



CITY OF CASPER, WYOMING

FINANCIAL AND COMPLIANCE REPORT

FISCAL YEAR ENDED JUNE 30, 2017

CITY OF CASPER, WYOMING
FINANCIAL AND COMPLIANCE REPORT
FISCAL YEAR ENDED JUNE 30, 2017

This page is intentionally left blank

CONTENTS

Introductory Section (Unaudited)	
Title page	i
Table of contents	ii
Financial Section	1
Independent Auditor’s Report	2
Management’s Discussion and Analysis (Unaudited)	5
Basic Financial Statements	18
Government-wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Balance Sheet - Governmental Funds	23
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	27
Statement of Net Position - Proprietary Funds	29
Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	32
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds to the Statement of Activities	34
Statement of Cash Flows - Proprietary Funds	35
Statement of Fiduciary Net Position – Fiduciary Fund	39
Combining Statement of Net Position – Component Units	40
Combining Statement of Activities – Component Units	41
Notes to Financial Statements	43
Required Supplementary Information	88
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis – (Non-GAAP) General Fund (Unaudited)	89
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)	90
Schedule of Pension Contributions (Unaudited)	92
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	94
Notes to Required Supplementary Information	96

CONTENTS (CONTINUED)

Other Supplementary Information	99
Nonmajor Governmental Funds	100
Combining Balance Sheet - Other Governmental Funds	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds	102
Nonmajor Governmental Funds - Special Revenue Funds	103
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds	106
Nonmajor Proprietary Funds - Internal Service Funds	108
Combining Statement of Net Position - Internal Service Funds	109
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	110
Combining Statement of Cash Flows - Internal Service Funds	111
 Single Audit Section	 113
Schedule of Expenditures of Federal Awards	114
Notes to Schedule of Expenditures of Federal Awards	116
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards - Independent Auditor’s Report	118
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance - Independent Auditor’s Report	120
Schedule of Findings and Questioned Costs	123
Summary Schedule of Prior Audit Findings	132
 Addendum: Corrective Action Plan	

FINANCIAL SECTION

This page is intentionally left blank



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council
and City Manager
City of Casper, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Casper, Wyoming, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Casper, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Central Wyoming Regional Water System Joint Powers Board nor the Economic Development Joint Powers Board; both are discretely presented component units of the City. These component units represent 91%, 88%, and 71%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Casper, Wyoming, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the City recorded prior period adjustments to the net position in governmental activities, business-type activities, utilities fund, solid waste fund, recreation fund, general internal services fund, and the employee health insurance fund of \$5,303,965, (\$5,420,845), (\$2,856,975), (\$1,466,926), (\$1,046,942), (\$1,655,679), and \$19,176,261, respectively. These adjustments were primarily related to the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Included in the prior period adjustments for business-type activities and the utilities funds was an adjustment of \$543,010 for amounts related to the pension liability previously reported by the Central Wyoming Regional Water System Joint Powers Board (CWRWS). The CWRWS recorded a prior period adjustment of \$543,010 as the CWRWS did not qualify as a special funding situation under GASB 68.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension plan schedules, and the schedule of funding progress for the post-employment healthcare plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Casper, Wyoming's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2018, on our consideration of the City of Casper, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Casper, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
February 28, 2018

This page is intentionally left blank

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

As management of the City of Casper (City), we present to readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and the basic financial statements following this section.

Financial Highlights

Government-wide

The restricted and unrestricted assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$396.13 million (*net position*). Of this amount, \$38.25 million (*unrestricted*) may be used to meet the government's ongoing general fund, grant funds, capital project and business-type activity obligations to citizens and creditors. Specific expenditure restrictions apply to the grant funds and much of the capital project funds. The City's total net position, including all funds, decreased by \$3.88 million. This includes the effects of a restatement of the prior year's net position and the recognition of additional pension liability of \$935,680. New reporting requirements took effect in FY15 requiring the City to recognize a portion of the potential liability associated with the statewide pension plan.

The City's total net liabilities decreased by \$4.02 million or 2.79%, during the current fiscal year. The decrease includes a \$935,680 increase in net pension liability. Other changes were due to a decrease of the net accrual of \$2.99 million for Other Post-Employment Benefits (OPEB). Other Accrued Payables decreased \$1.01 million. The City decreased its notes payable by a net \$1.04 million or 5.95% mainly due to principle payments to the State Loan and Investment Board. The Landfill closure and post closure liability increased by a net \$479,051 as the City continued to monitor costs of the former Balefill and consumed capacity in the new Landfill. Other changes were due to recognition of a \$28,667 net increase of accrued compensated absences.

Fund Basis

As of June 30, 2017 the General Fund had an unassigned fund balance deficit of \$6.36 million exclusive of transfers. The City of Casper has committed General Fund emergency reserves of \$11.49 million and operating reserves of \$11.49 million as allowed by City Council's Reserve Policy, for a combined total of \$22.98 million Operating and Emergency Reserve. Inventory of \$114,058, and noncurrent notes receivable from the Central Wyoming Regional Water System and the Casper Housing Authority for \$8.26 million, are classified as non-spendable.

For reporting purposes, under GASB 54, the City has combined the Perpetual Care, Redevelopment Land, Special Reserves and Metro Animal Services into the General Fund. The total fund balance, inclusive of the funds mentioned, was \$62.27 million. The corpus of the Perpetual Care Fund is committed to hold the principal balance to generate interest income to support facilities developed by the optional one cent sales tax.

As of June 30, 2017, all other governmental funds reported combined ending fund balances of \$39.9 million. The majority of this amount, \$36.01 million, consists of balances in the capital projects funds, with special revenue funds of \$1.02 million, primarily committed for specific program expenditures and debt service fund of \$2.87 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as revenues pertaining to uncollected taxes or expenses pertaining to earned but unused vacation and sick leave. Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, such as grant revenue (governmental activities), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities of the City include those related to legislative and legal, general government, public safety, public health, community and cultural, public works, and direct assistance to other entities.

Business-type activities of the City include those related to water, sewer, and solid waste management utility services, various park & recreation services, and parking operations.

The government-wide financial statements include not only the City of Casper itself (known as the primary government), but also includes the legally separate entities of the Downtown Development Authority, Economic Development Joint Powers Board, and the Central Wyoming Regional Water System Joint Powers Board. Due to the appointment of the board members of these entities or the level of funding the City provides, the City has authority to affect these entities. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, each considered to be major funds. An important item to note again is that for operational purposes, the City maintains a Perpetual Care Fund separately, but for reporting purposes, the Perpetual Care Fund was combined into the General Fund.

Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements, located in the other supplementary information section of this report.

The City adopts an annual appropriated budget for its funds. A budgetary comparison summary is provided for the City as a whole demonstrate compliance with this budget. The budgetary comparison statement is located in the required supplementary information section of this report.

Proprietary funds are generally used to account for operations that provide services to the general public on a continuing basis or to internal City departments. Proprietary funds provide the same type of information contained in the business-type activities portion of the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds: enterprise and internal service.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and wastewater utilities, solid waste management operations, leisure services facilities operations and parking. The City reports enterprise operations for the Utilities, Solid Waste and Recreation as major funds. The City reports Parking as a non-major enterprise funds. Data from the remaining enterprise fund is presented as a single, aggregated presentation.

Internal service funds are accounting mechanisms used to accumulate and allocate costs among the City's various functions. The City of Casper uses internal service funds to account for: operations of the City's Information Management Services, maintenance of the City's fleet of vehicles, to finance and account for the City's property insurance program, maintenance of the City's buildings, and the Employee Health Insurance function. Because these services predominantly benefit governmental rather than business-type functions, they are incorporated into governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the other supplementary information section of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information and narrative disclosures that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary compliance of the general fund. The combining statements referred to earlier in connection with governmental funds and internal service funds are presented immediately following the required supplementary information.

Non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Government-Wide Financial Analysis

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following analysis focuses on the net position, as reported on the Statement of Net Position and the changes in net position, as reported on the Statement of Activities.

In total, the City's net position decreased by \$3.88 million, or .97%, from FY 2016 to FY 2017. Unrestricted net position decreased \$17.53 million or 31.43% due to a combination of the recognition of additional pension liability, the recognition of other postemployment benefit items, and the increase of investments in capital assets. Investments in capital assets increased \$13.5 million, or 3.93%. Restricted net position increased by \$144,888 or 13.16% of the City's total restricted net position.

Total Net Position

By far the largest portion of the City's net position (90.03%) reflects the net investment of \$356.64 million in capital assets (for example, land, buildings, infrastructure, machinery, and equipment), net of outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For implementation of GASB 34, the City opted to only capitalize infrastructure under the twenty year option.

As of June 30, 2017, the City was able to report positive balances in all three categories of net position, for the government as a whole. These categories are: net investment in capital assets, restricted net position, and unrestricted net position.

Governmental Net Position

Total net position of the City's governmental activities decreased by \$8.98 million (in chart on the following page), or 4.07%, during the current fiscal year. This decrease was composed of an increase in net capital assets of \$2.74 million or 1.46%, a decrease in unrestricted net position of \$11.86 million or 36.16%, and an increase in restricted net position of \$144,888 or 18.73%, for governmental activities. The decrease in unrestricted net position is due to the use of some reserves for capital projects, the recognition of additional pension liability, and the recognition of other postemployment benefit items. The increase in capital assets is due to construction of infrastructure, land acquisition, and purchase of machinery and equipment.

Business-type Activities Net Position

Total net position of the City's business-type activities increased \$5.09 million (in chart on the following page), or 2.84%, during the current fiscal year. The increase was mainly due to an increase in the net investment in capital assets.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

**City of Casper
Comparative Statement of Net Position
June 30, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 115,381,118	\$ 128,743,592	\$ 40,523,817	\$ 168,488,363	\$ 155,904,935	\$ 297,231,955
Capital assets	190,034,346	187,298,538	182,589,078	360,121,297	372,623,424	547,419,835
Total assets	<u>305,415,464</u>	<u>316,042,130</u>	<u>223,468,014</u>	<u>528,609,660</u>	<u>528,883,478</u>	<u>844,651,790</u>
Deferred outflows of resources	<u>14,638,021</u>	<u>17,737,977</u>	<u>2,569,146</u>	<u>20,638,123</u>	<u>17,207,167</u>	<u>38,376,100</u>
Liabilities						
Current liabilities	5,525,815	6,842,441	4,131,249	10,669,547	9,657,064	17,511,988
Long-term liabilities	93,871,492	101,243,557	36,541,399	133,423,378	130,412,891	234,666,935
Total liabilities	<u>99,397,307</u>	<u>108,085,998</u>	<u>40,672,648</u>	<u>144,092,925</u>	<u>140,069,955</u>	<u>252,178,923</u>
Deferred inflows of resources	<u>8,474,417</u>	<u>4,816,637</u>	<u>1,415,992</u>	<u>5,136,750</u>	<u>9,890,409</u>	<u>9,953,387</u>
Net Position						
Net investment in capital assets	190,034,346	187,298,538	166,602,062	343,136,658	356,636,408	530,435,196
Restricted	918,604	773,716	360,000	1,101,216	1,278,604	1,874,932
Unrestricted	21,228,811	32,805,218	16,986,458	55,780,234	38,215,269	88,585,452
Total net position	<u>\$ 212,181,761</u>	<u>\$ 220,877,472</u>	<u>\$183,948,520</u>	<u>\$ 400,018,108</u>	<u>\$ 396,130,281</u>	<u>\$ 620,895,580</u>

CITY OF CASPER, WYOMING

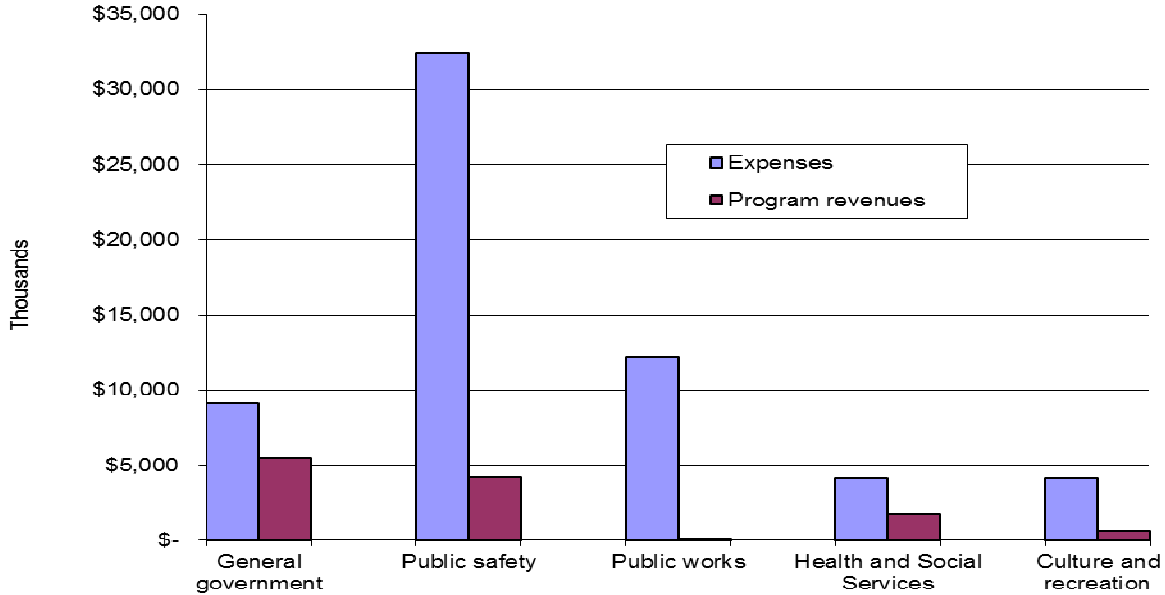
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

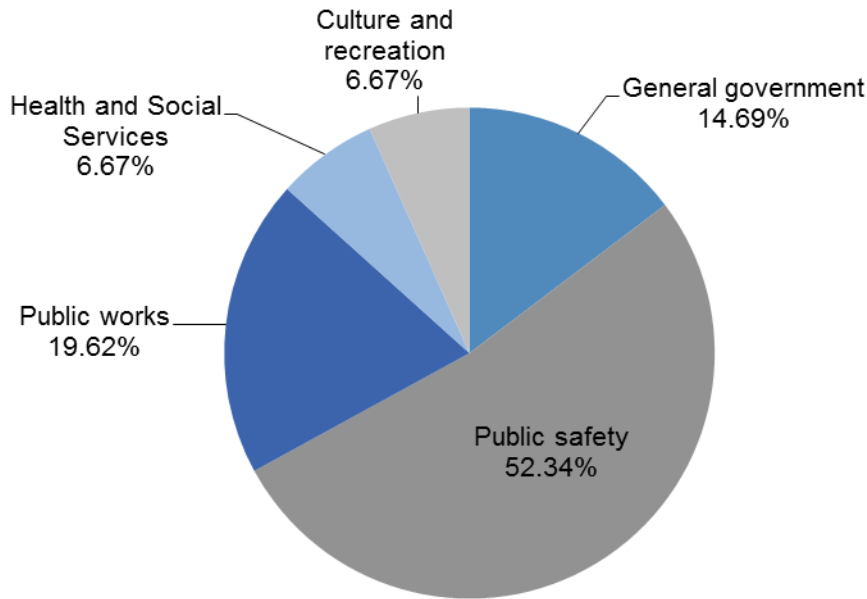
(Unaudited)

Governmental-type Activities

Program Revenues and Expenses - Governmental Activities



Expenses / Government Activities



The governmental activities charts above illustrate operating expenses and program revenues by function and revenues by source. Public Safety is the largest function at 52.34% of total governmental operating expense, followed by Public Works at 19.62%, General Government at 14.69%, Culture and Recreation at 6.67% and Health and Social Services at 6.67%.

CITY OF CASPER, WYOMING

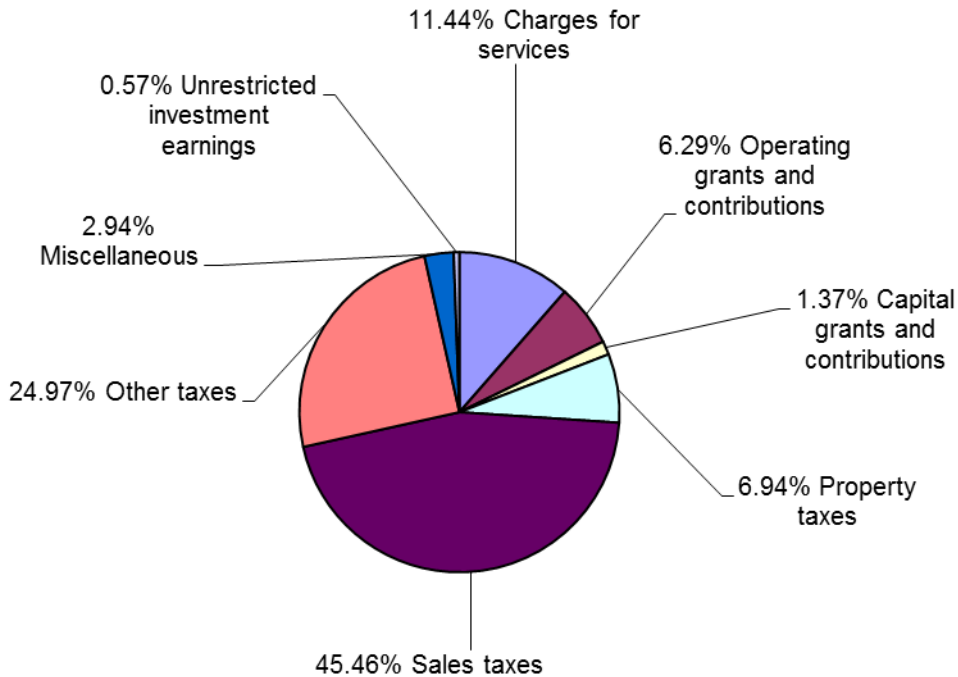
MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Mineral taxes, sales taxes, property taxes, franchise fees and other taxes are general revenues used to support overall government functions; therefore, these are not shown as program revenues. Sales taxes make up 45.46% of revenues, other taxes 24.97% (including gasoline, franchise, 911, mineral, cigarette, and automobile taxes), capital grants and contributions are 1.37%, charges for services 11.44%, property taxes 6.94%, operating grants and contributions are 6.29%, and unrestricted investment earnings are .57% of total revenues.

Revenues By Source - Governmental Activities



Governmental activities, including transfers, decreased the City’s net position by \$14.28 million. Key factors of this change in governmental activities include the following based on the government-wide statement of activities:

- Expenses for governmental activities decreased by \$9.8 million or 13.65% mainly due to a decrease of expenses in the General government area of \$13.65 million and an increase for the Public Safety area of \$2.55 million. See additional detail in the Governmental Fund Financial Analysis.
- General government revenue decreased by \$598,858 or 7.61%.
- Operating grants and contributions revenue decreased by \$291,941 or 6.8%.
- Capital Grants and Contributions decreased by \$5.97 million or 87.24%. General government and Culture and recreation both saw much less revenue in these categories.
- Sales tax revenue decreased by \$1.68 million or 5.48%.
- Other tax revenue also decreased by \$3.4 million or 17.63%.

