of franchise taxes, property taxes, sales taxes, use taxes, state grants, federal grants and other miscellaneous receivables. The allowance for doubtful accounts for the business-type activities and governmental activities is \$-0- as of June 30, 2009.

3.D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

| | Balance at June 30, 2008 | Additions | Disposals | Balance at June 30, 2009 |
|--|-----------------------------|---------------------|---------------------|-----------------------------|
| Governmental activities: | | | | |
| Non-depreciable assets | | | | |
| Land | \$ 1,266,693 | \$ 345,485 | \$ - | \$ 1,612,178 |
| Construction in progress | 446,295 | 1,660,008 | 332,988 | 1,773,315 |
| Depreciable assets | | | | |
| Buildings | 25,418,155 | 4,260,611 | - | 29,678,766 |
| Infrastructure | 46,931,152 | 3,262,048 | - | 50,193,200 |
| Improvements | 3,624,183 | 356,439 | - | 3,980,622 |
| Furniture and equipment | 10,039,194 | 2,350,511 | 339,895 | 12,049,810 |
| Total at historical cost | 87,725,672 | 12,235,102 | 672,883 | 99,287,891 |
| Less accumulated depreciation | | | | |
| Buildings | (5,505,981) | (620,486) | - | (6,126,467) |
| Infrastructure | (20,349,717) | (1,326,433) | - | (21,676,150) |
| Improvements | (820,426) | (182,649) | - | (1,003,075) |
| Furniture and equipment | (6,430,341) | (1,284,504) | (342,174) | (7,372,671) |
| Total accumulated depreciation | (33,106,465) | (3,414,072) | (342,174) | (36,178,363) |
| Governmental activities capital assets, net | <u>\$ 54,619,207</u> | <u>\$ 8,821,030</u> | <u>\$ 330,709</u> | <u>\$ 63,109,528</u> |
| Business-type activities: | | | | |
| Non-depreciable assets | | | | |
| Land | \$ 3,358,066 | \$ - | \$ - | \$ 3,358,066 |
| Water rights | 87,685 | - | - | 87,685 |
| Construction in progress | 1,250,083 | 539,708 | 1,200,667 | 589,124 |
| Depreciable assets | | | | |
| Buildings | 30,752,408 | 1,261,648 | 1,569,753 | 30,444,303 |
| Infrastructure | - | 1,476,603 | - | 1,476,603 |
| Improvements | 61,274,133 | 3,575,265 | 1,818,451 | 63,030,947 |
| Furniture and equipment | 9,010,097 | 794,770 | 246,154 | 9,558,713 |
| Total at historical cost | 105,732,472 | 7,647,994 | 4,835,025 | 108,545,441 |
| Less accumulated depreciation | | | | |
| Buildings | (14,724,211) | (611,942) | (1,026,388) | (14,309,765) |
| Infrastructure | - | (18,457) | - | (18,457) |
| Improvements | (19,284,828) | (1,453,291) | (57,655) | (20,680,464) |
| Furniture and equipment | (5,063,369) | (692,644) | (246,154) | (5,509,859) |
| Total accumulated depreciation | (39,072,408) | (2,776,334) | (1,330,197) | (40,518,545) |
| Business-type activities capital assets, net | <u>\$ 66,660,064</u> | <u>\$ 4,871,660</u> | <u>\$ 3,504,828</u> | <u>\$ 68,026,896</u> |

NOTES TO BASIC FINANCIAL STATEMENTS

Depreciation expense was charged to governmental activities as follows:

| | |
|-------------------------------------|--------------|
| General government: | |
| Administrative services | \$ 50,375 |
| Other general government | 179,732 |
| Public safety: | |
| Police | 538,527 |
| Fire | 330,061 |
| Engineering and code administration | 8,721 |
| Health and welfare: | |
| Animal control | 17,238 |
| Mosquito control | 12,954 |
| Culture and recreation: | |
| Parks | 276,743 |
| Recreation | 417,686 |
| Cemetery | 22,652 |
| Highways and streets | 1,559,383 |
| Total depreciation expense | \$ 3,414,072 |

3.E. ACCOUNTS PAYABLE

Payables in the general fund and nonmajor governmental funds are composed of payables to vendors and accrued salaries and benefits. Payables of the Enterprise Funds are composed of payables to vendors and accrued salaries and benefits.

3.F. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. The liability for compensated absences has historically been paid for by the fund which incurred the liability for the compensated absences.

The following is a summary of changes in long-term debt obligations of the City at June 30, 2009:

| | Long-term Obligations at June 30, 2008 | Additions | Deletions | Long-term Obligations at June 30, 2009 | Due Within One Year |
|---------------------------------|--|-----------|-----------|--|------------------------|
| <u>Governmental Activities:</u> | | | | | |
| Loans Payable: | | | | | |
| WTP note payable | \$ 10,000,000 | \$ - | \$ - | \$ 10,000,000 | \$ - |
| Pension buy out | 140,074 | - | 31,707 | 108,367 | 33,809 |
| Capital Leases: | | | | | |
| Animal shelter building | 403,053 | - | 93,814 | 309,239 | 98,254 |
| Road grader | 72,964 | - | 72,964 | - | - |
| Zamboni | 21,944 | - | 21,944 | - | - |
| Street sweeper | 102,261 | - | 50,101 | 52,160 | 52,160 |
| Police cars | 686,679 | - | 161,512 | 525,167 | 168,103 |
| Road grader II | 149,346 | - | 97,983 | 51,363 | 51,363 |

(Continued)

NOTES TO BASIC FINANCIAL STATEMENTS

| | Long-term Obligations at June 30, 2008 | Additions | Deletions | Long-term Obligations at June 30, 2009 | Due Within One Year |
|---------------------------------|--|---------------------|---------------------|--|------------------------|
| Governmental Activities: | | | | | |
| Two dump trucks | - | 206,530 | 68,857 | 137,673 | 67,662 |
| E911 consoles | - | 794,375 | 76,682 | 717,693 | 150,051 |
| WAM Energy lease | 35,000 | - | 6,250 | 28,750 | 5,000 |
| Street sweeper II | 119,515 | - | 38,001 | 81,514 | 39,813 |
| City Hall remodel | 549,423 | - | 114,636 | 434,787 | 119,069 |
| Recreation Center construction | 5,455,816 | - | 1,138,550 | 4,317,266 | 1,182,583 |
| Ice Rink construction | 659,188 | - | 137,563 | 521,625 | 142,883 |
| East Side tank construction | 3,073,463 | - | 641,388 | 2,432,075 | 666,193 |
| Other long-term debt | | | | | |
| Compensated absences | 759,878 | 791,858 | 722,623 | 829,113 | 829,113 |
| | <u>\$ 22,228,604</u> | <u>\$ 1,792,763</u> | <u>\$ 3,474,575</u> | <u>\$ 20,546,792</u> | <u>\$ 3,606,056</u> |

| | Long-term Obligations at June 30, 2008 | Additions | Deletions | Long-term Obligations at June 30, 2009 | Due Within One Year |
|--|--|---------------------|---------------------|--|------------------------|
| Business-Type Activities: | | | | | |
| Revenue Bonds: | | | | | |
| Water refunding bonds | \$ 2,850,000 | \$ - | \$ 265,000 | \$ 2,585,000 | \$ 275,000 |
| Water refunding bonds | - | 2,040,000 | - | 2,040,000 | 115,000 |
| Loans Payable: | | | | | |
| WWDC Spur Well loan | 757,675 | - | 45,569 | 712,106 | 47,392 |
| WWDC Water projects loan | 1,438,747 | - | 80,234 | 1,358,513 | 82,240 |
| WWDC Soldier Springs Well loan | 533,886 | - | 35,531 | 498,355 | 36,952 |
| WWDC Laramie North | 1,760,796 | - | 1,760,796 | - | - |
| WSLIB Main Lift Station Project | 524,682 | 234,918 | - | 759,600 | 29,839 |
| WSLIB Wastewater Treatment Facility loan | 7,181,354 | - | 640,999 | 6,540,355 | 657,024 |
| WSLIB Wastewater Treatment Facility loan | 671,574 | - | 40,655 | 630,919 | 41,671 |
| Capital Leases: | | | | | |
| Water meter replacement | 1,020,924 | - | 500,479 | 520,445 | 520,445 |
| Tractor lease | 17,674 | - | 17,674 | - | - |
| Landfill dozer and ripper | - | 338,865 | 40,628 | 298,237 | 80,882 |
| Other long-term debt | | | | | |
| Landfill closure and post closure costs payable | 1,447,364 | 489,202 | - | 1,936,566 | - |
| Compensated absences | 178,861 | 165,852 | 172,682 | 172,031 | 172,031 |
| | <u>\$ 18,383,537</u> | <u>\$ 3,268,837</u> | <u>\$ 3,600,247</u> | <u>\$ 18,052,127</u> | <u>\$ 2,058,476</u> |