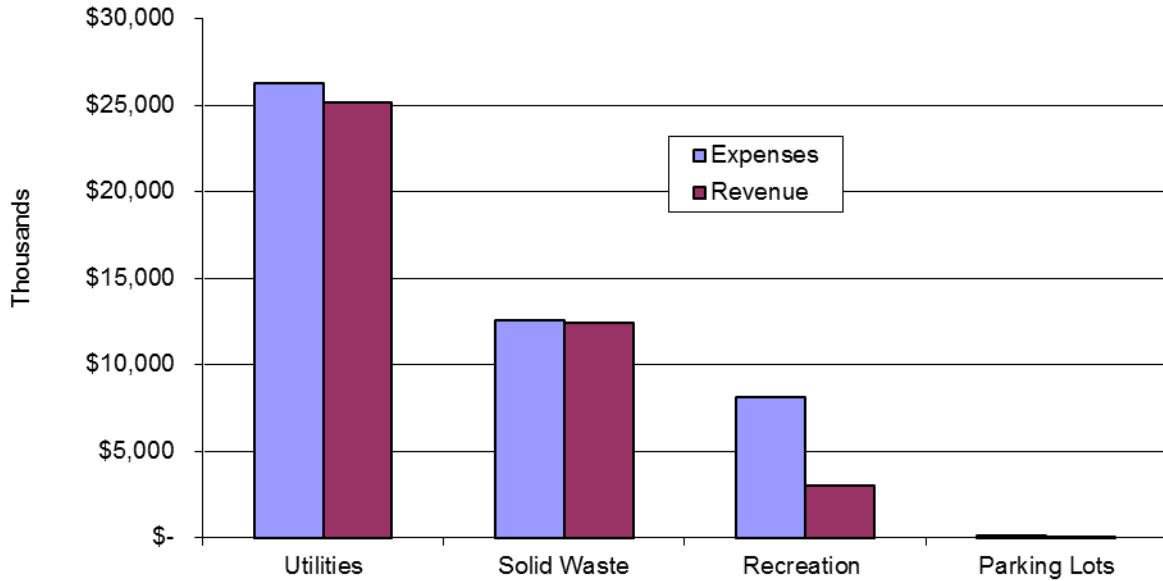
CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

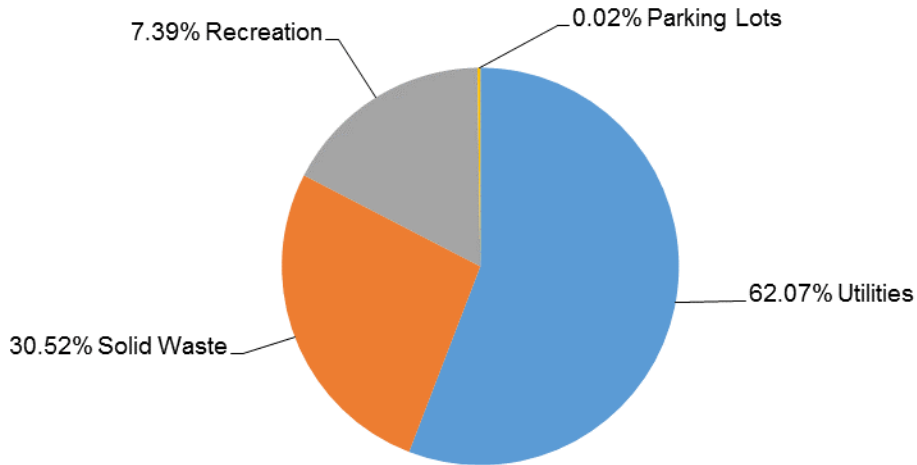
June 30, 2017
(Unaudited)

Business-type Activities

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



The previous charts illustrate expenses and revenues, and revenues by source for the City's Business-type activities. The utilities are mainly funded by fees for services, including the contract operation of the Water Treatment Plant for which the Central Wyoming Regional Water System's Joint Powers Board is charged for the direct cost of operating the plant on their behalf. The recreation operations collect user fees, and their operations are also subsidized by the general tax dollars and interest income from the Perpetual Care Fund.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Business-type activities increased the City's overall net position by \$10.51 million. The increase in the net position of business-type activities includes a net decrease in the Utilities Funds of \$1.67 million due to decreased revenue from transfers in. The Solid Waste Funds had a net increase of net position of \$443,155 primarily due to less expenditures in the materials and supplies category. The Recreation Funds had a net increase of \$7.09 million due to increased capital contributions and decreased personnel expenses.

**City of Casper
Comparative Statement of Net Position
Years Ended June 30, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for services	\$ 7,271,639	\$ 7,870,497	40,569,921	\$ 44,224,913	\$ 47,841,560	\$ 52,095,410
Operating grants and capital contributions	3,999,498	4,291,439	-	7,709	3,999,498	4,299,148
Capital grants and contributions	873,400	6,843,241	2,029,066	985,866	2,902,466	7,829,107
Taxes						
Property	4,412,595	4,192,946	-	-	4,412,595	4,192,946
Sales	28,892,259	30,568,513	-	-	28,892,259	30,568,513
Other	15,869,873	19,267,218	-	-	15,869,873	19,267,218
Miscellaneous	1,867,127	408,740	305,397	242,328	2,172,524	651,068
Unrestricted interest earnings	362,704	1,197,661	80,362	64,664	443,066	1,262,325
Total revenues	63,549,095	74,640,255	42,984,746	45,525,480	106,533,841	120,165,735
Expenses						
General government	9,373,489	22,747,932	-	-	9,373,489	22,747,932
Public safety	32,801,667	29,876,050	-	-	32,801,667	29,876,050
Public works	12,438,036	11,182,367	-	-	12,438,036	11,182,367
Health and social services	4,133,170	4,508,550	-	-	4,133,170	4,508,550
Culture and recreation	4,188,449	3,423,304	-	-	4,188,449	3,423,304
Utilities fund	-	-	26,426,360	26,671,482	26,426,360	26,671,482
Solid waste fund	-	-	12,627,085	14,173,893	12,627,085	14,173,893
Recreation fund	-	-	8,204,997	9,699,493	8,204,997	9,699,493
Parking lot fund enterprise fund	-	-	111,535	98,187	111,535	98,187
Total expenses	62,934,811	71,738,203	47,369,977	50,643,055	110,304,788	122,381,258
Excess (deficiency) of revenues over expenses before transfers	614,284	2,902,052	(4,385,231)	(5,117,575)	(3,770,947)	(2,215,523)
Transfers	(14,613,960)	(12,450,765)	14,613,960	12,450,765	-	-
Change in net position	(13,999,676)	(9,548,713)	10,228,729	7,333,190	(3,770,947)	(2,215,523)
Net position - beginning	220,877,472	230,426,185	179,140,636	171,185,807	400,018,108	401,611,992
Prior period adjustment	5,303,965	-	(5,420,845)	621,639	(116,880)	621,639
Net position - restated	226,181,437	230,426,185	173,719,791	171,807,446	399,901,228	402,233,631
Total net position	\$212,181,761	\$220,877,472	\$183,948,520	\$179,140,636	\$396,130,281	\$400,018,108

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Government Funds Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2017, the City's governmental funds reported a combined ending fund balance of \$102.17 million, a decrease of \$10.92 million. The major factors to the net decrease are the deficiency of revenues under expenditures of 5.4 million. And higher transfers out than transfers in of 5.52 million.

The General Fund is the City's main operating fund. For reporting purposes, under GASB 54, the City has consolidated the Perpetual Care Fund, Revolving Land Fund, Special Reserves Fund, and Metro Animal Services Fund balances into the General Fund balance. The General Fund committed fund balance is \$60.26 million, \$8.37 million non-spendable, and an unassigned deficit of \$6.36 million. The total fund balance in the General Fund for FY 2017 is \$62.27 million. Tax revenues in FY 2017 were down \$4.85 million or 8.98% from those received in FY 2016. Expenditures in the General Fund were less than budgeted by \$1.35 million. All of the General Fund areas kept expenditures lower than their final budgets. The variance in expenditures for General Fund areas were under budget due to lower than anticipated personnel and contractual spending in a variety of departments.

The General Fund's \$62.27 million fund balance includes committed balances of \$11.49 million for emergency reserves and \$11.49 million for operating reserves as set by Council's Reserve Policy. The committed balance also includes \$29.56 million GAAP based Perpetual Care corpus to fund Optional One Cent facilities ongoing maintenance, while the amount committed to planned land acquisitions has exceeded the City's commitment by \$306,289 for projects utilizing Optional One Cent monies. The City also used more than was originally committed to Special reserves by \$12,291, Opportunity projects of \$7.7 million, and Animal Control projects of \$340,403 have been allocated to be used. The non-spendable fund balance classification indicates that amounts are not in spendable form, which includes, general fund inventory of \$114,058 and the non-current notes receivable of \$8.25 million. These receivables are in the form of loans that the City of Casper issued to the Regional Water System's Joint Powers Board and the Casper Housing Authority. The fund balance of the capital projects funds decreased due to less capital project activity.

Enterprise Funds

Enterprise funds unrestricted net assets at June 30, 2017 amounted to \$18 million. Other factors concerning the finances of these funds are addressed in the discussion of the City's business-type activities. The Utilities, Solid Waste and Recreation funds reported unrestricted net assets of \$19.81 million, \$1.9 million, and negative \$4.21 million, respectively. Other non-major Enterprise funds reported unrestricted net assets of \$496,550.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

Internal Service Funds

The internal service funds, which are used to finance and account for goods and services provided internally among City departments, had a restated unrestricted net position of negative \$1.83 million. This balance was restated due to a prior period adjustment to remove the Other Post-Employment Benefits (OPEB) from the Health Insurance fund per GASB 75. The OPEB adjustment and an increase in contractual costs resulted in a decrease of \$2.77 million or 295.62% from the restated prior year amount. The decrease of Internal Service Fund's net position was primarily caused by higher contractual costs that were not recovered by internal service charges.

Budgetary Highlights

The City Council adopts an annual budget for all funds. The City Council adopts budget adjustments during the year for supplemental appropriations which are generally contingent upon new or additional revenue sources or the spending of reserves.

General Fund

A total General Fund appropriation adjustment of \$562,795 approved for FY 2017 included \$10,000 to perpetual care, \$432,750 to the Opportunity fund for a land purchase, and \$120,045 for a transfer out to the Casper Events Center.

The General Fund reflects a net negative ending variance from final budget of \$576,026, which consists of negative revenue to budget variance of \$2.59 million, a positive total expenditure to budget variance of \$1.35 million and a net positive transfer to budget variance of \$665,327. General Fund actual revenues are lower than budgeted due to lower than anticipated sales tax revenue and miscellaneous revenues. The variances were offset by slightly higher than budgeted results for property taxes.

On a budgetary basis General Fund expenditures were below budget, primarily due to lower than budgeted expenditures in General Government \$457,904, Public Safety \$555,407, Public Works \$121,845, Health and social services \$80,613, and Culture and recreation \$135,903.

General Fund transfers were lower than budgeted \$665,327 due to a combination of some funds requiring fewer subsidies and budgeted transfers for capital projects not being fully utilized.

Special Revenue Funds

A total special revenue funds appropriation adjustment of \$1.37 million was approved for FY 2017 to fund additional costs in Weed and Pest, the Revolving Land fund, Police Grants, and Special Events Assistance.

Capital Projects Funds

Total Capital Projects Fund appropriation adjustments were \$24.17 million. This adjustment was to fund ongoing and current capital projects and capital equipment purchases. This adjustment to the budget for capital outlay had been planned in the capital purchases plan but had not yet been included in the allocations in the budget.

CITY OF CASPER, WYOMING

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2017
(Unaudited)

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities for the current fiscal year amounts to \$356.64 million (net of accumulated depreciation) This investment in capital assets includes land, buildings and related systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The City has included in capital assets the cost of infrastructure acquired or constructed since 1983 and related depreciation. Compliance to the infrastructure provisions of GASB 34 was completed as of June 30, 2005.

Major capital projects completed or in progress during the year are as follows:

Street Improvements	\$	7,316,155.18
Ft. Caspar Underpass		1,881,681.08
Park Improvements		1,814,716.06
DDA – Downtown Plaza		1,300,000.00
Traffic Signal Upgrade		779,161.52
Pool Improvements		573,503.95
Platte River Revival		448,470.04
Casper Legion Field Improvements		309,164.94

Additional information on the City’s capital assets can be found in Note 7 – Capital Assets, Note 16 – Construction Commitments, and Note 19 – Subsequent Events in the Notes to the Financial Statements – Summary of Significant Accounting Policies.

Long-term Debt

At the end of the current fiscal year, the City had total net long-term obligations outstanding of \$130.41 million. Of this amount, \$90.28 million is for pension liability, \$16.4 million for loans payable, \$15.76 million is for Other Post-Employment Benefits payable, \$5.82 million for Landfill closure/post closure care costs, and \$2.16 million is for accrued compensated absences. During the year, \$935,680 in additional pension liability was recognized, and the other post-employment benefit accrual was reduced by \$2.99 million.

Additional information about the City’s debt can be found in Note 1 – Summary of Significant Accounting Practices – Long-Term Obligations and Note 9 – Long-Term Debt of this report.

Economic Factors and Next Year’s Budgets and Rates

The City of Casper is maintaining a conservative approach to budgeting as tax revenues are heavily influenced by mineral activity. In fiscal year 2017 the City’s economic condition declined due to several major companies, mainly in the oil and gas industry, laying off or downsizing their workforce. The FY 2018 Adopted Budget represents a continuation of adjusting costs to available resources. The challenge is that the service levels for a significant number of City services do not change appreciably unless there are changes in population. A corollary of that situation is that several services are geographically based, i.e. streets, parks, etc., for which services cannot be readily decreased because of the physical existence of these items. Recent and significant declines in revenues caused by the current economic conditions have highlighted the necessity to shift focus to long term financial planning. Based on data from the Bureau of Labor statistics, the unemployment rate at the fiscal year end for Natrona County and the City of Casper is 5.3% which is lower than the State of Wyoming average unemployment rate of 3.9%. FY 2018 budgeted General Fund revenues, before transfers, are expected to decrease by \$2.06 million from the amounts actually received in FY 2017. This is mainly due to projected decreases in property taxes, sales taxes, intergovernmental charges, charges for services, and investment earnings.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

The FY 2018 budgeted General Fund expenditures are expected to decrease from FY 2017 actual expenditures by \$2.52 million, excluding transfers. This budget reduction is mainly due to an overall reduction in full time personnel. The City has reduced its full time workforce from 517 approved positions to 501 for FY 2018. This reduction was achieved by imposing a hiring freeze for most areas of the City, and the implementation of an outsourcing of full time employees at the Casper Events Center through a contractual agreement with Global Spectrum to manage and run this facility.

Before transfers, FY 2018 General Fund revenue is projected to reach \$41.13 million and General Fund expenditures are expected to stay within \$39.49 million.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Financial Services Director, 200 North David, Casper, Wyoming 82601 (tpetlick@casperwy.gov).

Remainder of this page is intentionally left blank

This page is intentionally left blank

BASIC FINANCIAL STATEMENTS

This page is intentionally left blank

CITY OF CASPER, WYOMING

STATEMENT OF NET POSITION

June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 13,853,994	\$ 1,546,849	\$ 15,400,843	\$ 7,095,427
Investments	75,516,688	35,825,745	111,342,433	196,919
Receivables, net of allowance	13,147,975	4,462,142	17,610,117	1,488,645
Due from primary government	-	-	-	296,555
Internal balances	1,971,555	(1,971,555)	-	-
Related party accounts receivable	-	355,119	355,119	-
Inventories	642,509	660,636	1,303,145	405,475
Prepaid items	-	-	-	21,629
Restricted cash	-	-	-	2,702,916
Notes receivable, current	1,431,426	-	1,431,426	1,079,946
Notes receivable, noncurrent	8,816,971	-	8,816,971	-
Capital assets, not being depreciated	37,406,346	18,353,913	55,760,259	5,466,990
Capital assets, net of depreciation	152,628,000	164,235,165	316,863,165	36,599,061
Total assets	<u>305,415,464</u>	<u>223,468,014</u>	<u>528,883,478</u>	<u>55,353,563</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan items	14,638,021	2,569,146	17,207,167	-
LIABILITIES				
Accounts payable and other current liabilities	3,582,384	2,616,614	6,198,998	1,317,989
Accrued wages payable	565,510	176,576	742,086	53,620
Accrued interest payable	9,643	305,431	315,074	135,965
Due to component units	-	296,555	296,555	-
Related party accounts payable	-	644,010	644,010	-
Unearned revenue/customer deposits	142,586	92,063	234,649	-
Unearned interest on notes receivable	1,579	-	1,579	-
Claims payable	1,224,113	-	1,224,113	-
Noncurrent liabilities				
Due within one year	281,592	1,293,017	1,574,609	1,753,697
Due in more than one year	93,589,900	35,248,382	128,838,282	14,074,218
Total liabilities	<u>99,397,307</u>	<u>40,672,648</u>	<u>140,069,955</u>	<u>17,335,489</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plan items	1,428,941	567,258	1,996,199	-
Other postemployment benefits items	2,680,322	848,734	3,529,056	-
Unavailable property tax revenue	4,365,154	-	4,365,154	258,149
Total deferred inflows of resources	<u>8,474,417</u>	<u>1,415,992</u>	<u>9,890,409</u>	<u>258,149</u>
NET POSITION				
Net investment in capital assets	190,034,346	166,602,062	356,636,408	26,238,136
Restricted by contract				
Construction reserve	-	-	-	2,702,916
Rock Creek Dam rehabilitation	-	100,000	100,000	-
Paradise Valley Pipeline project	-	260,000	260,000	-
Community development projects	30,143	-	30,143	-
Redevelopment loans	888,461	-	888,461	-
Unrestricted	21,228,811	16,986,458	38,215,269	8,818,873
Total net position	<u>\$ 212,181,761</u>	<u>\$ 183,948,520</u>	<u>\$ 396,130,281</u>	<u>\$ 37,759,925</u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 9,373,489	\$ 3,415,411	\$ 1,519,259	\$ 343,394
Public safety	32,801,667	3,445,102	963,395	-
Public works	12,438,036	17,905	-	72,321
Health and social services	4,133,170	301,970	1,456,844	-
Culture and recreation	4,188,449	91,251	60,000	457,685
Total governmental activities	<u>62,934,811</u>	<u>7,271,639</u>	<u>3,999,498</u>	<u>873,400</u>
Business-type activities				
Utilities fund	26,426,360	25,183,311	-	226,116
Solid waste fund	12,627,085	12,381,237	-	1,802,950
Recreation fund	8,204,997	2,997,004	-	-
Parking lot fund	111,535	8,369	-	-
Total business-type activities	<u>47,369,977</u>	<u>40,569,921</u>	<u>-</u>	<u>2,029,066</u>
Total primary government	<u>\$ 110,304,788</u>	<u>\$ 47,841,560</u>	<u>\$ 3,999,498</u>	<u>\$ 2,902,466</u>
Component units	<u>\$ 9,375,497</u>	<u>\$ 5,986,648</u>	<u>\$ 553,796</u>	<u>\$ 5,490,621</u>

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,095,425)	\$ -	\$ (4,095,425)	\$ -
(28,393,170)	-	(28,393,170)	-
(12,347,810)	-	(12,347,810)	-
(2,374,356)	-	(2,374,356)	-
(3,579,513)	-	(3,579,513)	-
(50,790,274)	-	(50,790,274)	-
-	(1,016,933)	(1,016,933)	-
-	1,557,102	1,557,102	-
-	(5,207,993)	(5,207,993)	-
-	(103,166)	(103,166)	-
-	(4,770,990)	(4,770,990)	-
(50,790,274)	(4,770,990)	(55,561,264)	-
-	-	-	2,655,568
			(Continued)

CITY OF CASPER, WYOMING

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position	\$ (50,790,274)	\$ (4,770,990)	\$ (55,561,264)	\$ 2,655,568
General revenues				
Property taxes	4,412,595	-	4,412,595	161,885
Sales taxes	15,765,772	-	15,765,772	-
Optional 1% sales taxes	13,126,487	-	13,126,487	-
Gas taxes	1,832,367	-	1,832,367	-
Franchise taxes	3,993,019	-	3,993,019	-
911 telecommunication taxes	890,498	-	890,498	-
Mineral taxes	7,479,815	-	7,479,815	-
Cigarette taxes	292,056	-	292,056	-
Motor vehicle taxes	1,382,118	-	1,382,118	-
Miscellaneous	1,867,127	305,397	2,172,524	6,739
Unrestricted investment earnings	362,704	80,362	443,066	24,934
Transfers	(14,613,960)	14,613,960	-	-
Total general revenues and transfers	36,790,598	14,999,719	51,790,317	193,558
Change in net position	(13,999,676)	10,228,729	(3,770,947)	2,849,126
Net position - beginning of year, as previously stated	220,877,472	179,140,636	400,018,108	34,367,789
Prior period adjustment	5,303,965	(5,420,845)	(116,880)	543,010
Net position - beginning of year, as restated	226,181,437	173,719,791	399,901,228	34,910,799
Net position - end of year	\$ 212,181,761	\$ 183,948,520	\$ 396,130,281	\$ 37,759,925

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2017

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,976,639	\$ 8,539,333	\$ 1,204,363	\$ 12,720,335
Investments	45,684,435	25,965,694	2,045,162	73,695,291
Taxes receivable	8,116,945	2,323,187	-	10,440,132
Other receivables, net of allowance	955,088	239,911	393,847	1,588,846
Interest receivable	127,057	26,911	91,567	245,535
Inventories	114,058	-	-	114,058
Due from other governments	-	292,173	508,756	800,929
Due from other funds	1,545,053	-	2,497	1,547,550
Notes receivable, current	1,371,843	8,675	50,908	1,431,426
Notes receivable, noncurrent	8,252,619	139,245	425,107	8,816,971
Total assets	<u>\$ 69,143,737</u>	<u>\$ 37,535,129</u>	<u>\$ 4,722,207</u>	<u>\$ 111,401,073</u>
LIABILITIES				
Accounts payable	\$ 1,261,625	\$ 1,519,136	\$ 546,812	\$ 3,327,573
Accrued wages payable	494,707	-	28,670	523,377
Compensated absences	38,599	-	-	38,599
Unearned revenue and customer deposits	142,463	123	-	142,586
Unearned special assessments	-	-	59,170	59,170
Unearned development recapture fees	-	5,517	-	5,517
Unearned interest on notes receivable	1,579	-	-	1,579
Due to other funds	355,474	-	197,977	553,451
Total liabilities	<u>2,294,447</u>	<u>1,524,776</u>	<u>832,629</u>	<u>4,651,852</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	4,576,253	-	-	4,576,253
Total deferred inflows of resources	<u>4,576,253</u>	<u>-</u>	<u>-</u>	<u>4,576,253</u>
FUND BALANCES				
Nonspendable	8,366,677	139,245	425,107	8,931,029
Restricted	-	-	552,667	552,667
Unrestricted				
Committed	60,578,314	35,871,108	3,147,114	96,449,422
Unassigned (deficit)	(6,671,954)	-	(235,310)	(6,907,264)
Total fund balances	<u>62,273,037</u>	<u>36,010,353</u>	<u>3,889,578</u>	<u>102,172,968</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,143,737</u>	<u>\$ 37,535,129</u>	<u>\$ 4,722,207</u>	<u>\$ 111,401,073</u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2017

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

Total fund balances, governmental funds		\$ 102,172,968
---	--	----------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Total capital assets, governmental funds	\$ 190,034,346	
Less capital assets, internal service funds	<u>(331,920)</u>	189,702,426

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Unavailable property taxes - governmental funds	4,576,253	
Unavailable property taxes - governmental activities	(4,365,154)	
Unearned special assessments - governmental funds	59,170	
Unearned development recapture fees - governmental funds	<u>5,517</u>	275,786

Deferred outflows and inflows of resources are not available revenue or available to pay for current period expenditures, and therefore, the underlying resources are not reported in the governmental funds.

Deferred outflows - pension plan items	14,638,021	
Less internal service fund deferred outflows - pension plan items	(746,190)	
Deferred inflows - pension plan items	(1,428,941)	
Less internal service fund deferred inflows - pension plan items	170,357	
Deferred inflows - other postemployment benefits items	(2,680,322)	
Less internal service fund deferred inflows - other postemployment benefits items	<u>289,222</u>	10,242,147

Internal service funds are used by management to charge the costs of certain activities to individual funds. Certain assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

(851,170)

(Continued)

CITY OF CASPER, WYOMING

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (CONTINUED)**

June 30, 2017

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore, are not reported in the governmental funds.

Interest payable - governmental activities	\$ (9,643)	
Note payable	(414,000)	
Compensated absences	(1,739,479)	
Less compensated absences recorded in governmental and internal service funds	163,639	
Net pension liability	(80,116,625)	
Less net pension liability in internal service funds	2,946,464	
Other post-employment benefits payable	(11,601,388)	
Less other post-employment benefits payable in internal service funds	<u>1,410,636</u>	<u>\$ (89,360,396)</u>
Net position of governmental activities		<u><u>\$ 212,181,761</u></u>

See accompanying notes to financial statements.

This page is intentionally left blank

CITY OF CASPER, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2017**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes and special assessments	\$ 4,266,971	\$ 13,126,487	\$ 18,066	\$ 17,411,524
Licenses and permits	848,212	-	-	848,212
Intergovernmental	30,893,153	1,255,193	3,608,586	35,756,932
Charges for services	4,159,726	116,600	623,902	4,900,228
Fines	1,383,765	-	-	1,383,765
Investment earnings (loss)	(9,731)	321,154	15,666	327,089
Miscellaneous revenues	1,938,401	44,917	1,036,086	3,019,404
Total revenues	<u>43,480,497</u>	<u>14,864,351</u>	<u>5,302,306</u>	<u>63,647,154</u>
Expenditures				
Current				
General government	6,677,620	1,101,179	547,768	8,326,567
Public safety	23,356,633	-	2,680,713	26,037,346
Public works	5,505,304	-	600,865	6,106,169
Health and social services	1,350,846	-	2,322,207	3,673,053
Culture and recreation	2,956,859	-	-	2,956,859
Debt service				
Principal	-	-	40,000	40,000
Interest	-	-	25,236	25,236
Capital outlay	1,696,290	19,815,984	369,642	21,881,916
Total expenditures	<u>41,543,552</u>	<u>20,917,163</u>	<u>6,586,431</u>	<u>69,047,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,936,945</u>	<u>(6,052,812)</u>	<u>(1,284,125)</u>	<u>(5,399,992)</u>
Other financing sources (uses)				
Transfers in	4,296,685	16,429,108	1,575,796	22,301,589
Transfers out	(8,927,643)	(18,893,848)	-	(27,821,491)
Total other financing sources (uses)	<u>(4,630,958)</u>	<u>(2,464,740)</u>	<u>1,575,796</u>	<u>(5,519,902)</u>
Net change in fund balances	<u>(2,694,013)</u>	<u>(8,517,552)</u>	<u>291,671</u>	<u>(10,919,894)</u>
Fund balances - beginning of year	<u>64,967,050</u>	<u>44,527,905</u>	<u>3,597,907</u>	<u>113,092,862</u>
Fund balances - end of year	<u>\$ 62,273,037</u>	<u>\$ 36,010,353</u>	<u>\$ 3,889,578</u>	<u>\$ 102,172,968</u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds		\$(10,919,894)
--	--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation and transfer of assets to enterprise funds in the current period.

Total additions to capital assets	\$ 20,812,520	
Less internal service fund additions to capital assets	(5,787)	
Less transfers to enterprise and internal service funds	(9,813,789)	
Depreciation expense	(7,845,650)	
Less internal service fund depreciation	<u>113,420</u>	3,260,714

The disposal of capital assets that results in a loss (cost of the assets is greater than the accumulated depreciation and proceeds) does not provide current financial resources to governmental funds. Thus, that difference is not recorded in the governmental funds. However, it is recognized in the statement of activities. This is the net effect of this difference in the treatment of the disposition of capital assets.

Cost basis of assets disposed	(1,646,846)	
Accumulated depreciation on assets disposed	<u>1,229,573</u>	(417,273)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Payment of principal on note payable		40,000
--------------------------------------	--	--------

Long-term liabilities for compensated absences and interest payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Total accrued compensated absences prior year	1,647,342	
Less amount recorded in governmental funds in prior year	(162,491)	
Total accrued compensated absences current year	(1,739,479)	
Less amounts recorded in governmental funds in current year	163,639	
Unearned accrued interest on note payable prior year	9,818	
Unearned accrued interest on note payable current year	<u>(9,643)</u>	(90,814)

(Continued)

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2017

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

Pension liability prior year	\$ 77,016,415	
Pension liability current year	(77,170,161)	
Deferred outflows - pension plan items prior year	(16,812,715)	
Deferred outflows - pension plan items current year	13,891,831	
Deferred inflows - pension plan items prior year	505,230	
Deferred inflows - pension plan items current year	<u>(1,258,584)</u>	\$ (3,827,984)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Unearned special assessments revenue prior year	(77,236)	
Unearned special assessments revenue current year	59,170	
Development recapture fees prior year	(23,865)	
Development recapture fees current year	5,517	
Unavailable property taxes in governmental funds prior year	(4,274,624)	
Unavailable property taxes in governmental activities prior year	4,209,148	
Unavailable property taxes in governmental funds current year	4,576,253	
Unavailable property taxes in governmental activities current year	<u>(4,365,154)</u>	109,209

Other post-employment benefit expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Other post-employment benefits payable prior year	12,216,617	
Other post-employment benefits payable current year	(10,190,752)	
Deferred inflows - other postemployment benefits items current year	<u>(2,391,100)</u>	(365,235)

Internal service funds are used by management to charge the costs of certain activities, such as health insurance, garage services, buildings and grounds and management information systems, to individual funds.

Total net revenue (expense) of internal service funds	(2,770,591)	
A portion of net revenue (expense) of internal service funds is included with business-type activities	<u>982,192</u>	<u>(1,788,399)</u>

Change in net position of governmental activities	\$ (13,999,676)
---	-----------------

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2017

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 686,996	\$ 537,717	\$ 295,556
Investments	24,396,395	10,960,600	-
Interest receivable	66,526	27,757	-
Customer receivables, net of allowance	2,972,141	703,783	150,886
Due from other governments	16,277	523,487	-
Due from other funds	270,715	153,365	1,013
Related party accounts receivable	-	-	355,119
Inventories	660,636	-	-
Total current assets	<u>29,069,686</u>	<u>12,906,709</u>	<u>802,574</u>
Capital assets, not being depreciated	13,834,003	4,004,410	515,500
Capital assets, net of depreciation	97,002,443	27,372,244	38,833,375
Net capital assets	<u>110,836,446</u>	<u>31,376,654</u>	<u>39,348,875</u>
Total assets	<u>139,906,132</u>	<u>44,283,363</u>	<u>40,151,449</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>1,137,491</u>	<u>722,110</u>	<u>709,545</u>
LIABILITIES			
Current liabilities			
Notes payable, current	1,167,716	125,301	-
Accounts payable and other accrued liabilities	1,424,647	1,129,509	62,393
Accrued interest payable	288,291	17,140	-
Related party accounts payable	-	-	644,010
Unearned revenue and refundable customer deposits	89,781	-	2,282
Accrued wages payable	67,939	51,822	56,815
Claims payable	-	-	-
Due to other funds	439,421	148,429	826,606
Due to component units	296,555	-	-
Total current liabilities	<u>3,774,350</u>	<u>1,472,201</u>	<u>1,592,106</u>
Noncurrent liabilities, net of current maturities			
Compensated absences	207,255	154,152	58,780
Landfill closure and post closure	-	5,815,490	-
Other postemployment benefits payable	1,945,553	1,240,180	972,879
Notes payable	13,123,896	1,570,103	-
Net pension liability	4,612,989	2,721,370	2,825,735
Total noncurrent liabilities	<u>19,889,693</u>	<u>11,501,295</u>	<u>3,857,394</u>
Total liabilities	<u>23,664,043</u>	<u>12,973,496</u>	<u>5,449,500</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	260,919	174,978	131,361
Other postemployment benefits items	434,681	267,624	146,429
Total deferred inflows of resources	<u>695,600</u>	<u>442,602</u>	<u>277,790</u>
NET POSITION			
Net investment in capital assets	96,544,834	29,681,250	39,348,875
Restricted			
Rock Creek Dam rehabilitation	100,000	-	-
Paradise Valley Pipeline project	260,000	-	-
Unrestricted	19,779,146	1,908,125	(4,215,171)
Total net position (deficit)	<u>\$ 116,683,980</u>	<u>\$ 31,589,375</u>	<u>\$ 35,133,704</u>

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental</u>
<u>Other Nonmajor</u>		<u>Activities</u>
<u>Enterprise Fund</u>		<u>Internal</u>
<u>Parking Lot</u>	<u>Totals</u>	<u>Service Funds</u>
\$ 26,580	\$ 1,546,849	\$ 1,133,659
468,750	35,825,745	1,821,397
1,285	95,568	4,818
-	3,826,810	67,715
-	539,764	-
-	425,093	12,654
-	355,119	-
-	660,636	528,451
<u>496,615</u>	<u>43,275,584</u>	<u>3,568,694</u>
-	18,353,913	-
1,027,103	164,235,165	331,920
1,027,103	182,589,078	331,920
1,523,718	225,864,662	3,900,614
-	2,569,146	746,190
-	1,293,017	-
65	2,616,614	254,811
-	305,431	-
-	644,010	-
-	92,063	-
-	176,576	42,133
-	-	1,224,113
-	1,414,456	17,390
-	296,555	-
<u>65</u>	<u>6,838,722</u>	<u>1,538,447</u>
-	420,187	125,040
-	5,815,490	-
-	4,158,612	1,410,636
-	14,693,999	-
-	10,160,094	2,946,464
-	35,248,382	4,482,140
<u>65</u>	<u>42,087,104</u>	<u>6,020,587</u>
-	567,258	170,357
-	848,734	289,222
-	1,415,992	459,579
1,027,103	166,602,062	331,920
-	100,000	-
-	260,000	-
496,550	17,968,650	(2,165,282)
<u>\$ 1,523,653</u>	<u>\$ 184,930,712</u>	<u>\$ (1,833,362)</u>

This page is intentionally left blank

CITY OF CASPER, WYOMING

**RECONCILIATION OF THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2017

Amounts reported for business-type activities in the statement of net position are different because:

Total net position, proprietary funds	\$ 184,930,712
Certain internal service fund assets and liabilities are included with business-type activities.	<u>(982,192)</u>
Net position of business-type activities	<u><u>\$ 183,948,520</u></u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 Year Ended June 30, 2017**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Recreation Fund</u>
Operating revenues			
Charges for services	\$ 25,183,311	\$ 12,381,237	\$ 2,997,004
Other revenues	130,359	1,853,821	143,003
Total operating revenues	<u>25,313,670</u>	<u>14,235,058</u>	<u>3,140,007</u>
Operating expenses			
Personnel expenses	5,278,949	3,524,189	3,255,094
Contractual	8,237,644	4,507,109	2,338,702
Materials and supplies	7,311,845	1,568,444	397,669
Other expenses	3,704	686,008	4,233
Depreciation expense	4,872,032	2,063,017	1,776,444
Total operating expenses	<u>25,704,174</u>	<u>12,348,767</u>	<u>7,772,142</u>
Operating income (loss)	<u>(390,504)</u>	<u>1,886,291</u>	<u>(4,632,135)</u>
Nonoperating revenues (expenses)			
Investment earnings and change in fair market value	49,727	29,495	194
Interest	(448,051)	(55,329)	-
Total nonoperating revenues (expenses)	<u>(398,324)</u>	<u>(25,834)</u>	<u>194</u>
Income (loss) before contributions and transfers	<u>(788,828)</u>	<u>1,860,457</u>	<u>(4,631,941)</u>
Capital grants and contributions	226,116	49,623	10,371,709
Transfers in	1,750,000	-	2,456,127
Net contributions and transfers	<u>1,976,116</u>	<u>49,623</u>	<u>12,827,836</u>
Change in net position	1,187,288	1,910,080	8,195,895
Net position (deficit) - beginning of year as previously stated	118,353,670	31,146,220	28,034,751
Prior period adjustment	<u>(2,856,978)</u>	<u>(1,466,925)</u>	<u>(1,096,942)</u>
Net position - beginning of year, as restated	<u>115,496,692</u>	<u>29,679,295</u>	<u>26,937,809</u>
Net position (deficit) - end of year	<u>\$ 116,683,980</u>	<u>\$ 31,589,375</u>	<u>\$ 35,133,704</u>

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>	
<u>Other Nonmajor Enterprise Fund</u>		<u>Internal Service Funds</u>	
<u>Parking Lot</u>	<u>Totals</u>		
\$ 8,369	\$ 40,569,921	\$ 5,557,553	
-	2,127,183	6,851,158	
<u>8,369</u>	<u>42,697,104</u>	<u>12,408,711</u>	
-	12,058,232	4,207,992	
23,447	15,106,902	10,509,166	
-	9,277,958	1,636,756	
-	693,945	36,123	
68,210	8,779,703	113,420	
<u>91,657</u>	<u>45,916,740</u>	<u>16,503,457</u>	
<u>(83,288)</u>	<u>(3,219,636)</u>	<u>(4,094,746)</u>	
946	80,362	10,380	
-	(503,380)	-	
<u>946</u>	<u>(423,018)</u>	<u>10,380</u>	
<u>(82,342)</u>	<u>(3,642,654)</u>	<u>(4,084,366)</u>	
-	10,647,448	-	
-	4,206,127	1,313,775	
-	14,853,575	1,313,775	
(82,342)	11,210,921	(2,770,591)	
1,605,995	179,140,636	(16,583,353)	
-	(5,420,845)	17,520,582	
<u>1,605,995</u>	<u>173,719,791</u>	<u>937,229</u>	
<u>\$ 1,523,653</u>	<u>\$ 184,930,712</u>	<u>\$ (1,833,362)</u>	

This page is intentionally left blank

CITY OF CASPER, WYOMING

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES**

June 30, 2017

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - proprietary funds	\$ 11,210,921
Net revenue (expense) of certain internal service funds is reported with business-type activities.	<u>(982,192)</u>
Change in net position of business-type activities	<u><u>\$ 10,228,729</u></u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2017**

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
Cash flows from operating activities			
Cash received from customers	\$ 23,442,749	\$ 13,794,003	\$ 2,566,114
Cash receipts from interfund services provided	2,062,417	-	-
Cash payments to suppliers for goods and services	(15,910,955)	(4,323,065)	(2,574,034)
Claims paid	-	-	-
Cash payments for interfund services used	(163,725)	(1,278,924)	(268,244)
Cash payments to employees for services	(4,879,822)	(3,268,481)	(3,178,437)
Net cash provided (used) by operating activities	<u>4,550,664</u>	<u>4,923,533</u>	<u>(3,454,601)</u>
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	<u>1,489,643</u>	<u>(272)</u>	<u>3,581,978</u>
Net cash provided (used) by noncapital financing activities	<u>1,489,643</u>	<u>(272)</u>	<u>3,581,978</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(3,485,063)	(4,884,684)	(16,353)
Capital contributions	226,116	49,623	7,958
Proceeds from long-term financing	54,090	141,548	-
Principal paid	(1,089,072)	(104,189)	-
Interest paid	(451,959)	(48,501)	-
Net cash used by capital and related financing activities	<u>(4,745,888)</u>	<u>(4,846,203)</u>	<u>(8,395)</u>
Cash flows from investing activities			
Purchase of investment securities	(2,627,864)	(659,812)	-
Proceeds from the sale of investment securities	1,278,544	396,871	-
Interest on investments	248,467	109,868	194
Net cash provided (used) by investing activities	<u>(1,100,853)</u>	<u>(153,073)</u>	<u>194</u>
Net increase (decrease) in cash and cash equivalents	193,566	(76,015)	119,176
Cash and cash equivalents - beginning of year	<u>493,430</u>	<u>613,732</u>	<u>176,380</u>
Cash and cash equivalents - end of year	<u>\$ 686,996</u>	<u>\$ 537,717</u>	<u>\$ 295,556</u>