NOTES TO BASIC FINANCIAL STATEMENTS

Governmental Activities:

As of June 30, 2009, the governmental long-term debt of the financial reporting entity consisted of the following:

LOANS:

| | |
|---|---------------|
| A note payable to the Investment Fund Committee of the State of Wyoming, interest only payable at 1.5% interest through December 1, 2014 when total principal and remaining accrued interest are due. U.S. securities and a portion of 1% sales tax are collateral for this loan. | \$ 10,000,000 |
|---|---------------|

| | |
|---|---------|
| A note payable to the State of Wyoming Retirement System, due in annual installments of \$40,991, including interest at 6.6275% though July 1, 2011, unsecured. | 108,367 |
|---|---------|

CAPITAL LEASES:

| | |
|---|---------|
| Capital lease payable , due in semi-annual installments of \$93,819, including interest at 4.04% to March 2012, collateralized by equipment with an aggregate carrying value of \$619,375 | 525,167 |
|---|---------|

| | |
|---|--------|
| Capital lease payable to WAM, due in semi-annual installments of \$2,500, at zero interest to June 2016, unsecured. | 28,750 |
|---|--------|

| | |
|---|---------|
| Note payable to Security First Bank, due in annual installments of \$87,586, including interest at 3.10% to 4.25%, secured by radios and equipment with a carrying value of \$635,500 | 717,693 |
|---|---------|

| | |
|---|---------|
| Capital lease payable to the Albany County Improvements Statutory Trust, due in semi-annual variable installments ranging from \$64,420 to \$68,584, including variable interest ranging from 3.00% to 4.00%, to July 2012, secured by real estate with an aggregate carrying value of \$2,160,557. | 521,625 |
|---|---------|

| | |
|--|-----------|
| Capital lease payable to the Albany County Improvements Statutory Trust, due in semi-annual variable installments ranging from \$639,911 to \$682,382, including variable interest ranging from 3.00% to 4.00%, to July 2012, secured by real estate recreation center with an aggregate carrying value of \$11,981,239. | 4,317,266 |
|--|-----------|

| | |
|--|---------|
| Capital lease payable to the Albany County Improvements Statutory Trust, due in semi-annual variable installments ranging from \$81,139 to \$164,746, including variable interest ranging from 3.00% to 4.00%, to July 2012, secured by real estate with an aggregate carrying value of \$1,099,795. | 434,787 |
|--|---------|

| | |
|--|-----------|
| Capital lease payable to the Albany County Improvements Statutory Trust, due in semi-annual variable installments ranging from \$360,429 to \$384,400, including variable interest ranging from 3.00% to 4.00%, to July 2012, secured by real estate and water tank project with a carrying value of \$10,408,663. | 2,432,075 |
|--|-----------|

NOTES TO BASIC FINANCIAL STATEMENTS

| | |
|--|--|
| Capital lease payable, due in annual installments of \$54,304, including interest at 4.11% to August, 2009, collateralized by equipment with an aggregate carrying \$133,190. | 52,160 |
| Capital lease payable, due in semi-annual variable installments ranging from \$56,079 to \$56,854, including interest at 5.15% to June, 2012 collateralized by a building with an aggregate carrying value of \$535,376. | 309,239 |
| Capital lease payable, due in semi-annual installments of \$53,745, including interest at 4.36% to July, 2010, collateralized by equipment with an aggregate carrying \$156,629. | 51,363 |
| Capital lease payable, due in annual installments of \$43,452, including interest at 4.13% to September, 2010, collateralized by equipment with an aggregate carrying \$168,076. | 81,514 |
| Capital lease payable, due in annual installments ranging from \$73,887 to \$72,649 including interest at 3.62% to May, 2011, collateralized by equipment with an aggregate carrying \$196,204. | <div style="border-top: 1px solid black; display: inline-block; width: 100%;">137,673</div> |
| Total Governmental Activity Debt | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 19,717,679</div> |