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>	
<u>Other Nonmajor Enterprise Fund</u>		<u>Internal Service Funds</u>	
<u>Parking Lot</u>	<u>Totals</u>		
\$ 8,369	\$ 39,811,235	\$ 1,793,637	
-	2,062,417	10,668,191	
(14,807)	(22,822,861)	(3,596,375)	
-	-	(8,026,757)	
(8,897)	(1,719,790)	(485,239)	
-	(11,326,740)	(3,967,222)	
<u>(15,335)</u>	<u>6,004,261</u>	<u>(3,613,765)</u>	
-	5,071,349	1,334,449	
-	5,071,349	1,334,449	
-	(8,386,100)	(41,911)	
-	283,697	-	
-	195,638	-	
-	(1,193,261)	-	
-	(500,460)	-	
<u>-</u>	<u>(9,600,486)</u>	<u>(41,911)</u>	
(5,352)	(3,293,028)	(133,181)	
6,184	1,681,599	2,491,827	
5,355	363,884	30,327	
<u>6,187</u>	<u>(1,247,545)</u>	<u>2,388,973</u>	
(9,148)	227,579	67,746	
35,728	1,319,270	1,065,913	
<u>\$ 26,580</u>	<u>\$ 1,546,849</u>	<u>\$ 1,133,659</u>	

(Continued)

CITY OF CASPER, WYOMING

**STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 Year Ended June 30, 2017**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Recreation Fund</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ (390,504)	\$ 1,886,291	\$ (4,632,135)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	4,872,032	2,063,017	1,776,444
Loss on disposal of capital assets	3,707	200,122	-
Amortization of deferred outflows and deferred inflows			
Pension plan items	214,823	146,227	65,343
Other postemployment benefits items	(49,508)	(30,481)	(16,677)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Customer receivables	190,194	(441,055)	(140,487)
Due from management company	-	-	(355,119)
Inventories	24,054	-	69,879
Deferred outflows and deferred inflows:			
Pension plan items	157,626	101,079	144,939
Other postemployment benefits items	484,189	298,106	163,107
Accounts payable and accrued liabilities	(549,248)	480,399	(171,553)
Accrued wages payable	(42,903)	(28,851)	(82,940)
Unearned revenues and refundable customer deposits	1,302	-	(78,287)
Claims payable	-	-	-
Compensated absences	8,234	(188)	(71,516)
Landfill closure and post closure care	-	479,051	-
Other postemployment benefits payable	(368,284)	(226,746)	(124,063)
Net pension liability	(5,050)	(3,438)	(1,536)
Net cash provided (used) by operating activities	<u>\$ 4,550,664</u>	<u>\$ 4,923,533</u>	<u>\$ (3,454,601)</u>
Noncash investing, capital and related financing activities			
Change in fair value of investments	\$ (207,998)	\$ (83,340)	\$ -
Capital assets contributed by governmental funds	-	36,123	10,363,755

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental</u>	
<u>Other Nonmajor</u>		<u>Activities</u>	
<u>Enterprise Fund</u>		<u>Internal</u>	
<u>Parking Lot</u>	<u>Totals</u>	<u>Service Funds</u>	
\$ (83,288)	\$ (3,219,636)	\$ (4,094,746)	
68,210	8,779,703	113,420	
-	203,829	36,123	
-	426,393	130,823	
-	(96,666)	(32,940)	
-	(391,348)	53,117	
-	(355,119)	-	
-	93,933	(4,217)	
-	403,644	116,347	
-	945,402	322,162	
(257)	(240,659)	(229,944)	
-	(154,694)	(31,748)	
-	(76,985)	-	
-	-	271,712	
-	(63,470)	(15,756)	
-	479,051	-	
-	(719,093)	(245,043)	
-	(10,024)	(3,075)	
<u>\$ (15,335)</u>	<u>\$ 6,004,261</u>	<u>\$ (3,613,765)</u>	

\$ (4,522)	\$ (295,860)	\$ (15,381)
-	10,399,878	-

CITY OF CASPER, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - AMOCO REUSE JOINT POWERS BOARD INVESTMENTS
June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 61,094
Investments	10,647,081
Total assets	<u>\$ 10,708,175</u>
 LIABILITIES	
Amounts payable to Amoco Reuse Joint Powers Board	\$ 10,708,175
Total liabilities	<u>\$ 10,708,175</u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
June 30, 2017

	<u>Major</u>	<u>Nonmajor</u>		
	Central Wyoming Regional Water System Joint Powers Board	Downtown Development Authority	Economic Development Joint Powers Board	Total Component Units
ASSETS				
Cash and cash equivalents	\$ 5,567,133	\$ 344,679	\$ 1,183,615	\$ 7,095,427
Investments	-	-	196,919	196,919
Receivables, net of allowance	70,190	1,300,380	118,075	1,488,645
Due from primary government	296,555	-	-	296,555
Inventories	405,475	-	-	405,475
Prepaid items	21,629	-	-	21,629
Restricted cash	1,000,000	1,702,916	-	2,702,916
Notes receivable, noncurrent	-	-	1,079,946	1,079,946
Capital assets, not being depreciated	3,943,365	1,523,625	-	5,466,990
Capital assets, net of depreciation	36,570,853	759	27,449	36,599,061
Total assets	<u>47,875,200</u>	<u>4,872,359</u>	<u>2,606,004</u>	<u>55,353,563</u>
LIABILITIES				
Accounts payable and other current liabilities	758,700	340,438	218,851	1,317,989
Accrued wages payable	51,380	2,240	-	53,620
Accrued interest payable	135,965	-	-	135,965
Noncurrent liabilities				
Due within one year	1,753,697	-	-	1,753,697
Due in more than one year	14,074,218	-	-	14,074,218
Total liabilities	<u>16,773,960</u>	<u>342,678</u>	<u>218,851</u>	<u>17,335,489</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	87,661	170,488	-	258,149
	<u>87,661</u>	<u>170,488</u>	<u>-</u>	<u>258,149</u>
NET POSITION				
Net investment in capital assets	24,686,303	1,524,384	27,449	26,238,136
Restricted				
Construction reserve	1,000,000	1,702,916	-	2,702,916
Unrestricted	5,327,276	1,131,893	2,359,704	8,818,873
Total net position	<u>\$ 31,013,579</u>	<u>\$ 4,359,193</u>	<u>\$ 2,387,153</u>	<u>\$ 37,759,925</u>

See accompanying notes to financial statements.

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
Year Ended June 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Major component units				
Central Wyoming Regional Water System Joint Powers Board	\$ 6,332,089	\$ 5,983,298	\$ -	\$ 22,365
Nonmajor component units				
Downtown Development Authority	345,538	3,350	2,000	3,459,160
Economic Development Joint Powers Board	2,697,870	-	551,796	2,009,096
Total nonmajor component units	<u>3,043,408</u>	<u>3,350</u>	<u>553,796</u>	<u>5,468,256</u>
Total component units	<u>\$ 9,375,497</u>	<u>\$ 5,986,648</u>	<u>\$ 553,796</u>	<u>\$ 5,490,621</u>

General revenues
Property taxes
Miscellaneous
Unrestricted investment earnings (loss)
Total general revenues

Change in net position
Net position - beginning of year as previously stated
Prior period adjustment
Net position - beginning of year, as restated

Net position - end of year

See accompanying notes to financial statements.

Major	Nonmajor		
Central Wyoming Regional Water System Joint Powers Board	Downtown Development Authority	Economic Development Joint Powers Board	Total Component Units
\$ (326,426)	\$ -	\$ -	\$ (326,426)
-	3,118,972	-	3,118,972
-	-	(136,978)	(136,978)
-	3,118,972	(136,978)	2,655,568
-	161,885	-	161,885
-	6,739	-	6,739
27,848	1,004	(3,918)	24,934
27,848	169,628	(3,918)	193,558
(298,578)	3,288,600	(140,896)	2,849,126
30,769,147	1,070,593	2,528,049	34,367,789
543,010			543,010
31,312,157	1,070,593	2,528,049	34,910,799
\$ 31,013,579	\$ 4,359,193	\$ 2,387,153	\$ 37,759,925

This page is intentionally left blank

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of the City of Casper, Wyoming (the City), is presented to assist in understanding the City's financial statements. The financial statements and notes are representations of the City's management, which is responsible for their accuracy and completeness. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements. The following is a summary of the more significant policies.

Reporting Entity

The City (primary government) is a municipal corporation governed by nine elected council members. The City provides the following services as authorized by statute: public safety, street maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable or entities which, if omitted, would materially distort the presentation of the City's financial position or activities. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from those units would be combined with data of the primary government; however, the City does not have any blended component units. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the City. Each component unit has a June 30 year end.

Discretely Presented Component Units

The *Central Wyoming Regional Water System Joint Powers Board* (CWRWS) primarily serves the City, but also provides services to the Wardwell Water and Sewer District, the Brooks Water and Sewer District, the Salt Creek Joint Powers Board, Natrona County and certain Special Improvement Districts. The CWRWS was established to provide an orderly, economical and efficient method of jointly developing, financing and administering a regional water system plan and the operation of a regional water system. Due to the nature and significance of its relationship with the City (the City purchases more than 90% of the services provided by the CWRWS and exercises significant control over its activities) the exclusion of the CWRWS would render the financial statements of the City incomplete or misleading. The CWRWS issues separate financial statements that can be obtained at the executive offices of the CWRWS in Casper, Wyoming.

The *Downtown Development Authority* (DDA) primarily serves the City and is comprised of a board that is appointed by the City Council. The DDA was established to account for all the revenues and those expenditures associated with the activities of developing the Casper downtown area. Due to the nature and significance of its relationship with the City the exclusion of DDA would render the financial statements of the City incomplete or misleading. The DDA does not issue separate financial statements.

The *Economic Development Joint Powers Board* (the Board) primarily serves the City, provides some services to Natrona County and is governed by a board that is comprised of two members appointed by the City of Casper, two members appointed by Natrona County, and one jointly by both entities. The Board was established to provide an efficient, orderly, economical and feasible method of jointly financing and administering an economic development program. Due to the nature and significance of its relationship with the City (the City controls the Board and is financially accountable for its activities) the exclusion of this Board would render the financial statements of the City incomplete or misleading. The Board issues separate financial statements that can be obtained at the executive offices of the Board in Casper, Wyoming.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Related Organization

The *Housing Authority of the City of Casper, Wyoming* (the “Authority”) is a related organization to which the City appoints the board members. On the basis of these facts the Authority is not a component unit of the City of Casper. The City cannot impose its will on the Authority and has no significant financial responsibility for the Authority. All transactions with the Authority are conducted in the ordinary course of business.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. An allowance for doubtful accounts is maintained for municipal court and parking receivables as well as utility receivables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. With regard to self-insurance claims and judgments, an additional expenditure may be recorded based on claims run-out estimates.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items, such as licenses, fines and permits are considered to be measurable and available only when cash is received by the government; as a result, they are not susceptible to accrual.

Financial Statement Presentation

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance or net position, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for collections of sales and use taxes for the acquisition or construction of capital projects and equipment.

The City reports the following major proprietary funds:

Utilities Fund – to account for operations associated with providing water, wastewater, sewer collection, and wastewater treatment services to the City of Casper residents and some county residents.

Solid Waste Fund – to account for operations associated with providing balefill and solid waste collection services to the City of Casper residents and some county residents.

Recreation Fund - to account for the operation of the Casper Municipal Golf Course, Hogadon Ski Area, Casper Events Center, outdoor pools and indoor aquatics center, indoor ice arena, recreation facility and various recreation and field programs of the City.

Additionally, the City reports the following fund types:

The internal service funds account for the garage, city hall, health insurance, management information services, buildings and structures, and property and liability insurance services provided to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The fiduciary fund accounts for investments held by the City on behalf of the Amoco Reuse Joint Powers Board.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are the charges between the City's utility functions and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the system development fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents and Restricted Cash

Except when required by trust agreements or City policy, the operating cash of certain funds are pooled into one bank account and/or investment not identified with any particular fund. The accounting records for each applicable fund reflect its portion of the pooled cash and/or investments or its actual cash balance. When a particular fund overdraws its share of the pooled cash or investment account, the deficit is recorded as a payable to the general fund and a corresponding entry is made in the general fund to reflect the receivable from the other fund.

For purposes of the statements of cash flows, the City considers cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition to be cash and cash equivalents. The City's cash accounts consist of demand deposits and a money market account at the Wyoming Government Investment Fund (WGIF), a governmental pool established in 1996 exclusively designed for Wyoming public entities. The WGIF Liquid Asset Series seeks to maintain a stable net asset value of \$1.00 and is managed to a maximum weighted average maturity of 60 days.

The Downtown Development Authority has cash restricted by donors and the Central Wyoming Regional Water System has cash restricted for their construction reserve.

Investments

The City follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which the City may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. The City's investments consist of U.S. Treasury notes and bonds, government sponsored enterprise (GSEs) securities, U.S. Government agency mortgage backed securities, and commercial paper.

Investments for the City are reported at fair value. The City reviews statements of investments on a monthly basis to identify significant downturns which might affect the fair value of measurements of investments.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance (Continued)

Receivables

Accounts receivable are expressed net of allowances for doubtful accounts. Allowances for doubtful accounts are based on historical collection trends for the related receivables.

Long-term portions of receivables in the governmental fund financial statements are reported and then offset by non-spendable, restricted and committed fund balance reserve accounts in order to indicate that they are not available for spendable resources.

Inter-fund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventory

Inventory is valued at cost using the first-in, first-out method. These amounts are accounted for as expenditures as used (consumption method) and, therefore, represent available spendable resources. Inventory of the Utilities Fund is generally used for additions to plant and equipment or repairs. Inventory of the General Internal Service Fund consists of consumable supplies for the purpose of repairs and maintenance of the City's vehicles and equipment. Inventory in the General Fund is for resale items at Fort Caspar, a division of the Leisure Services Department of the City.

Capital Assets

Capital assets, which are acquired or constructed, are reported at historical cost or estimated historical cost in the applicable governmental or business-type activities' columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In capitalizing general infrastructure (i.e., those reported by governmental activities) in accordance with GASB No. 34, general infrastructure acquired prior to the fiscal year ended after June 30, 1980 is not reported. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each year, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance (Continued)

Capital Assets (Continued)

For the primary government, as well as the component units, property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements	20-50
Equipment	5-10
Infrastructure	50
Intangible assets	3-5

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a decrease of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements may include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred outflows and deferred inflows as follows:

Unavailable Revenues - Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position, property tax revenue is reported as deferred inflows of resources in the year the taxes are levied.

Pension Plan and OPEB Items – In the government-wide and proprietary funds statements of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to pension or OPEB expense related to the net pension and net OPEB liabilities. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan or OPEB investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred outflows or deferred inflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

Compensated Absences

The City allows employees to accumulate unused vacation and sick pay by accumulating compensatory leave up to maximum limits. The liability associated with these benefits is reported in the government-wide financial statements. Proprietary fund types accrue such benefits in the period in which they are earned. A liability for the amount is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements. Unused sick or vacation pay is not recognized as a liability because it does not meet the criteria for accrual.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (“WRS”) plans and additions to/deductions from WRS’s fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the City’s net OPEB liability, deferred inflows of resources related to OPEB, and OPEB expense, are reported on GAAP basis as they are determined by the plan actuary. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize proceeds from lease purchase obligations which are reported as other financing sources. Repayment of long-term debt (lease purchase obligations) is reported as debt service expenditures.

Claims Payable

Claims and judgments payable are recognized when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such claims, including an estimate for claims incurred but not reported at year end, are reflected as claims payable in the financial statements.

Fund Balance/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balances indicate amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact. It also includes the long-term amount of advances, loans, and notes receivable as well as property held for resale unless the proceeds from the collection of these items would be considered restricted, committed, or assigned in which case they are included in those categories. Restricted fund balance has limitations imposed by creditors, grantors, contributors, or by enabling legislation constitutional provisions. Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision making authority. It would require a resolution by the City Council to remove or change the constraints placed on the resources. The current City policy does not permit the assignment of fund balances, as all limitations are imposed or relieved by resolution of the City Council.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance/Net Position (Continued)

Unassigned fund balances indicate amounts in the governmental funds that are not classified as non-spendable, restricted, or committed. The general fund is the only fund that would report a positive amount in unassigned fund balance. When both unassigned and committed resources are available for use, it is the City’s policy to use committed resources first, then unassigned resources as needed. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted or committed to those purposes. When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted fund balance.

In the government-wide and proprietary fund financial statements, net positions are restricted for amounts that are either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. When both restricted net position and unrestricted net position are available for use, it is the City’s policy to use restricted resources first and then unrestricted net position.

Property Taxes

The County is permitted by Wyoming Statutes to levy up to 8 mills of the assessed valuation for the City except for the payment of public debt and the interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest of long-term debt for the year ended June 30, 2017 was 8 mills, which means the City has no available tax margin and accordingly, cannot raise any additional taxes.

Property taxes levied in a particular year are collected in the subsequent year. City property tax revenues are recognized in the general fund when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period. The property tax calendar is as follows:

Property taxes attach as an enforceable lien on property	January 1
Taxes are levied	August 1
First installment due date (one-half of taxes are due)	September 1
First installment considered delinquent	November 10
Taxes due in full (unless installments elected by taxpayer)	December 31
Second installment due date (second half due)	March 1
Second installment considered delinquent	May 10

Inter-fund Transactions

Inter-fund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include billings from one fund to another for purchased goods or services. In the government-wide statement of activities, transactions, which constitute reimbursements, are eliminated in the reimbursed fund and accounted for as expenditures or expenses in the fund to which the transactions is applicable.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance (Continued)

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual amounts could differ from those estimates. The estimates of fair value of investments, pension liabilities, and the other post-employment benefits are specifically significant to the City. It is reasonably possible that these estimates will change within one year of the date of the financial statements due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

Budgets

The City Council annually adopt a budget and approve the related appropriations for the funds in accordance with provisions of Wyoming Statutes. Budgets are legally adopted for all funds of the primary government. Annual appropriated budgets for governmental funds are adopted on a modified accrual basis except for depreciation, market adjustment and gains and losses on investments, inventory adjustments, and bad debt, which are not recorded as revenues or expenditures. Annual appropriated budgets for proprietary and internal service funds are adopted on a basis that includes capital items such as amounts for capital outlay and principal reduction of debt. Such budgets exclude depreciation, market adjustment, gains and losses on sales, inventory adjustments, contribution of capital assets, and bad debt, which are not recorded as revenues or expenditures. Unexpended and unencumbered budgeted amounts and budget appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing year.

Budgeted amounts are as originally adopted, or as amended by the City Council. For governmental funds, expenditures cannot exceed budgeted amounts on an individual fund basis based upon original and/or supplemental appropriations as approved by the City Council. The City Manager is authorized to transfer budgeted amounts between expenditure classifications of an individual cost center; however, any revisions that alter the total expenditures of any fund or department must be approved by the City Council.

Note 2. Deposits and Investments

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of the failure of a depository institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that the City's deposits in excess of the Federal depository insurance amount be collateralized.

Deposits held in the City's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the City. As of June 30, 2017, the carrying amount of the City's bank deposits was \$13,424,516 and the bank balance was \$14,572,992. All bank deposits at June 30, 2017 were covered by insurance or collateral held in joint custody with the financial institution.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments (Continued)

Custodial Credit Risk - Deposits (Continued)

The City also had cash equivalents of \$2,023,350 in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Poor's. Management does not believe these cash balances are at risk as a result of not being fully insured or collateralized. The City has not incurred any losses related to uninsured deposits.

At June 30, 2017, the carrying amount of the Downtown Development Authority bank deposits was \$2,047,595 and the bank balance was \$2,050,753. All bank deposits at June 30, 2017 were covered by insurance or collateral held in joint custody with the financial institution.

At June 30, 2017, the carrying amount of the Economic Development Joint Powers Board's bank deposits was \$1,276,863 which includes cash of \$1,183,615 and a certificate of deposit of \$93,248 reported as an investment and the bank balance was \$1,405,507. The Joint Powers Board's deposit policy requires a bank's trust department to pledge collateral at 110% of market value of the deposits. All bank deposits at June 30, 2017 were covered by insurance or collateral held in joint custody with the financial institution.

At June 30, 2017, the carrying amount of the Central Wyoming Regional Water System Joint Powers Board's bank deposits and the bank balance was \$6,057,572. All bank deposits at June 30, 2017 were covered by insurance or collateral held in joint custody with the financial institution.

Central Wyoming Regional Water System Joint Powers Board also had cash equivalents of \$509,561 in the Wyoming Government Investment Fund Pool (WGIF) Liquid Asset Series. Management does not believe its cash balances are at risk as a result of not being fully insured or collateralized. Central Wyoming Regional Water System Joint Powers Board has not incurred any losses related to uninsured deposits.

Differences between the carrying amount and the bank balance are the result of the transactions in transit.

Investments

As of June 30, 2017, the City had the following investments:

Investment Type	Interest Rate	Total	Investment Maturities (in Years)				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
US Treasury notes and bonds	.625% - 6.250%	\$ 27,759,300	\$ 7,988,908	\$18,526,486	\$ 1,243,906	\$ -	Aaa
GSE notes	.875%-1.875%	66,724,936	14,783,448	51,941,488	-	-	Aaa
Government agency mortgage backed securities	6.2%-6.5%	51,468	-	51,468	-	-	Aaa
GSE mortgage backed securities	2.310% - 6.5%	631,908	-	90,879	-	541,029	Aaa
GSE zero coupon bonds	0.00%	12,071,902	12,071,902	-	-	-	Aaa
Commercial paper	0.00%	14,750,000	14,750,000	-	-	-	Aaa
Total primary government		\$121,989,514	\$49,594,258	\$70,610,321	\$ 1,243,906	\$541,029	

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Investments are reported in the following classifications

Governmental activities	\$ 75,516,688
Business-type activities	35,825,745
Fiduciary funds	10,647,081
	\$ 121,989,514

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses. The City's investment policy limits the maturities as follows:

Maturity Limitations	Percentage of Total Invested Principal	
	Maximum %	Minimum %
0 - 1 year	100%	25%
1 - 3 years	75%	0%
3 - 5 years	30%	0%
5 - 10 years	20%	0%
10 - 30 years	20%	0%

As of June 30, 2017, the City's investment portfolio included mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

Credit Risk

Generally, credit risk is the risk that an insurer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's). Obligations of the U.S. Government are backed by the full faith and credit of the U.S. Government. The U.S. Government sponsored enterprise securities and obligations are not specifically guaranteed by the U.S. Government. However, they are rated Aaa by Moody's and AA+ by Standard and Poor's. The City's investments in U.S. Government Securities were also rated Aaa by Moody's and AA+ by Standard and Poor's. The City follows the mandates for allowable investments as prescribed by Wyoming Statutes as their credit risk policy.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk

The City does not have a formal policy that allows for or limits an investment in any one issuer in excess of a specified percentage of the City's total investments. The City uses an outside investment firm as the asset manager of the investment portfolio. All the City's investments are managed by this outside firm. The composition of the portfolio was as follows:

Investment Type	Fair Value	Percent of Portfolio
US Treasury notes and bonds	\$ 27,759,300	22.75%
GSE notes	66,724,936	54.70%
Government agency mortgage backed securities	51,468	0.04%
GSE mortgage backed securities	631,908	0.52%
GSE zero coupon bonds	12,071,902	9.90%
Commercial paper	14,750,000	12.09%
	\$ 121,989,514	100.00%

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the City does require investments be held by a third party trust service which operates under trust standards to minimize exposure to custodial credit risk.

The Economic Development Joint Powers Board's investment balances with Geneos Wealth Management are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investment Protection Corporation. At June 30, 2017, Board had the following investments and maturities:

Investment Type	Interest Rate	Total	Investment Maturities (in Years)			
			Less Than 1	1 - 5	6 - 10	More Than 10
Certificates of deposit	0.50%	\$ 93,248	\$ 93,248	\$ -	\$ -	\$ -
Money market	0.29%	103,671	103,671	-	-	-
		\$ 196,919	\$ 196,919	\$ -	\$ -	\$ -

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 2 Deposits and Investments (Continued)

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2017:

U.S. Treasury securities: Valued at the closing price reported in the active market in which the individual securities are traded.

Government sponsored enterprises (GSEs) notes, GSE mortgage backed securities, GSE zero coupon bonds, commercial paper and U.S. government agency mortgage backed securities: Valued using quoted prices for identical or similar assets in active markets.

Primary Government Investments

	Investments at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bonds	\$ 27,759,300	\$ -	\$ -	\$ 27,759,300
GSE notes	-	66,724,936	-	66,724,936
U.S. government agency mortgage backed securities	-	51,468	-	51,468
GSE mortgage backed securities	-	631,908	-	631,908
GSE zero coupon bonds	-	12,071,902	-	12,071,902
Commercial paper	-	14,750,000	-	14,750,000
Total investments at fair value	\$ 27,759,300	\$ 94,230,214	\$ -	\$ 121,989,514

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 3. Receivables

Receivables as of year-end for the government's individual major funds, including the applicable allowances for uncollectible accounts, are as follows

	Governmental Funds		Business-type Activities - Enterprise Funds		
	General Fund	Capital Projects	Utilities Fund	Solid Waste Fund	Recreation Fund
Taxes receivable	\$ 8,116,945	\$ 2,323,187	\$ -	\$ -	\$ -
Customers	-	-	1,596,743	517,465	15,425
Unbilled services	-	-	1,463,294	294,351	149,660
Court and parking fines	1,464,405	-	-	-	-
Allowance for bad debts	(801,991)	-	(87,896)	(108,033)	(14,199)
Due from other governments	-	292,173	16,277	523,487	-
Interest	127,057	26,911	66,526	27,757	-
Due from management company	-	-	-	-	355,119
Miscellaneous	292,674	239,911	-	-	-
	<u>\$ 9,199,090</u>	<u>\$ 2,882,182</u>	<u>\$ 3,054,944</u>	<u>\$ 1,255,027</u>	<u>\$ 506,005</u>

Note 4. Individual Fund Inter-fund Receivables, Payables, and Transfers

Individual fund inter-fund receivable and payable balances at June 30, 2017 are as follows:

	Receivable	Payable
Primary Government		
<i>Governmental Funds</i>		
<i>Major Funds</i>		
General Fund	\$ 1,545,053	\$ 355,474
<i>Other Governmental Funds</i>		
Special Revenue Funds		
CDBG	-	126,078
Transportation Services	-	31,220
Metropolitan Planning Organization	-	30,457
Police Grants	-	10,222
Public Safety Communications	2,497	-
Total governmental funds	<u>1,547,550</u>	<u>553,451</u>
<i>Business-type Activities - Enterprise Funds</i>		
<i>Major Funds</i>		
Utilities Fund	270,715	439,421
Solid Waste Fund	153,365	148,429
Recreation Fund	1,013	826,606
Total business-type activities - enterprise funds	<u>425,093</u>	<u>1,414,456</u>
<i>Governmental Activities - Internal Service Funds</i>		
General Internal Services	12,654	17,390
Total internal service funds	<u>12,654</u>	<u>17,390</u>
	<u>\$ 1,985,297</u>	<u>\$ 1,985,297</u>

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 4. Individual Fund Inter-fund Receivables, Payables, and Transfers (Continued)

These balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers during the year ended June 30, 2017 were as follows:

	Transfer In	Transfer Out
Primary Government		
<i>Governmental Funds</i>		
<i>Major Funds</i>		
General Fund	\$ 4,296,685	\$ 8,927,643
Capital Projects Fund	16,429,108	18,893,848
<i>Other Governmental Funds</i>		
Special Revenue Funds		
CDBG	16,957	-
Transportation Services	512,451	-
Public Safety Communications	988,835	-
Metropolitan Planning Organization	57,553	-
Total governmental funds	22,301,589	27,821,491
Other capital asset transfers reported in governmental activities	-	10,407,832
Total governmental activities - governmental funds	22,301,589	38,229,323
<i>Business-type Activities - Enterprise Funds</i>		
<i>Major Funds</i>		
Utilities Fund	1,750,000	-
Recreation Fund	2,456,127	-
Other capital asset transfers reported in business-type activities	10,407,832	-
Total business-type activities - enterprise funds	14,613,959	-
<i>Governmental Activities - Internal Service Funds</i>		
General Internal Services	1,313,775	-
Total governmental activities - internal service funds	1,313,775	-
	\$ 38,229,323	\$ 38,229,323

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 5. Notes Receivable

Notes receivable at June 30, 2017 consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<i>Redevelopment loan fund notes receivable</i>					
Big House, LLC, initial interest only payments at 5.59%, variable interest from 4.57% to 6.01%; annual installments ranging from \$15,000 to \$54,000, beginning August 1, 2010, collateralized by property, due August 2024	\$ 454,000	\$ -	\$ 40,000	\$ 414,000	\$ 50,000
	<u>454,000</u>	<u>-</u>	<u>40,000</u>	<u>414,000</u>	<u>50,000</u>
<i>Capital projects fund notes receivable</i>					
Wyoming National, LLC, 2.25% interest, monthly installments of \$983 principal and interest, collateralized by property, due September 2031	150,886	-	8,483	142,403	8,675
21st Street extension recapture notes, 5% interest, repaid as properties are developed, due January 2018	23,865	-	18,348	5,517	-
	<u>174,751</u>	<u>-</u>	<u>26,831</u>	<u>147,920</u>	<u>8,675</u>
<i>Debt service fund notes receivable</i>					
Local assessment districts notes	77,236	-	18,066	59,170	-
<i>CDBG fund notes receivable</i>					
Community Development Block Grant notes	3,811	-	966	2,845	908
<i>General fund notes receivable</i>					
Casper Housing Authority note receivable, 4% interest payable in monthly installments of \$2,670 of principal and interest, collateralized by property, due April 2030	338,418	-	18,845	319,573	19,612
Casper Housing Authority note receivable, 3% interest payable in monthly installments of \$3,000 of principal and interest, collateralized by property, due April 2032	-	434,350	5,755	428,595	23,457
Central Wyoming Regional Water System					
Joint Powers Board note receivable, 2.5% interest payable in monthly installments of \$127,960 of principal and interest, collateralized by all CWRWS real property, fixtures, and improvements, due November 2023	10,172,294	-	1,296,000	8,876,294	1,328,774
	<u>10,510,712</u>	<u>434,350</u>	<u>1,320,600</u>	<u>9,624,462</u>	<u>1,371,843</u>
Total notes receivable	<u>\$ 10,882,092</u>	<u>\$ 434,350</u>	<u>\$ 1,406,463</u>	<u>\$ 10,248,397</u>	<u>\$ 1,431,426</u>

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 6. Capital Assets

Primary Government

Capital asset activity for governmental activities for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Disposals	Transfers	Balance June 30, 2017
<i>Governmental activities</i>					
Capital assets, not being depreciated					
Land, artwork, water rights and easements	\$ 10,920,918	\$ 1,528,582	\$ 339,901	\$ 1,505,166	\$ 13,614,765
Construction in progress	23,883,256	17,557,215	-	(17,648,890)	23,791,581
Total capital assets not being depreciated	34,804,174	19,085,797	339,901	(16,143,724)	37,406,346
Capital assets being depreciated					
Buildings	32,069,306	-	155,928	212,322	32,125,700
Improvements	24,374,081	730,103	-	6,117,613	31,221,797
Equipment	37,653,346	996,620	1,151,017	-	37,498,949
Infrastructure	143,209,348	-	-	-	143,209,348
Total capital assets being depreciated	237,306,081	1,726,723	1,306,945	6,329,935	244,055,794
Less accumulated depreciation for					
Buildings	10,470,050	633,131	118,817	-	10,984,364
Improvements	14,612,763	4,863,648	-	-	19,476,411
Equipment	29,410,146	2,348,871	1,110,756	-	30,648,261
Infrastructure	30,318,758	-	-	-	30,318,758
Total accumulated depreciation	84,811,717	7,845,650	1,229,573	-	91,427,794
Total capital assets being depreciated, net	152,494,364	(6,118,927)	77,372	6,329,935	152,628,000
Governmental activities capital assets, net	\$ 187,298,538	\$ 12,966,870	\$ 417,273	\$(9,813,789)	\$ 190,034,346

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 468,859
Public safety	1,575,987
Public works	4,970,185
Health and social services	261,565
Culture and recreation	569,054
Total depreciation expenses - governmental activities	\$ 7,845,650

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 6. Capital Assets (Continued)

Primary Government (Continued)

Capital asset activity for business type activities for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Disposals	Transfers	Balance June 30, 2017
<i>Business-type activities</i>					
Capital assets not being depreciated					
Land, artwork, water rights and easements	\$ 8,188,577	\$ -	\$ -	\$ -	\$ 8,188,577
Construction in progress	11,419,784	6,302,098	111,046	(7,445,500)	10,165,336
Total capital assets not being depreciated	19,608,361	6,302,098	111,046	(7,445,500)	18,353,913
Capital assets being depreciated					
Buildings	62,556,267	-	-	1,619,842	64,176,109
Improvements	191,981,022	704,143	-	15,435,389	208,120,554
Machinery and equipment	29,515,087	2,040,863	1,179,396	204,058	30,580,612
Total capital assets being depreciated	284,052,376	2,745,006	1,179,396	17,259,289	302,877,275
Less accumulated depreciation for					
Buildings	30,906,114	1,236,042	-	-	32,142,156
Improvements	77,828,122	5,833,238	-	-	83,661,360
Machinery and equipment	22,103,742	1,710,423	975,571	-	22,838,594
Total accumulated depreciation	130,837,978	8,779,703	975,571	-	138,642,110
Total capital assets being depreciated, net	153,214,398	(6,034,697)	203,825	17,259,289	164,235,165
Business-type activities capital assets, net	\$ 172,822,759	\$ 267,401	\$ 314,871	\$ 9,813,789	\$ 182,589,078

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 6. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Transfers and Deletions	Balance June 30, 2017
<i>Downtown Development Authority</i>				
Capital assets not being depreciated				
Construction in progress	\$ 301,149	\$ 1,222,476	\$ -	\$ 1,523,625
Total capital assets, not being depreciated	301,149	1,222,476	-	1,523,625
Capital assets being depreciated				
Improvements	4,249	-	-	4,249
Total capital assets being depreciated	4,249	-	-	4,249
Less accumulated depreciation for				
Improvements	3,333	157	-	3,490
Total accumulated depreciation	3,333	157	-	3,490
Total capital assets being depreciated, net	916	(157)	-	759
Total capital assets, net	\$ 302,065	\$ 1,222,319	\$ -	\$ 1,524,384

	Balance July 1, 2016	Additions	Transfers and Deletions	Balance June 30, 2017
<i>Economic Development Joint Powers Board</i>				
Capital assets being depreciated				
Equipment	\$ 121,233	\$ -	\$ -	\$ 121,233
Total capital assets being depreciated	121,233	-	-	121,233
Less accumulated depreciation for				
Equipment	82,027	11,757	-	93,784
Total accumulated depreciation	82,027	11,757	-	93,784
Total capital assets, net	\$ 39,206	\$ (11,757)	\$ -	\$ 27,449

	Balance July 1, 2016	Additions	Transfers and Deletions	Balance June 30, 2017
<i>Central Wyoming Regional Water System Joint Powers Board</i>				
Capital assets not being depreciated				
Land	\$ 580,874	\$ -	\$ -	\$ 580,874
Construction in progress	2,409,826	1,006,153	53,488	3,362,491
Total capital assets, not being depreciated	2,990,700	1,006,153	53,488	3,943,365
Capital assets being depreciated				
Buildings and improvements	77,483,802	186,645	342,349	77,328,098
Machinery and equipment	735,067	131,110	30,284	835,893
Total capital assets being depreciated	78,218,869	317,755	372,633	78,163,991
Less accumulated depreciation for				
Buildings and improvements	39,517,449	2,002,982	318,469	41,201,962
Machinery and equipment	285,959	135,501	30,284	391,176
Total accumulated depreciation	39,803,408	2,138,483	348,753	41,593,138
Total capital assets being depreciated, net	38,415,461	(1,820,728)	23,880	36,570,853
Total capital assets, net	\$ 41,406,161	\$ (814,575)	\$ 77,368	\$ 40,514,218

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 7. Transactions with Component Units and Related Parties

The City provided \$416,120 in revenues to the Economic Development Joint Powers Board, a component unit of the City, during the fiscal year ended June 30, 2017. There were no receivables or payables with this component unit at June 30, 2017.

The City, under an operating agreement with the Central Wyoming Regional Water System Joint Powers Board (“CWRWS”), provides billing services, collects income derived from the sale of water from the plant, and incurs the costs for the operation of the plant. The operating costs are then reimbursed by the CWRWS on a monthly basis. Employees associated with the direct daily operations of the CWRWS are employees of the City, with all personnel costs being reimbursed. The plant facility is the sole and separate property of the CWRWS. The CWRWS paid the City \$2,774,775 for operating costs and billed the City \$5,387,801 for water sales during the fiscal year ended June 30, 2017. At June 30, 2017, the City owed the CWRWS \$764,639 and CWRWS owed the City \$468,084, with the net reported as payable to the component unit. In 2011, the City loaned \$15,905,000 to the CWRWS to call remaining revenue bonds; terms of the loan are discussed in Note 5 and Note 8.

In 2015, the City loaned the Casper Housing Authority \$360,939 to purchase a disability housing property owned by Windy City Enterprises, Inc., and in March 2017, the City loaned the Casper Housing Authority \$434,350 to provide for permanent supportive housing for military veterans. Terms of the notes receivable are discussed in Note 5.

Global Spectrum, L.P. d/b/a/ Spectra Venue Management “Company”

On October 1, 2016, The City entered into a contract with Global Spectrum, L.P d/b/a Spectra Venue Management (“the Company”) to manage the Casper Events Center operations (“the Facility”). Under the management contract between the City and the Company, the City has retained ownership and control of the capital facilities, as well as the events bank account. Upon the initial transfer of operations for the Casper Events Center, the City provided beginning inventory, petty cash, ATM cash, operating cash, accounts receivable for events, and a liability for advance ticket sales to the Facility as follows:

Cash for ATM and petty cash drawers	\$ 65,060
Operating account cash	182,613
Inventory	52,667
Accounts receivable - City of Casper events account	456,297
Advance ticket sales	(456,297)
	<u>\$ 300,340</u>

The management contract also stipulated the City would provide a subsidy of \$742,309 to the Facility during the initial nine month operating period. In order to cover operating losses, the City also provided additional funding of \$156,985 during that same nine month period ending June 30, 2017.

As of June 30, 2017, the City had amounts payable to the Facility, comprised of \$102,943 in accounts payable, as well as \$541,206 in funds for presold tickets. In addition, the City had accounts receivable from the Facility of \$3,203 for utilities and net residual funding of \$351,916.