Business-type Activities:

As of June 30, 2009, the governmental long-term debt of the financial reporting entity consisted of the following:

BONDS:

| | |
|--|--------------|
| A series of refunding water bonds, due in annual installments through December 1, 2015 with semi-annual interest payments at 2.70% to 4.65%. These bonds are callable after December 1, 2009. Secured by revenues generated by the Municipal Water System. | \$ 2,585,000 |
|--|--------------|

| | |
|--|-----------|
| A series of refunding water bonds, due in annual installments through December 1, 2017 with semi-annual interest payments at 2.90% to 4.30%. These bonds are callable after December 1, 2009. Secured by revenues generated by the Municipal Water System. | 2,040,000 |
|--|-----------|

LOANS:

| | |
|---|-----------|
| Note payable to the State of Wyoming, Wyoming Water Development Commission due in annual installments from \$150,256 to \$116,203 including interest at 2.5% secured by revenues generated by the Municipal Water System. | 1,358,513 |
|---|-----------|

| | |
|---|---------|
| Note payable to the State of Wyoming, Wyoming Water Development Commission due in annual installments of \$75,873 including interest at 4.0% secured by revenues generated by the Municipal Water System. | 712,106 |
|---|---------|

NOTES TO BASIC FINANCIAL STATEMENTS

| | |
|---|----------------------|
| Development Commission due in annual installments of \$56,887 including interest at 4.0% secured by revenues generated by the Municipal Water System. | 498,355 |
| Note payable to Sun Trust Leasing Corporation, due in annual installments of \$541,213, including interest at 3.99% secured by equipment with a carrying value of \$2,025,661. | 520,445 |
| Note payable to the Wyoming State Land and Investment Board, due in annual installments of \$913,741, including interest at 4.0%, secured by revenues generated by the Wastewater Treatment Facility. | 6,540,355 |
| Note payable to the Wyoming State Land and Investment Board, due in annual installments of \$48,569, including interest at 2.50%, secured by revenues generated by the Wastewater Treatment Facility. | 759,600 |
| Note payable to Wyoming Bank & Trust due in semi-annual installments of \$46,214 including interest at 4.15% to December 2012, secured by equipment with a carrying value of \$304,979 | 298,237 |
| Note payable to the Wyoming State Land and Investment Board, due in annual installments of \$66,224, including interest at 4.0%, secured by revenues generated by the Wastewater Treatment Facility. | <u>630,919</u> |
| Total Business-Type Activity Debt | <u>\$ 15,943,530</u> |

Annual Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2009, excluding obligations associated with compensated absences and Landfill Closure and Post-closure costs are as follows:

| | Governmental Activities | | Business-Type Activities | | Government-Wide | |
|-----------|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 2,776,943 | \$ 515,574 | \$ 1,886,445 | \$ 505,393 | \$ 4,663,388 | \$ 1,020,967 |
| 2011 | 2,778,840 | 403,811 | 1,388,026 | 440,762 | 4,166,866 | 844,573 |
| 2012 | 2,720,850 | 290,409 | 1,430,832 | 397,320 | 4,151,682 | 687,729 |
| 2013 | 1,346,533 | 182,263 | 1,413,233 | 352,130 | 2,759,766 | 534,393 |
| 2014 | 90,763 | 151,822 | 1,418,569 | 308,043 | 1,509,332 | 459,865 |
| 2015-2019 | 10,003,750 | 75,000 | 6,481,576 | 823,179 | 16,485,326 | 898,179 |
| 2020-2024 | - | - | 1,698,985 | 191,182 | 1,698,985 | 191,182 |
| 2025-2026 | - | - | 225,864 | 16,979 | 225,864 | 16,979 |
| | <u>\$ 19,717,679</u> | <u>\$ 1,618,879</u> | <u>\$ 15,943,530</u> | <u>\$ 3,034,988</u> | <u>\$ 35,661,209</u> | <u>\$ 4,653,867</u> |

NOTES TO BASIC FINANCIAL STATEMENTS

3.G. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws require the City of Laramie to place a final cover on its municipal landfill site when it stops accepting waste and to perform certain monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,936,566 reported as landfill closure and postclosure care liability at June 30, 2009 represents the cumulative amount reported to date based on 52.26 percent of the estimated usage of the landfill. The City will recognize the remaining estimated costs of closure and postclosure care of \$3,705,445 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. The City expects to close the landfill in the year 2034. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

3.H. INTERFUND TRANSACTIONS AND BALANCES

The City transfers amounts between funds to pay for operating expenses. The transfers are budgeted for by the City Council to supplement the operating costs for the respective funds for matching funds required by capital grants.

The transfers for the year ended June 30, 2009 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| General Fund: | | |
| Capital Projects Funds | | |
| Recreation Center Fund | \$ - | \$ 157,316 |
| Council Counstruction Fund | - | 2,749,548 |
| Parks and Recreation Construction Fund | - | 45,000 |
| Specific Purpose Tax Fund | 896,000 | - |
| Internal Service Funds | | |
| Health Insurance Trust | - | 32,000 |
| Enterprise Funds | | |
| Water | 187,108 | - |
| Waste Water | 102,732 | - |
| Solid Waste | 94,082 | - |
| Total General Fund | 1,279,922 | 2,983,864 |
| Recreation Center Fund | | |
| Specific Purpose Tax Fund | 13,947 | |
| General Fund | 157,316 | - |
| Total Recreation Center Fund | 171,263 | - |
| West Laramie Construction Fund | | |
| Council Counstruction Fund | - | 400,000 |

NOTES TO BASIC FINANCIAL STATEMENTS

| | | |
|--|---------------------|---------------------|
| Specific Purpose Tax Fund | | |
| Recreation Center Fund | - | 13,947 |
| Council Construction Fund | - | 215,890 |
| General Fund | - | 896,000 |
| Total Council Construction Fund | <u>-</u> | <u>1,125,837</u> |
| Council Construction Fund | | |
| West Laramie Construction Fund | 400,000 | - |
| Specific Purpose Tax Fund | 215,890 | - |
| General Fund | <u>2,749,548</u> | <u>-</u> |
| Total Council Construction Fund | <u>3,365,438</u> | <u>-</u> |
| Parks and Recreation Construction Fund | | |
| General Fund | <u>45,000</u> | <u>-</u> |
| Health Insurance Trust | | |
| General Fund | <u>32,000</u> | <u>-</u> |
| Water Fund | | |
| General Fund | <u>-</u> | <u>187,108</u> |
| Total Water Fund | <u>-</u> | <u>187,108</u> |
| Waste Water Fund | | |
| General Fund | <u>-</u> | <u>102,732</u> |
| Solid Waste Fund | | |
| General Fund | <u>-</u> | <u>94,082</u> |
| Grand Totals | <u>\$ 4,893,623</u> | <u>\$ 4,893,623</u> |

Interfund loan amounts are temporary in nature and are repaid by the respective funds on a current basis.

As of June 30, 2009 there were no interfund loan balances.

NOTES TO BASIC FINANCIAL STATEMENTS

3.I. FUND EQUITY

The summary of fund balance designations and reserves at June 30, 2009 are as follows:

| | |
|--|----------------------|
| Reserved for Capital Projects | |
| General fund | \$ 273,344 |
| City Council Construction Fund | 5,857,889 |
| Parks and Recreation Construction Fund | 273,725 |
| Water Fund | 317,267 |
| West Laramie Development Fund | 105,663 |
| Total Restricted for Capital Projects | <u>\$ 6,827,888</u> |
| | |
| Reserved for Debt Service | |
| Wyoming Territorial Prison Debt Service Fund | \$ 8,554,700 |
| Specific Purpose Tax Fund | 8,976,057 |
| Emergency 911 Fund | 717,693 |
| Total reserved for debt service | <u>\$ 18,248,450</u> |
| | |
| Endowment Reserves | |
| Recreation Center Fund | <u>\$ 2,230,951</u> |
| | |
| Reserved for recreation scholarships | |
| Recreation Center Fund | <u>\$ 60,410</u> |