The City also reimbursed the Facility \$47,950 for the nine month period ending June 30, 2017 for out-of-pocket costs incurred by the Facility in connection with activities related to the transition of management of the Facility to the Company. The transition costs pertained to recruitment, interview, background checks, relocation, travel, and training for Facility employees.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 8. Long-Term Debt

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Restated Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
<i>Governmental activities</i>					
Accrued compensated absences	\$ 1,647,342	\$ 92,137	\$ -	\$ 1,739,479	\$ 231,592
Note payable	454,000	-	40,000	414,000	50,000
Other post-employment benefits payable	13,872,296	-	2,270,908	11,601,388	-
Net pension liability	79,965,954	150,671	-	80,116,625	-
Governmental activities total long-term liabilities	<u>\$ 95,939,592</u>	<u>\$ 242,808</u>	<u>\$ 2,310,908</u>	<u>\$ 93,871,492</u>	<u>\$ 281,592</u>
<i>Business-type activities</i>					
Accrued compensated absences	\$ 483,657	\$ -	\$ 63,470	\$ 420,187	\$ -
Notes payable	16,984,639	195,638	1,193,261	15,987,016	1,293,017
Other post-employment benefits payable	4,877,704	-	719,092	4,158,612	-
Net pension liability	9,375,086	785,008	-	10,160,094	-
Landfill closure and post closure care	5,336,439	598,615	119,564	5,815,490	-
Business-type activities total long-term liabilities	<u>\$ 37,057,525</u>	<u>\$ 1,579,261</u>	<u>\$ 2,095,387</u>	<u>\$ 36,541,399</u>	<u>\$ 1,293,017</u>

For governmental activities, the accrued compensated absences are generally liquidated by the general fund; the other post-employment benefits payable are liquidated by the employee health insurance fund. The note payable is liquidated by the redevelopment loan fund. The liquidation of the net pension obligation is allocated to each individual fund based upon the contributions made to the plan.

As originally reported the other post-employment benefits payable for governmental activities was \$19,176,261; a prior period adjustment of \$5,303,965 was made, reducing the balance to \$13,872,296. The prior period adjustment is discussed in Note 14.

As originally reported the other post-employment benefits payable for business-type activities was \$0 as these amounts were previously reported in the health insurance internal service fund. A prior period adjustment of \$4,877,704 was made, increasing the balance to \$4,877,704. The prior period adjustment is discussed in Note 14.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 8. Long-Term Debt (Continued)

Long-Term Debt – Governmental Activities

Long-term debt of the governmental activities of the primary government at June 30, 2017 is comprised of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Redevelopment Loan Fund					
Section 108 HUD Loan - \$634,000 loan due August 2024, payable in annual installments of \$15,000 to \$55,000, interest due semiannually at interest rates from 4.57% to 6.01%.	\$ 454,000	\$ -	\$ 40,000	\$ 414,000	\$ 50,000

The annual requirements to amortize loan principal and interest outstanding at June 30, 2017, are as follows:

Fiscal Year Ending	Principal	Interest
2018	\$ 50,000	\$ 22,742
2019	50,000	19,925
2020	50,000	17,065
2021	50,000	14,172
2022	50,000	11,252
2023-2027	164,000	14,667
	<u>\$ 414,000</u>	<u>\$ 99,823</u>

Long-Term Debt – Business-type Activities

Long-term debt of the business activities of the primary government at June 30, 2017 is comprised of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utilities Fund					
Wyoming State Loan and Investment Board Loan - \$2,356,956 loan for the replacement of the City's area wide water main, due September 15, 2030, in annual installments of \$157,352 including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	\$ 1,944,205	\$ -	\$ 108,691	\$ 1,835,514	\$ 111,363

(Continued)

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 8. Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utilities Fund (Continued)					
Wyoming State Loan and Investment Board Loan - \$125,543 loan for the replacement of the City's area wide water main, due September 15, 2030, payable in annual instalments of \$6,608 at 0% interest rate. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	\$ 99,113	\$ -	\$ 6,608	\$ 92,505	\$ 6,608
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan due October 1, 2022, payable in annual installments of \$96,220 including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	609,529	-	82,123	527,406	83,007
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan due June 1, 2024 payable in annual installments of \$96,220 including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	687,288	-	79,086	608,202	81,014
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan due April 2025, payable in installments of \$96,220, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	841,581	-	75,199	766,382	77,061
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan due September 1, 2026 payable in annual installments of \$96,220, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	912,851	-	74,216	838,635	75,234
					(Continued)

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 8. Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utilities Fund (Continued)					
Wyoming State Loan and Investment Board Loan - \$567,005 loan due August 1, 2026, payable in annual installments of \$36,372, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	\$ 345,788	\$ -	\$ 27,736	\$ 318,052	\$ 28,420
Wyoming State Loan and Investment Board \$1,500,000 loan due August 1, 2027 payable in annual installments of \$36,372, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	986,283	-	71,593	914,690	73,353
Wyoming State Loan and Investment Board \$1,150,292 loan due October 1, 2028 payable in annual installments of \$73,788, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's water system user fees.	755,511	-	56,353	699,158	56,273
Wyoming State Loan and Investment Board \$10,500,000 loan due December 1, 2027, payable in annual installments of \$673,545, including principal and interest at 2.5%. The loan is secured by a pledge and assignment of wastewater revenues and reserves.	6,890,540	-	493,730	6,396,810	513,813
Wyoming State Loan and Investment Board \$500,000 loan due April 2034, payable in quarterly installments of \$3,434, including principal and interest at 0%. The loan is collateralized by a pledge and assignment of revenues from the City's wastewater revenues.	243,830	-	13,737	230,093	13,737

(Continued)

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 8. Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utilities Fund (Continued)					
Wyoming State Loan and Investment Board \$3,100,000 loan at 2.5% interest, with principal forgiveness up to \$775,000. The note will become payable in quarterly installments of \$49,360 upon substantial completion of the project. The loan is collateralized by a pledge and assignment of revenues from the City's wastewater revenues.	\$ 1,010,075	\$ 54,090	\$ -	\$ 1,064,165	\$ 47,833
Total Utilities Fund	<u>15,326,594</u>	<u>54,090</u>	<u>1,089,072</u>	<u>14,291,612</u>	<u>1,167,716</u>
Solid Waste Fund					
Wyoming State Loan and Investment Board \$2,189,530 loan due April 1, 2028, payable in annual installments of \$140,452, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of Solid Waste Division disposal fees.	1,435,702	-	104,189	1,331,513	106,887
Wyoming State Loan and Investment Board \$6,126,000 loan due December 31, 2035, payable in annual installments of \$389,147, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of Solid Waste Division disposal fees.	222,343	141,548	-	363,891	18,414
Total Solid Waste Fund	<u>1,658,045</u>	<u>141,548</u>	<u>104,189</u>	<u>1,695,404</u>	<u>125,301</u>
	<u>\$ 16,984,639</u>	<u>\$ 195,638</u>	<u>\$ 1,193,261</u>	<u>\$ 15,987,016</u>	<u>\$ 1,293,017</u>

The annual requirements to amortize loans principal and interest outstanding at June 30, 2017, are as follows:

Fiscal Year Ending	Principal	Interest
2018	\$ 1,293,017	\$ 380,116
2019	1,313,683	359,494
2020	1,346,029	327,104
2021	1,379,183	293,950
2022	1,413,168	259,966
2023-2027	6,802,556	781,958
2028-2032	1,992,404	139,560
2033-2037	446,976	29,346
	<u>\$ 15,987,016</u>	<u>\$ 2,571,494</u>

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 8. Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities (Continued)

Proprietary Fund Revenues Pledged

The City has pledged future utility and solid waste fund customer revenues to repay debt in the respective proprietary funds. Pledged revenues recognized during the year ended June 30, 2017 exceeded the principal and interest requirements for the debt collateralized by those revenues. Proceeds from the debt were used to fund various projects, and the debt is payable solely from customer net revenues. The following table presents information on future revenues pledged to service this debt:

Fund	Debt	Payable Through	Principal and Interest Remaining	Principal and Interest Paid in Current Year	Percentage of Net Revenues	Net Revenues in Current Year
Utilities Fund	\$ 14,291,612	2036	\$ 16,558,135	\$ 1,537,123	6%	\$ 25,183,311
Solid Waste Fund	1,695,404	2036	2,000,375	159,518	1%	12,381,237

Long-Term Debt – Component Unit

Central Wyoming Regional Water System Joint Powers Board

Changes in long-term debt and notes payable for the year ended June 30, 2017, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
New construction note	\$ 4,952,179	\$ -	\$ 297,842	\$ 4,654,337
Rehabilitation note	1,581,598	-	95,123	1,486,475
City of Casper note	10,172,294	-	1,296,000	8,876,294
WTP emergency power project loan	165,812	49,338	-	215,150
Zone IIB water improvement project	473,266	-	18,484	454,782
Backwash water supply	39,888	100,989	-	140,877
	<u>\$ 17,385,037</u>	<u>\$ 150,327</u>	<u>\$ 1,707,449</u>	<u>\$ 15,827,915</u>

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 8. Long-Term Debt (Continued)

Long-Term Debt – Component Unit (Continued)

Central Wyoming Regional Water System Joint Powers Board (Continued)

Notes payable at June 30, 2017 were as follows:

Wyoming Water Development Commission, New Construction, maturing December 1, 2028, 4% interest rate, annual payments \$495,930; original issue \$8,098,326, collateralized by mortgage on facilities constructed under the terms of the agreement and \$1,000,000 Construction Reserve Fund.	\$ 4,654,337
City of Casper, maturing October 1, 2023, 2.5% interest rate, annual payments of \$127,960, original issue \$15,905,000, collateralized by mortgage on Water Treatment Plant property.	8,876,294
Office of State Loan and Investment Board for the funding of the Water Treatment Plant Emergency Power Project, loan amount \$1,750,000, 2.5% interest rate, first payment will be due one year after substantial completion, currently still in construction.	215,150
State Loan and Investment Board for the funding of the Zone IIB Water Improvements, loan amount \$965,250, 2.5% interest rate, first payment will be due one year after substantial completion, currently still in construction.	454,782
Wyoming Water Development Commission, Rehabilitation, maturing December 1, 2028, 4% interest rate; annual payments of \$158,387; original issue \$2,586,396, collateralized by mortgage on facilities constructed under the terms of the agreement.	1,486,475
Office of State Loan and Investment Board for the funding of the Backwash Water Supply Project. Original commitment of \$2,200,000 with \$2,059,123 remaining available. Interest rate 2.5%, with first payment due 1 year after substantial completion.	140,877
Total notes payable	15,827,915
Less current maturities	1,753,697
Long-term portion of notes payable	\$ 14,074,218

The annual requirements to amortize the notes payable, principal and interest outstanding at June 30, 2017 are as follows:

Fiscal year ending June 30:	Principal	Interest
2018	\$ 1,753,697	\$ 460,694
2019	1,809,530	413,043
2020	1,861,534	361,039
2021	1,915,103	307,483
2022	1,970,287	252,286
2023-2027	4,709,194	645,452
2028-2032	1,379,140	93,219
2032-2036	73,402	2,344
Undetermined	356,028	-
	\$ 15,827,915	\$ 2,535,560

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 9. Fund Equity

Fund Balance Specific Purpose Details

The following table outlines the specific purpose details for governmental fund balances of the City:

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Fund balances				
Nonspendable				
Inventory	\$ 114,058	\$ -	\$ -	\$ 114,058
Non-current notes receivable	8,252,619	139,245	425,107	8,816,971
Restricted for				
Community development projects	-	-	28,206	28,206
Redevelopment loans	-	-	524,461	524,461
Committed to				
Emergency reserves	11,489,737	-	-	11,489,737
Operating reserves	11,489,737	-	-	11,489,737
Perpetual care of one cent projects	29,557,236	-	-	29,557,236
Planned capital projects	-	35,871,108	-	35,871,108
Opportunity projects	7,701,201	-	-	7,701,201
Animal control	340,403	-	-	340,403
Weed and pest activities	-	-	356,353	356,353
Metropolitan planning organization	-	-	15,807	15,807
Special events assistance	-	-	70,597	70,597
Police projects	-	-	22,504	22,504
Public safety communications	-	-	294,543	294,543
Local assessment district	-	-	2,387,310	2,387,310
Unassigned	(6,671,954)	-	(235,310)	(6,907,264)
Totals	<u>\$ 62,273,037</u>	<u>\$ 36,010,353</u>	<u>\$ 3,889,578</u>	<u>\$ 102,172,968</u>

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 9. Fund Equity (Continued)

Lapsing Appropriations

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration during the year. Encumbrances outstanding at year end are reported as restricted or committed fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The table below represents the encumbrances by major fund as of June 30, 2017.

		Encumbrances
<i>Major funds</i>		
General fund	\$	362,830
Capital projects fund		18,597,484
Utilities fund		13,743,354
Solid waste fund		10,598,740
Recreation fund		2,397
<i>Aggregate nonmajor funds</i>		605,628

Deficit Fund Balances

The following non-major funds had deficit balances at June 30, 2017:

Transportation Services	\$	(235,310)
General Internal Services		(2,784,129)

The City plans to eliminate the deficit balances through the receipt of grant and local matching revenues or transfers from the general fund.

Note 10. Landfill Closure and Post-closure Care Liability

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports the estimated liability for these closure and post-closure costs in the Solid Waste Fund (an enterprise fund) based on landfill capacity used as of each balance sheet date.

The current operating costs of the landfill are accounted for within the Solid Waste Fund of the City using the accrual basis of accounting. The City has closed the old landfill site and is currently monitoring and performing post-closure activities; the new site opened in 2008. The \$5,815,490 reported as landfill closure and post-closure care liability at June 30, 2017, represents the cumulative amount estimated to date based on the use of 20% of the estimated capacity of the new landfill site and post-closure costs associated with the old site. The City will recognize the remaining estimated cost of closure and post-closure care of the new site of \$17.7 million as the remaining estimated capacity is developed and filled. The calculation of the estimated liability has been based on what it would cost to perform all closure and post-closure requirements in 2017. The City expects to close the new landfill in 2054. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. As additional post-closure care requirements are determined, these costs may need to be covered by charges to future landfill users or from future tax revenue.

The current year expense for landfill closure and post-closure requirements reflected in the Solid Waste Fund was \$119,564.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 11. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets and natural disasters. The City manages their comprehensive property risk by participating in the Wyoming Association of Risk Management Property Insurance Joint Powers Board (“WARM”). The City’s general liability insurance is also provided through WARM’s liability pool, with an additional liability policy provided by an insurance carrier for the Hogadon Ski Area. Risk management activities are accounted for in the General Internal Service Fund. Settlements have not exceeded insurance coverage for the fiscal years ended June 30, 2017, 2016 and 2015.

All heavy equipment owned by the City is covered by property coverage through WARM. This coverage has limits, which could be exceeded in the unlikely event that the City and other jurisdictions, which participate in WARM, were subject to a major disaster.

The City also participates in two other risk management programs: Workers’ Compensation Act and Unemployment Compensation Act.

Wyoming Statute 27-14-101 created the Wyoming Workers’ Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers’ Compensation Fund. This Act provides general protection from suits filed by employees against the City. The City makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the City to the State for Workers’ Compensation during fiscal year 2017 were \$915,745.

Wyoming Statute 27-3-101 created the Unemployment Compensation Act. This Act requires the City to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal years 2017 and 2016 were as follows for the City’s participation in the Unemployment Compensation Act Program:

	2017	2016
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	27,887	58,037
Claim payments	(27,887)	(58,037)
Unpaid claims, end of year	\$ -	\$ -

In order to maintain control over health insurance costs, the City has established the Employee Health Insurance Fund (an internal service fund) to account for and finance the City's self-insured health plan. Under this program, the City, through a third-party administrator, pays covered employee medical expenses on a three tiered schedule of deductibles and copays. Costs above \$175,000 are covered by stop-loss insurance purchased from a commercial insurance company, with unlimited lifetime maximum per covered person. The City paid \$685,392 for stop loss insurance premiums for the year ended June 30, 2017.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 11. Risk Management (Continued)

The third-party administrator makes year-end estimates of liabilities incurred but not reported (IBNR), based upon historical trend analysis. At June 30, 2017, 2016 and 2015, the aggregate claims liability, including IBNR, was \$1,224,113, \$952,401, and \$972,309, respectively. Changes in the Employee Health Insurance Fund's aggregate claims liability amount, from fiscal years 2017 and 2016, and 2015 were:

	Beginning of Fiscal Year Liability	Changes in Estimates	Claim Payments	At Fiscal Year-End
FY 2017	\$ 952,401	\$ 7,147,272	\$ (6,875,560)	\$ 1,224,113
FY 2016	972,039	(6,405,270)	6,385,632	952,401
FY 2015	1,271,130	5,916,543	(6,215,634)	972,039

Note 12. Litigation and Other Contingent Liabilities

The City in the normal course of business is a defendant in various lawsuits seeking damages of varying amounts. As of June 30, 2017, a plaintiff has filed a civil rights action in the United States District Court. The plaintiff has sued for unspecified compensatory and punitive damages in this matter, and the City has denied any allegations of wrongdoing. The City has coverage under the Wyoming Association of Risk Management (WARM). WARM, who represents the City, has retained three outside attorneys to defend this matter. No determination of the outcome can be made at this time.

In another civil rights action, a plaintiff has sued for damages of varying types and amounts under the provisions of the Driver's Privacy Protection Act. The City has denied any allegations of wrongdoing. The City has coverage for federal claims under WARM. However, there is no coverage for any punitive damages under this coverage. WARM has retained two outside attorneys to defend this matter. No determination of the outcome can be made at this time.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans

All eligible City employees are covered under one of the four following retirement plans:

Public Employees' Pension Plan

The City participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. Substantially all city full-time employees are eligible to participate.

PEPP members are required to contribute 8.25% of their annual covered salary and the City is required to contribute 8.37% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The City currently pays 100% of the required employee's contribution for department heads, with all other employees being responsible for the required employee contribution.

The City's contributions to the PEPP for the years ended June 30, 2017, 2016 and 2015 were \$1,609,381, \$1,740,423, and \$1,542,302, while the employees' portion was \$1,455,152, \$1,760,153, and \$1,535,209, respectively, equal to the required contributions for each year.

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan. For Tier 1 (first contribution before 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. For Tier 2 (first contribution on or after 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire on the basis that the sum of the member's age and service is at least 85.

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability, and death benefits according to predetermined formulas and allows retirees to select one of seven methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any costs of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Law Enforcement Pension Plan

The City participates in the Law Enforcement Pension Plan ("LEPP"), a state-wide, cost-sharing, multiple-employer defined benefit, contributory plan administered by the State of Wyoming Retirement System Board. The LEPP covers any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans (Continued)

Law Enforcement Pension Plan (Continued)

The LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts primarily determined by salary, age and years of service of the participant. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the plan at any time and receive refunds of participant contributions plus accumulated interest.

The LEPP is funded by amounts withheld from participating employees' salaries and by contributions from the City. These contributions are determined by state statutes and as of June 30, 2017, the percentages to be contributed on compensation were 8.60% for the employees and the same for the City. The City has elected to pay 100% of the required contributions for the head of the police department.

For the years ended June 30, 2017, 2016, and 2015, total contributions for the LEPP were \$1,293,408, \$1,293,517, and \$1,250,738 respectively, equal to the required contributions for each year. The City's portion of these contributions was \$655,027, \$646,658, and \$634,601, while the employees' portion was \$638,381, \$646,859, and \$616,137, equal to the required contributions for each year.

Paid Firemen's Pension Plans

The City participates in the Paid Firemen's Pension Fund ("Fund"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. All paid City firemen are eligible to participate. The Fund is comprised of two plans. Plan A relates to members hired prior to July 1, 1981 and Plan B relates to members hired on or after July 1, 1981 (and any earlier hires electing this plan).

Plan A statutorily required participants to contribute 8% of their salary, while employers were required to contribute 21% of their salary. Effective April 1, 1997, required contributions were suspended as Plan A had been determined to be actuarially over-funded. This plan is being reviewed to determine the appropriate measures to take to ensure this plan is adequately funded, as it is a closed plan.

Plan A statutorily provides retirement, disability and death benefits according to a percentage of a fireman first class salary. Plan A also statutorily provides for an annual percentage increase in the benefit amounts beginning in the year following twelve (12) months of payments, by at least 3%. In the event the current actuarial valuation indicates the fair value of assets is greater than one hundred fifteen percent (115%) of the actuarial value of liabilities, the Board may increase the benefit by an amount determined affordable by the actuary but not greater than five percent (5%) of the benefit. Participants may withdraw from Plan A at any time and receive refunds of participant contributions without interest.

Plan B provides retirement, disability and death benefits according to predetermined formulas. Any costs of living adjustment provided to retirees must be granted by the State Legislature. In addition a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the plan at any time and receive refunds of participant contributions without interest.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans (Continued)

Pension Plan Fiduciary Net Position

Under Plan B, participants contribute 9.245% of their gross monthly salary and the City contributes 12% of the participant's gross monthly salary. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The City's contributions to Plan B for the years ended June 30, 2017, 2016 and 2015 were \$648,240, \$551,774, and \$695,105, while the employees' portion was \$507,317, \$716,202 and \$535,377, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the City reported a liability of \$90,276,719 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation January 1, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. At December 31, 2016, the City's liability as well as their proportion and increase from its proportion measured at December 31, 2015 were as follows for each plan in which the City participates:

	Pension (asset) liability at December 31, 2016	Proportion at December 31, 2016	Increase (decrease) from December 31, 2015
Primary Government			
Public Employees' Pension Plan	\$ 26,153,831	1.081854300%	-0.042126949%
Law Enforcement Pension Plan	3,618,084	4.792676900%	0.096686689%
Paid Firemen's Retirement Plan A	54,081,810	29.476750700%	0.394660420%
Paid Firemen's Retirement Plan B	6,422,994	20.350840100%	-0.885703981%
	\$ 90,276,719		

For the year ended June 30, 2017, the City recognized pension expense of \$7,804,002.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources				Total Outflows
	PEPP	LEPP	Fire A	Fire B	
Net difference between and actual earnings on plan investments	\$ 5,032,654	\$ 1,702,751	\$ 2,635,966	\$ 1,702,823	\$ 11,074,194
Difference between actual and expected experience rate	-	47,977	-	19,413	67,390
Difference due to changes in assumptions	-	-	-	3,260,473	3,260,473
Change in employer's proportion	24,095	21,320	-	-	45,415
Amortizing deferred outflows	<u>5,056,749</u>	<u>1,772,048</u>	<u>2,635,966</u>	<u>4,982,709</u>	<u>14,447,472</u>
Contributions subsequent to the measurement date	1,533,580	641,760	-	584,355	2,759,695
Total outflows	<u><u>\$ 6,590,329</u></u>	<u><u>\$ 2,413,808</u></u>	<u><u>\$ 2,635,966</u></u>	<u><u>\$ 5,567,064</u></u>	<u><u>\$ 17,207,167</u></u>

	Deferred (Inflows) of Resources				Total (Inflows)
	PEPP	LEPP	Fire A	Fire B	
Difference between actual and expected experience rate	\$ (714,867)	\$ (133,319)	\$ -	\$ (16,700)	(864,886)
Difference due to changes in assumptions	-	-	-	(266,993)	(266,993)
Change in employer's proportion	(791,733)	(18,865)	-	(53,722)	(864,320)
Amortizing deferred (inflows)	<u><u>\$(1,506,600)</u></u>	<u><u>\$ (152,184)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (337,415)</u></u>	<u><u>\$ (1,996,199)</u></u>

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The City reported \$2,759,695 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Primary Government	
	Deferred Outflows (Inflows)	
2018	\$ 4,487,591	\$ (720,246)
2019	4,486,618	(689,818)
2020	3,549,063	(363,975)
2021	700,248	(78,203)
2022	513,984	(55,631)
Thereafter	709,968	(88,326)
	\$ 14,447,472	\$ (1,996,199)

Actuarial Assumptions

The total pension liability in the December 31, 2016 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation Date	1/1/2017
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent or level dollar open
Remaining amortization period	10 to 30
Asset valuation method	5-year
Actuarial assumptions:	
Investment net rate of return	7.75%
Projected salary increases (includes inflation)	4.25% to 8.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational

The current actuarial assumptions and methods used in the January 1, 2017 valuation were based on an experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses. These gains and losses impact the unfunded actuarial liability and future funding requirements determined in subsequent valuations.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans (Continued)

Actuarial Assumptions (Continued)

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. For each major asset class that is included in the pension plans' target allocation as of January 1, 2017, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0.00%	-0.20%
Fixed income	20.00%	1.95%
Equity	45.00%	7.73%
Marketable alternatives	17.50%	3.73%
Private markets	17.50%	7.14%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for participating governmental entities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. However, for the Paid Firemen's Retirement Fund Plan B, the discount rate was changed from 6.517% in the prior valuation to 6.593% for the current valuation. The discount rate for the Paid Fireman's Retirement Fund Plan A changed from 4.25% in the prior valuation to 4.38% for the current valuation.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 13. Pension Plans (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
Primary government pension plans			
Public Employees' Pension Plan	\$ 37,565,633	\$ 26,153,831	\$ 16,569,002
Law Enforcement Pension Plan	7,513,043	3,618,084	401,619
	<u>(3.377%)</u>	<u>(4.377%)</u>	<u>(5.377%)</u>
Paid Firemen's Retirement Plan A	\$ 66,927,093	\$ 54,081,810	\$ 43,721,023
	<u>(5.593%)</u>	<u>(6.593%)</u>	<u>(7.593%)</u>
Paid Firemen's Retirement Plan B	\$ 11,151,481	\$ 6,422,994	\$ 2,512,399

Payables to the pension plan – At June 30, 2017, the City and its component unit reported \$623,477 as payable to the pension plans.

Note 14. Prior Period Adjustments

Primary Government

The City determined a portion of the net pension liability and deferred outflows reported in the Utilities Fund represented a liability of the City rather than the component unit, the Central Wyoming Regional Water System Joint Powers Board. To correct the error, the City adjusted its statements of net position for the portion of the pension liability, deferred outflows, and deferred inflows previously attributable the component unit.

In addition, the City early implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, this required the liability, deferred outflows, and deferred inflows be reported on the face of the financial statements for the OPEB that they provide.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 14. Prior Period Adjustments (Continued)

The table below illustrates the deferred outflows, total pension liability, net pension liability, net OPEB liability, and net position as originally stated and restated:

	As originally stated June 30, 2016	Adjustment	Restated June 30, 2016
<i>Governmental activities</i>			
Net OPEB liability	\$ (19,176,261)	\$ 5,303,965	\$ (13,872,296)
Net position	(220,877,472)	(5,303,965)	(226,181,437)
<i>Business-type activities</i>			
Deferred outflows - pension items	3,825,409	277,082	4,102,491
Deferred inflows - pension items	(422,371)	(25,190)	(447,561)
Net pension liability	(12,324,624)	(795,032)	(13,119,656)
Net OPEB liability	-	(4,877,704)	(4,877,704)
Net position	(179,140,636)	5,420,845	(173,719,791)
<i>Enterprise and internal service funds</i>			
<i>Utilities fund</i>			
Deferred outflows - pension items	1,121,034	277,082	1,398,116
Deferred inflows - pension items	(123,905)	(25,190)	(149,095)
Net pension liability	(3,823,007)	(795,032)	(4,618,039)
Net OPEB liability	-	(2,313,837)	(2,313,837)
Net position	(118,353,670)	2,856,978	(115,496,692)
<i>Solid waste fund</i>			
Net OPEB liability	-	(1,466,926)	(1,466,926)
Net position	(31,146,220)	1,466,926	(29,679,294)
<i>Recreation fund</i>			
Net OPEB liability	-	(1,096,942)	(1,096,942)
Net position	(28,034,750)	1,096,942	(26,937,808)
<i>General internal services fund</i>			
Net OPEB liability	-	(1,655,679)	(1,655,679)
Net position	515,736	1,655,679	2,171,415
<i>Health insurance internal services fund</i>			
Net OPEB liability	(19,176,261)	19,176,261	-
Net position	16,067,617	(19,176,261)	(3,108,644)

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 14. Prior Period Adjustments (Continued)

Component units

Central Wyoming Regional Water System Joint Powers Board

For the year ended June 30, 2017, a prior period adjustment was required to remove the effects of recording a pension liability, pension expense, and related deferred outflows/inflows. In prior years, these items had been recorded as a special funding situation following Governmental Accounts Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. In the current year, it was determined the Central Wyoming Regional Water System did not qualify as a special funding situation as they are not legally responsible for contributions to the pension plan. Pension plan contributions are made by the City of Casper and therefore, the Central Wyoming Regional Water System does not have a pension liability, pension expense, or related deferred outflows/inflows. The prior period adjustment to remove these items resulted in a \$543,010 increase in the net assets of the Central Wyoming Regional Water System.

Note 15. Postemployment Healthcare Plan

Plan Description

The City provides a self-insured retiree medical benefit plan (the Plan). The Plan is a single-employer defined benefit healthcare plan which provides continuation of medical insurance coverage to employees who retire when they end their service to the City. Retirees can participate if they satisfy one of the following criteria: (1) Active members who have 85 points, (2) 25 years of service, or (3) are age 50 with at least 4 years of service. The benefits are administered by CIGNA. The benefits provided are established and may be amended by the City Council. There are no separately issued financial statements for the plan.

Benefits Provided

The Plan provides healthcare benefits for retirees and their dependents for the life of the retiree. In 2014, benefits were enhanced to remove lifetime maximums, allow for out-of-network preventative care and improve limitations. For 2017, the Plan design was updated to address overall increasing costs including specialty drug costs. Members can elect from among three benefit options, including a buy-up plan, a mid-level plan, and a buy-down plan.

The contribution requirements of plan members are established by and may be amended by the City Council. The required contribution is generally based on projected pay-as-you-go financing requirements. For fiscal year 2017, the City contributed \$0 to the plan. Members receiving benefits contributed \$569,478 through their required monthly contribution rates as follows:

Plan /Tier	Pre-Medicare	Medicare-eligible
Mid Value Option - Single	\$ 611	\$ 353
Mid Value Option - Single + Spouse	1,384	707
Mid Value Option - Over/Under	964	964

These financial statements assume that pay-as-you-go funding will continue.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 15. Postemployment Healthcare Plan (Continued)

Employees Covered by Benefit Terms

Effective December 20, 2011, the City eliminated postemployment healthcare benefits for any employee hired after January 2, 2012. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	85
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	317
	402

There are no assets accumulated in a trust that is irrevocable or an equivalent arrangement.

Total OPEB Liability

The City's total OPEB liability of \$15,760,000 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Actuarial Assumptions and Other Inputs
Salary increases	4.00% plus merit component of 5%
Discount rate	3.13% (the plan has no investments)
Healthcare cost trend rates	7.65% for 2017 for pre-Medicare, decreasing 0.45 percent per year to an ultimate rate of 4.50 percent for 2024 and later years
	5.55% for 2017 for post-Medicare, decreasing 0.15 percent per year to an ultimate rate of 4.50 percent for 2024 and later years
Retirees' share of benefit related costs	100%

The discount rate was based on is the single equivalent rate which results in the same present value as discounting future benefit payments funded on a pay-as-you-go basis on the municipal bond 20-year index rate.

Mortality rates were based on the RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

As the plan is funded on a pay-as-you-go basis, there is no long-term expected rate of return or inflation rate.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 15. Postemployment Healthcare Plan (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2016	\$ 18,750,000
Changes for the year:	
Service cost	836,000
Interest	523,000
Differences between expected and actual experience	(2,690,000)
Changes in assumptions or other inputs	(1,241,000)
Benefit payments	(418,000)
Decrease in net OPEB obligation	<u>(2,990,000)</u>
Total OPEB obligation - end of year	<u>\$ 15,760,000</u>

Changes in assumptions reflect a change in the retiree data, which was reduced by 20 retirees who took the early retirement incentive offered at the end of the prior fiscal year. These individuals received OPEB benefits for six months and elected to not continue retiree medical coverage as had been previously assumed.

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or a 1-percentage-point higher (4.13 percent) than the current discount rate:

Sensitivity of the total OPEB liability to changes in the discount rate

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	2.13%	3.13%	4.13%
Total OPEB Liability	\$ 18,860,000	\$ 15,760,000	\$ 13,319,000

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.65 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.65 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

	<u>(6.65% decreasing to 3.50%) 1% Decrease</u>	<u>(7.65% decreasing to 4.50%) Current</u>	<u>(8.65% decreasing to 5.50%) 1% Increase</u>
Total OPEB Liability	\$ 12,625,000	\$ 15,760,000	\$ 20,002,000

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 15. Postemployment Healthcare Plan (Continued)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2017, the City recognized OPEB expense of \$1,109,235. At June 30, 2017, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	\$ (2,414,948)
Changes in assumptions or other inputs	(1,114,108)
	\$ (3,529,056)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Inflows of Resources
Year ended June 30,	
2018	\$ (401,943)
2019	(401,943)
2020	(401,943)
2021	(401,943)
2022	(401,943)
Thereafter	(1,519,341)
	\$ (3,529,056)

Note 16. Construction Commitments

As of June 30, 2017, the City has entered into several construction contracts resulting in commitments for future capital expenditures. These commitments are expected to be funded through available resources and future revenues. The City has contracts with architect, engineers and contractors for a variety of projects. As of June 30, 2017, the City had approximately \$44.3 million in contracts related to the projects under construction and \$15.4 million in remaining contract commitments related to these projects. In addition, as of June 30, 2017, the City had approximately \$12.1 million in contracts related to roads under construction and \$4.5 million in remaining contract commitments related to those projects. The City had approximately \$11.1 million in contracts related to the Casper Public Utilities projects under construction and \$7.5 million in remaining contract commitments related to those projects. The City had approximately \$21.1 million in contracts related to the other projects under construction and \$3.4 million in remaining contract commitments related to those projects. Of the \$21.1 million, \$5.7 million is for Hogadon Lodge, \$3 million is for David Street Station and \$3.2 million for Platte River Restoration.

Construction commitments for the Downtown Development Authority include a contract for the design and construction of the David Street Station for \$2,242,057, of which \$1,365,600 has been expended as of June 30, 2017.

As of June 30, 2017, the Regional Water System had several construction projects in progress. The System had contracts with remaining commitments of approximately \$6 million for completion of the projects.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 17. Implementation of Governmental Accounting Standards Board Statement 75

Effective July 1, 2016, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

Note 18. Accounting Standards Issued, But Not Implemented

Governmental Accounting Standards Board Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. This standard is effective for reporting periods beginning after December 15, 2019. Management has not concluded its assessment of the effect of implementing this guidance.

CITY OF CASPER, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note 19. Subsequent Events

After June 30, 2017, the City entered into several construction contracts subsequent to year end. The most material contracts are as follows:

Construction Projects	Amount
Robertson Road South Pathway	\$ 304,715
East Casper Zone III Water System	4,014,872
Columbine Street Improvements	600,000
2017 Misc. Sanitary Sewer Replacement	230,000
English Avenue Street Improvements	130,000
Casper Balefill Closure	208,405
Sunrise II South Water Storage	184,616
Casper Fire Station No. 5	261,726
Center & 9th Street Intersection Improvements	165,000
Casper Family YMCA Site Improvements	203,995
Phase I of the Plains Furniture Building Demolition	161,269
Jim Evans Truck Barn Surge Tank and Lift Station	342,998
CY Booster Station Replacement	249,000
2018 Arterials and Collectors	165,443
Sam H. Hobbs WWTP MCC Replacement	236,732
South Poplar Street to College Drive	240,950
	\$ 7,699,720

After June 30, 2017, the City purchased several large pieces of property and equipment subsequent to year end. The most material purchases are as follows:

Purchases	Amount
One combination sewer jet vac truck body	\$ 320,897
Tandem axle truck, with dump body, salt spreader, and plow	205,147
Tandem axle Mack truck chassis	139,896
Tandem axle Mack truck chassis	140,632
Front end loader	168,748
Tandem axle Mack truck chassis	116,680
Side loading sanitation truck body	142,987
Five new mid-size police utility vehicles	182,197
One front loading sanitation truck body	110,333
	\$ 1,527,517

This page is intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION

This page is intentionally left blank

CITY OF CASPER, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
(NON-GAAP) GENERAL FUND
Year Ended June 30, 2017
(Unaudited)**

	Budgeted Amount		Actual On Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 4,100,000	\$ 4,100,000	\$ 4,226,986	\$ 126,986
Franchise taxes	3,656,032	3,656,032	3,584,791	(71,241)
Automobile taxes	1,353,021	1,353,021	1,382,118	29,097
Sales taxes	16,900,000	16,900,000	15,654,171	(1,245,829)
Gasoline taxes	1,818,802	1,818,802	1,762,579	(56,223)
Cigarette taxes	324,336	324,336	292,056	(32,280)
Mineral taxes	7,475,924	7,475,924	7,479,815	3,891
Total taxes	35,628,115	35,628,115	34,382,516	(1,245,599)
Licenses and permits	836,486	836,486	848,212	11,726
Intergovernmental	145,000	145,000	148,006	3,006
Fines	1,631,850	1,631,850	1,415,547	(216,303)
Charges for services	4,791,506	4,791,506	4,593,950	(197,556)
Miscellaneous revenues	1,926,012	1,926,012	934,887	(991,125)
Investment earnings	821,604	821,604	864,430	42,826
Total other revenues	10,152,458	10,152,458	8,805,032	(1,347,426)
Total revenues	45,780,573	45,780,573	43,187,548	(2,593,025)
General government	8,682,076	10,205,426	9,747,522	457,904
Public safety	24,023,821	24,025,921	23,470,514	555,407
Public works	4,526,395	4,526,395	4,404,550	121,845
Health and social services	1,437,638	1,437,638	1,357,025	80,613
Culture and recreation	3,098,247	3,095,547	2,959,644	135,903
Total expenditures	41,768,177	43,290,927	41,939,255	1,351,672
Excess of revenues over expenditures	4,012,396	2,489,646	1,248,293	(1,241,353)
Other financing sources (uses)				
Transfers in	3,821,376	3,821,376	3,821,376	-
Transfers out	(9,472,925)	(9,592,970)	(8,927,643)	(665,327)
Total other financing sources (uses)	(5,651,549)	(5,771,594)	(5,106,267)	(665,327)
Net change in fund balance	\$ (1,639,153)	\$ (3,281,948)	(3,857,974)	\$ (1,906,680)
Fund balance - beginning of year			<u>65,570,705</u>	
Fund balance - end of year			<u><u>\$ 61,712,731</u></u>	

See accompanying notes to required supplementary information.