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION PLANS

Wyoming Retirement System

All City full-time or regular part-time employees, other than policemen and firemen, participate in the Wyoming Retirement System ("System"), a cost sharing multiple-employer defined benefits pension plan. The payroll for employees covered by the System for the year ended June 30, 2009 was \$7,419,824; the City's total payroll was \$15,175,793.

All City full-time or regular part-time employees, other than policemen and firemen, are eligible to participate in the System. Employees who retire at or after age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained age 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The System also provides death and disability

benefits. Benefits are established by State statutes.

NOTES TO BASIC FINANCIAL STATEMENTS

The System statutorily requires 11.25% of the covered employees' salary to be contributed to the plan, of which 2.50% is paid by the employee and the remaining 8.75% is paid by the City. The contribution requirement for the year ended June 30, 2009 was \$854,039 which consisted of \$209,239 from employees and \$644,800 from the City. 100% of the required amount was contributed for the year ended June 30, 2009. The required contribution amount of \$768,236 for June 30, 2008 and \$727,459 for June 30, 2007 were also 100% contributed for the two prior years, respectively.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2008 annual financial report for the periods for which the information is available.

Paid Fireman's Pension Fund

All full-time paid employees of the Fire Department participate in the Paid Fireman's Pension Fund ("Fund"), a cost sharing multiple-employer defined benefit pension plan which is part of the Wyoming Retirement System. Within the Paid Fireman's Pension Fund, there are two funds, Plan A and Plan B. Plan A is for those employees employed prior to July 1, 1981 and Plan B is for those employees employed after June 30, 1981. The payroll for employees covered by Plan A was \$205,129 and Plan B was \$2,716,684 for the year ended June 30, 2009; the City's total payroll was \$15,175,793.

All City full-time employees of the Fire Department are eligible to participate in the Fund. Under Plan A, to qualify for normal retirement benefits at any age, at 50 percent of the maximum salary of a Fireman First Class, a paid fireman must have 20 years of credited service in a regularly constituted fire department. After July 1, 1981, a fireman who works beyond 20 years will receive additional benefits at the rate of 1 percent per year to a maximum of 60 percent of a fireman first class salary. The retirement benefit will be increased or decreased proportionally as the active firemen's first class salary is increased or decreased. Under Plan B, to qualify for a service pension, a fireman must have 10 years of service credit and must be at least 55 years old. A fireman may take an early retirement, with 10 years of service credit, at age 50 but the allowance will be actuarially reduced. To qualify for full retirement at age 55, at 60 percent of the final average salary, a fireman must work 32 ½ years. A maximum of 4% non-compounded, annual increase, not to exceed the consumer price index, may be granted to all retirees that have been retired for at least 12 months and are 55 years old. The Fund also provides death and disability benefits. Benefits are established by State statute.

Plan A was actuarially determined to be fully funded in April, 1997. No further contributions to this fund are required. Plan B statutorily requires 18% of the covered employees' salary to be contributed to the Plan, of which 1% is paid by the employee and the remaining 17% is paid by the City. The contribution requirement for the year ended June 30, 2009 was \$587,498, which consisted of \$96,408 from employees and \$491,090 from the City. 100% of the required amount was contributed for the year ended June 30, 2009. The required contribution amounts of \$451,379 for June 30, 2008 and \$422,354 for June 30, 2007 were also contributed for the two prior years, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS

Actuarial valuations are performed annually with the most recent valuation date of January 1, 2008. The Entry Age Normal Actuarial Cost Method is used by the plan for determining the plan obligation. For valuing the Plan Assets, the Plan uses adjusted market value that immediately recognizes interest and dividends. The procedure recognizes 20% of each plan year's total appreciation (depreciation) in excess of the expected return on market value. After five years, the appreciation (depreciation) is fully recognized. Historical trend information showing the Fund's progress in accumulating sufficient assets to pay benefits when due, including actuarial valuation information is presented in the Wyoming Retirement System's December 31, 2008 annual financial report for the periods for which the information is available.

State of Wyoming Police Pension Fund

Plan Description: The City of Laramie contributes to the State of Wyoming Police Pension Fund ("Fund"), an agent multiple-employer public employee retirement fund that acts as a common investment and administrative agent for several cities in the State. All City policemen are eligible to participate in the Fund. Benefits vest after 10 years of service. Any police officer who retires at age 60 or with 20 years of credited service is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of their average salary during their highest paid five year period multiplied by the number of years of service (up to a maximum of 62.5 percent). The Fund also provides death and disability benefits to participating employees. Benefit provisions and all other requirements are established by state statute. Actuarial valuations are performed annually with the most recent valuation date of January 1, 2008. The Entry Age Normal Actuarial Cost Method is used by the plan for determining the plan obligation. For valuing the Plan Assets, the Plan uses adjusted market value that immediately recognizes interest and dividends. The procedure recognizes 20% of each plan year's total appreciation (depreciation) in excess of the expected return on market value. After five years, the appreciation (depreciation) is fully recognized. The state of Wyoming Retirement System audit report is available by contacting the Wyoming Retirement System at 6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002 or at the website at <http://retirement.state.wy.us>. The report includes historical trend information.

Funding Policy: The Fund statutorily requires 17.36% of the covered employees' salary to be contributed to the fund, of which 6.00% is paid by the employee and the remaining 11.36% is paid by the City. The contribution requirement for the year ended June 30, 2009 was \$591,654, which consisted of \$195,739 from employees and \$395,915 from the City. The required contribution amounts of \$578,846 for June 30, 2008 and \$555,328 for June 30, 2007, were also contributed for the two prior years.

4.B RISK MANAGEMENT- CLAIMS AND JUDGEMENTS

Self-Insured Health Plan

Description

The City's risk management activities are recorded in the Employers Plan Services (EPS) fund. The purpose of this fund is to administer employee health insurance.

NOTES TO BASIC FINANCIAL STATEMENTS

This fund accounts for the financing activities of the City but does not constitute a transfer of risk from the City. An excess coverage insurance policy covers individual claims in excess of \$85,000 for each insured during the policy year.

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government covers commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Claims Liabilities

The City records an estimated liability for health care claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the City from July 1, 2006 to June 30, 2009:

| | |
|--|---------------------|
| Liability balance, June 30, 2006 | \$ 278,314 |
| Claims and changes in estimates | 2,112,050 |
| Claims payments | <u>(2,080,948)</u> |
| Liability balance, June 30, 2007 | 309,416 |
| Claims and changes in estimates | 2,064,584 |
| Claims payments | <u>(2,022,144)</u> |
| Liability balance, June 30, 2008 | 351,856 |
| Claims and changes in estimates | 1,918,563 |
| Claims payments | <u>(1,865,300)</u> |
| Liability balance, June 30, 2009 | <u>\$ 405,119</u> |
| Assets available to pay claims at June 30, 2009 | <u>\$ 3,688,672</u> |

NOTES TO BASIC FINANCIAL STATEMENTS

Premiums are paid into the internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are reported as premium income of the internal service fund.

Other Liabilities

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has joined together with other cities in the state to form Wyoming Association of Risk Management (WARM), a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to WARM for its general insurance coverage. The agreement for formation of the WARM provides that WARM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$250,000 for each insured event. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

4.C COMMITMENTS AND CONTINGENCIES

After year end, the City has been named as defendant in a lawsuit from a former employee for wrongful termination. Although the outcome of the lawsuit is not presently determinable, the City is vigorously contesting the claim and in the opinion of the City's legal council the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has several construction projects in progress at year end and has remaining commitments as follows:

| | <u>Remaining Commitment</u> |
|--|---------------------------------|
| Street projects | 943,585 |
| Water storage and transmission projects | 2,179,118 |
| Parks and lighting | 411,058 |
| Fire Station Building | 3,670,987 |
| Fox Theatre abatement | 973,212 |
| Other project & contracts | 369,494 |