CITY OF CASPER, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 fiscal years **

(Unaudited)

	2017	2016	2015
Primary Government			
Public Employees Pension Plan			
Proportion of the net pension liability (asset)	1.081854300%	1.123981249%	1.149125718%
Proportionate share of the net pension liability (asset)	\$ 26,153,831	\$ 26,181,433	\$ 20,278,532
Covered payroll	\$ 19,288,437	\$ 19,603,063	\$ 19,643,298
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	135.59%	133.56%	103.23%
Plan fiduciary net position as a percentage of the total pension liability	73.42%	73.40%	79.08%
Law Enforcement Pension Plan			
Proportion of the net pension liability (asset)	4.792676900%	4.695990211%	4.873140330%
Proportionate share of the net pension liability (asset)	\$ 3,618,084	\$ 3,527,625	\$ 1,435,806
Covered payroll	\$ 7,418,067	\$ 7,062,757	\$ 7,202,055
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	48.77%	49.95%	19.94%
Plan fiduciary net position as a percentage of the total pension liability	88.11%	87.49%	94.76%
Paid Firemen's Pension Plan A			
Proportion of the net pension liability (asset)	29.476750700%	29.082090280%	29.588242406%
Proportionate share of the net pension liability (asset)	\$ 54,081,810	\$ 53,934,024	\$ 48,698,591
Covered payroll	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	93,982.30%	103,325.47%	82,955.64%
Plan fiduciary net position as a percentage of the total pension liability	38.91%	40.05%	45.95%
Paid Firemen's Pension Plan B			
Proportion of the net pension liability (asset)	21.236544081%	21.236544081%	22.436921582%
Proportionate share of the net pension liability (asset)	\$ 6,422,994	\$ 6,492,989	\$ (252,329)
Covered payroll	\$ 5,604,426	\$ 5,518,622	\$ 5,508,838
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	119.59%	117.66%	-4.58%
Plan fiduciary net position as a percentage of the total pension liability	80.16%	79.33%	100.98%

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

** The amounts presented for each fiscal year were determined as the calendar year-end that occurred within the fiscal year.

See accompanying notes to required supplementary information.

CITY OF CASPER, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years

(Unaudited)

	2017	2016	2015	2014
Primary Government				
Public Employees Pension Plan				
Contractually required contribution	\$ 3,064,533	\$ 3,500,576	\$ 3,077,511	*
Contributions in relation to the contractually required contribution	(3,064,533)	(3,500,576)	(3,077,511)	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>
Covered payroll	\$ 18,438,827	\$ 21,062,431	\$ 19,392,004	*
Contributions as a percentage of covered payroll	16.62%	16.62%	15.87%	*
Law Enforcement Pension Plan				
Contractually required contribution	\$ 1,293,408	\$ 1,293,517	\$ 1,250,738	*
Contributions in relation to the contractually required contribution	(1,293,408)	(1,293,517)	(1,230,483)	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>
Covered payroll	\$ 7,519,814	\$ 7,520,448	\$ 7,271,733	*
Contributions as a percentage of covered payroll	17.20%	17.20%	17.20%	*
Paid Firemen's Pension Plan A				
Contractually required contribution	\$ -	\$ -	\$ -	*
Contributions in relation to the contractually required contribution	-	-	-	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>
Covered payroll	\$ -	\$ -	\$ -	*
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	*
Paid Firemen's Pension Plan B				
Contractually required contribution	\$ 1,155,557	\$ 1,267,976	\$ 1,230,482	*
Contributions in relation to the contractually required contribution	(1,155,557)	(1,267,976)	(1,230,482)	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>
Covered payroll	\$ 5,437,915	\$ 5,966,946	\$ 5,790,504	*
Contributions as a percentage of covered payroll	21.25%	21.25%	21.25%	*

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

See accompanying notes to required supplementary information.

CITY OF CASPER, WYOMING

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 fiscal years *

(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total OPEB Liability			
Service cost	\$ 836,000	*	*
Interest	523,000	*	*
Changes in benefit terms	-	*	*
Differenes between expected and actual experience	(2,690,000)	*	
Changes in assumptions and other inputs	(1,241,000)	*	*
Benefit payments	(418,000)	*	
Net change in OPEB liability	<u>(2,990,000)</u>	*	*
Total OPEB liability - beginning	18,750,000	*	*
Total OPEB liability - ending	<u>\$ 15,760,000</u>	*	*
Covered payroll	\$ 22,187,034	*	*
Total liability as a percentage of covered payroll	71.03%	*	*

* Information for years prior to 2017 is not available; the schedule will be completed as information becomes available.

See accompanying notes to required supplementary information.

2014	2013	2012	2011	2010	2009	2008
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

This page is intentionally left blank

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

Note 1. Basis of Budgeting

The City’s budgets and related appropriations are prepared on the modified accrual basis of accounting, with the exception of the exclusion of noncash items; the City’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The adjustments necessary to convert the budgetary basis revenues and expenditures to GAAP basis revenues and expenditures of the general fund are as follows:

	<u>General Fund</u>
Revenues	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 43,187,548
Difference - Budget Basis to GAAP	
Accrual of accounts receivable	719,016
Accrual of taxes receivable	195,378
Record unrealized gain/loss on investments	<u>(621,445)</u>
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 43,480,497</u></u>
Expenditures	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 41,939,255
Difference - Budget Basis to GAAP	
Accrual of accounts payable	(825,163)
Accrual of wages payable	439,859
Accrual of bad debt	<u>(10,399)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 41,543,552</u></u>

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

Note 1. Basis of Budgeting (Continued)

Budgetary Information

The schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund presents a comparison of the legally adopted budget with actual data. The City prepares its budget on a combination of a modified accrual/cash basis. Under this basis amounts for non-cash items, including depreciation, market adjustment and gains and losses on investments, inventory adjustments, and bad debt, which are not budgeted as revenues or expenditures. All budget amendments are approved by the City Council and are presented within the final budget figures.

Wyoming State Statutes require the presentation of the annual budget which provides documentation that all sources and uses of City resources are properly planned, budgeted, and approved. The budget, upon adoption, is the legal document which places restrictions and limitations on the purposes and amounts for which City monies may be expended.

The City follows these procedures to establish the budgetary data reflected in the financial statements:

- Operational budgets are submitted to the department heads in February of each year.
- From March through May 1, these budgets are reviewed and refined as necessary by the department heads and the City Manager.
- The City Manager submits the proposed budget to the City Council the first week of May. The overall budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at City Hall to obtain taxpayer comments during June.
- Prior to June 30, the budget is legally enacted through passage of a resolution for the fiscal year beginning July 1.

The City Manager is authorized to transfer budgeted amounts between expenditure classifications of an individual cost center; however, any revisions that alter the total expenditures of any fund or department must be approved by the City Council. Expenditures cannot exceed appropriations on an individual department level and any unexpended or unencumbered appropriations lapse at year end.

Formal legally adopted budgets are prepared as a management control device during the year for all City funds. Budgets for these funds are adopted on a modified accrual/cash basis. Such basis is not consistent with generally accepted accounting principles (GAAP).

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2017, the following funds/departments/cost centers of the City had expenditures in excess of budget appropriations.

	<u>Expenditures</u>	<u>Budget</u>	<u>Excess Expenditures</u>
Community development block grant	\$ 411,119	\$ 309,785	\$ 101,334
Police grants	358,612	311,557	47,055
Transportation services	2,700,195	2,675,938	24,257
LAD revolving debt service	1,207	1,092	115
Opportunity funds	437,561	437,740	179

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

Note 1. Basis of Budgeting (Continued)

Budget Amendments

During the 2017 fiscal year, it was necessary to amend the originally adopted budget. The expenditure budgets for the following general fund departments and funds were amended through transfers between departments or funds and from unanticipated revenues:

General Fund

Perpetual care	\$ 10,000
Opportunity funds	432,750
Transfers out	120,045
	562,795

Special Revenue Funds

Weed and Pest	18,750
Revolving Land	1,080,000
Police Grants	163,278
Special Events Assistance	110,000
	1,372,028

Capital Projects Fund

Capital Projects	
Capital outlay	1,567,810
Transfers out	22,605,829
	24,173,639
	\$ 26,108,462

Note 2. Explanation of Changes to Pension Plans

Changes of assumptions - For the Paid Firemen’s Pension Plan B, amounts reported in 2017 reflect an adjustment in the blended single discount rate from 6.517% to the blended single discount rate of 6.593%. For the Paid Firemen’s Pension Plan A, amounts reported in 2017 reflect an adjustment in the blended single discount rate from 4.25% to the blended single discount rate of 4.377%.

Changes in benefits - There have been no changes in the benefit provisions of any pension plans since the prior valuation.

Note 3. Explanation of Changes to OPEB Plan

There are no assets accumulated in a trust that is irrevocable or an equivalent arrangement.

Changes of benefit terms – The Plan design was updated to address overall increasing costs including specialty drug costs, with no effect on the OPEB liability.

Changes of assumptions – The 2017 valuation reflects retiree data which was reduced by the 20 retirees who took the early retirement incentive offered in the year ending June 30, 2016. These individuals received OPEB benefits for six months and elected to not continue retiree medical coverage as had been previously assumed.

This page is intentionally left blank

OTHER SUPPLEMENTARY INFORMATION

This page is intentionally left blank

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Debt Service Fund

All special assessments or Local Assessment Districts (LAD's) are initially used to account for the costs of paving the streets, etc. in certain areas (districts) within the City. Financing may be provided by the sale of special assessment bonds, or the City may fund the project. Upon completion of the project, costs are evaluated and property owners are assessed their proportionate share, i.e., estimated cost per linear foot times front footage. The property owners either pay the assessment within 30 days, with no interest charged, or over a 10-year period. Interest is charged on the unpaid assessment at a rate not over twelve percent.

Unpaid assessments are divided into two categories; current and delinquent. Current represents installments due within one year (property owners are allowed to pay within 30 days of the annual due date). Delinquent assessments are those annual installments due which have passed the 30-day period and remain unpaid. A penalty on late assessments of 5% is charged on the unpaid balance.

This page is intentionally left blank

CITY OF CASPER, WYOMING
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
June 30, 2017

	Special Revenue Funds	Debt Service Fund	Other Governmental Funds Total
ASSETS			
Cash and cash equivalents	\$ 757,484	\$ 446,879	\$ 1,204,363
Investments	292,364	1,752,798	2,045,162
Other receivables, net of allowance	226,898	166,949	393,847
Interest receivable	11,713	79,854	91,567
Due from other governments	508,756	-	508,756
Due from other funds	2,497	-	2,497
Notes receivable, current	50,908	-	50,908
Notes receivable, noncurrent	365,937	59,170	425,107
	<u>2,216,557</u>	<u>2,505,650</u>	<u>4,722,207</u>
Total assets	<u>\$ 2,216,557</u>	<u>\$ 2,505,650</u>	<u>\$ 4,722,207</u>
LIABILITIES			
Accounts payable	\$ 546,812	\$ -	\$ 546,812
Accrued wages payable	28,670	-	28,670
Unearned special assessments	-	59,170	59,170
Due to other funds	197,977	-	197,977
	<u>773,459</u>	<u>59,170</u>	<u>832,629</u>
Total liabilities	<u>773,459</u>	<u>59,170</u>	<u>832,629</u>
FUND BALANCES			
Nonspendable	365,937	59,170	425,107
Restricted	552,667	-	552,667
Committed	759,804	2,387,310	3,147,114
Unassigned (deficit)	(235,310)	-	(235,310)
	<u>1,443,098</u>	<u>2,446,480</u>	<u>3,889,578</u>
Total fund balances	<u>1,443,098</u>	<u>2,446,480</u>	<u>3,889,578</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,216,557</u>	<u>\$ 2,505,650</u>	<u>\$ 4,722,207</u>

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - OTHER GOVERNMENTAL FUNDS
Year Ended June 30, 2017**

	Special Revenue Funds	Debt Service Fund	Other Governmental Funds Total
Revenues			
Taxes and special assessments	\$ -	\$ 18,066	\$ 18,066
Intergovernmental	3,608,586	-	3,608,586
Charges for services	623,902	-	623,902
Investment earnings	1,930	13,736	15,666
Miscellaneous revenues	1,020,254	15,832	1,036,086
Total revenues	5,254,672	47,634	5,302,306
Expenditures			
General government	546,561	1,207	547,768
Public safety	2,680,713	-	2,680,713
Public works	600,865	-	600,865
Health and social services	2,322,207	-	2,322,207
Debt service			
Principal	40,000	-	40,000
Interest	25,236	-	25,236
Capital outlay	369,642	-	369,642
Total expenditures	6,585,224	1,207	6,586,431
Excess (deficiency) of revenues over expenditures	(1,330,552)	46,427	(1,284,125)
Other financing sources			
Transfers in	1,575,796	-	1,575,796
Total other financing sources	1,575,796	-	1,575,796
Net change in fund balances	245,244	46,427	291,671
Fund balances - beginning of year	1,197,854	2,400,053	3,597,907
Fund balances - end of year	\$ 1,443,098	\$ 2,446,480	\$ 3,889,578

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditures for specific purposes.

Community Development Block Grant (CDBG) Fund – accounts for the administration and programs funded by the Community Development Block Grant received from the United States Department of Housing and Urban Development.

Weed and Pest Fund – accounts for the City’s weed and pest control operations as funded by a special property tax levied by the Natrona County Weed and Pest Board, a portion of which is passed along to the City.

Transportation Services Fund – accounts for the public transportation services provided by the Casper Area Transportation Coalition (CATC) and funded by federal transportation grants and transfers from the General Fund.

Metropolitan Planning Organization Fund – accounts for the activities associated with the Metropolitan Planning Organization program.

Special Events Assistance Fund – accounts for the Fire Department’s providing of resources to other government agencies to assist with wildfire suppression. This fund also accounts for various grants received to acquire equipment for fire, emergency medical and disaster recovery services.

Police Grants Fund – accounts for grants obtained for various policing and public safety programs and the acquisition of equipment. This fund also accounts for the activity associated with asset seizure awards and revenue generated by various court and agency programs.

Public Safety Communications Fund – accounts for the operation of the combined dispatch center that provides county-wide 911 services.

Redevelopment Loan Fund – accounts for the City’s redevelopment efforts, including administration of the United States Department of Housing and Urban Development Section 108 Loan Program allocations obtained by the City.

This page is intentionally left blank

This page is intentionally left blank

CITY OF CASPER, WYOMING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2017

	CDBG	Weed and Pest	Transportation Services	Metropolitan Planning Organization
ASSETS				
Cash and cash equivalents	\$ -	\$ 238,642	\$ -	\$ -
Investments	-	146,799	-	-
Other receivables, net of allowance	28,821	-	-	-
Interest receivable	-	403	-	-
Due from other governments	172,166	-	235,455	48,432
Due from other funds	-	-	-	-
Notes receivable, current	908	-	-	-
Notes receivable, noncurrent	1,937	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 203,832</u>	<u>\$ 385,844</u>	<u>\$ 235,455</u>	<u>\$ 48,432</u>
LIABILITIES				
Accounts payable	\$ 46,576	\$ 26,190	\$ 439,545	\$ 1,219
Accrued wages payable	1,035	3,301	-	949
Due to other funds	126,078	-	31,220	30,457
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>173,689</u>	<u>29,491</u>	<u>470,765</u>	<u>32,625</u>
FUND BALANCES				
Nonspendable	1,937	-	-	-
Restricted	28,206	-	-	-
Committed	-	356,353	-	15,807
Unassigned (deficit)	-	-	(235,310)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>30,143</u>	<u>356,353</u>	<u>(235,310)</u>	<u>15,807</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 203,832</u>	<u>\$ 385,844</u>	<u>\$ 235,455</u>	<u>\$ 48,432</u>

Special Events Assistance	Police Grants	Public Safety Communications	Redevelopment Loan	Total
\$ 70,597	\$ -	\$ 130,659	\$ 317,586	\$ 757,484
-	-	-	145,565	292,364
-	-	198,077	-	226,898
-	-	-	11,310	11,713
-	52,703	-	-	508,756
-	-	2,497	-	2,497
-	-	-	50,000	50,908
-	-	-	364,000	365,937
<u>\$ 70,597</u>	<u>\$ 52,703</u>	<u>\$ 331,233</u>	<u>\$ 888,461</u>	<u>\$ 2,216,557</u>
\$ -	\$ 18,286	\$ 14,996	\$ -	\$ 546,812
-	1,691	21,694	-	28,670
-	10,222	-	-	197,977
-	30,199	36,690	-	773,459
-	-	-	364,000	365,937
-	-	-	524,461	552,667
70,597	22,504	294,543	-	759,804
-	-	-	-	(235,310)
<u>70,597</u>	<u>22,504</u>	<u>294,543</u>	<u>888,461</u>	<u>1,443,098</u>
<u>\$ 70,597</u>	<u>\$ 52,703</u>	<u>\$ 331,233</u>	<u>\$ 888,461</u>	<u>\$ 2,216,557</u>

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
Year Ended June 30, 2017

	CDBG	Weed and Pest	Transportation Services	Metropolitan Planning Organization
Revenues				
Intergovernmental	\$ 392,403	\$ 510,340	\$ 1,064,441	\$ 503,859
Charges for services	-	17,905	-	-
Investment earnings	-	1,084	-	-
Miscellaneous revenues	3,949	7,248	692,952	-
Total revenues	396,352	536,577	1,757,393	503,859
Expenditures				
General government	-	-	-	546,450
Public safety	-	-	-	-
Public works	-	600,865	-	-
Health and social services	411,031	-	1,911,176	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	18,984	317,241	1,233
Total expenditures	411,031	619,849	2,228,417	547,683
Excess (deficiency) of revenues over expenditures	(14,679)	(83,272)	(471,024)	(43,824)
Other financing sources				
Transfers in	16,957	-	512,451	57,553
Total other financing sources	16,957	-	512,451	57,553
Net change in fund balances	2,278	(83,272)	41,427	13,729
Fund balance (deficit) - beginning of year	27,865	439,625	(276,737)	2,078
Fund balances (deficit) - end of year	\$ 30,143	\$ 356,353	\$ (235,310)	\$ 15,807

Special Events Assistance	Police Grants	Public Safety Communications	Redevelopment Loan	Total
\$ -	\$ 247,045	\$ 890,498	\$ -	\$ 3,608,586
-	-	605,997	-	623,902
-	-	-	846	1,930
-	58,984	50,010	207,111	1,020,254
-	306,029	1,546,505	207,957	5,254,672
-	-	-	111	546,561
1,557	337,515	2,341,641	-	2,680,713
-	-	-	-	600,865
-	-	-	-	2,322,207
-	-	-	40,000	40,000
-	-	-	25,236	25,236
-	31,909	275	-	369,642
1,557	369,424	2,341,916	65,347	6,585,224
(1,557)	(63,395)	(795,411)	142,610	(1,330,552)
-	-	988,835	-	1,575,796
-	-	988,835	-	1,575,796
(1,557)	(63,395)	193,424	142,610	245,244
72,154	85,899	101,119	745,851	1,197,854
\$ 70,597	\$ 22,504	\$ 294,543	\$ 888,461	\$ 1,443,098

This page is intentionally left blank

NONMAJOR PROPRIETARY FUNDS

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government or other governments, on a cost-reimbursement basis.

General Internal Services Fund – accounts for the operations of the central maintenance facility that provides maintenance services for the City’s vehicle fleet, heavy equipment and other motorized and mechanized equipment; accounts for the operation and maintenance of City Hall and two other storage buildings located nearby; accounts for the centralized support services for the City’s information and communication networks, hardware, organization-wide administrative software system, and various databases; accounts for the centralized support services for the maintenance, repair and minor construction projects of the City’s buildings; and accounts for the property and liability insurance program for the City. The majority of the insurance coverage is provided by an insurance pool comprised of other member governments from within the State combined with lesser specialized coverage for specific needs obtained from commercial carriers.

Employee Health Insurance Fund – accounts for the self-insured health insurance program.

This page is intentionally left blank

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

June 30, 2017

	General Internal Services	Employee Health Insurance	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 325,739	\$ 807,920	\$ 1,133,659
Investments	386,058	1,435,339	1,821,397
Interest receivable	1,059	3,759	4,818
Customer receivables, net of allowance	24,747	42,968	67,715
Due from other funds	12,654	-	12,654
Inventories	528,451	-	528,451
Total current assets	<u>1,278,708</u>	<u>2,289,986</u>	<u>3,568,694</u>
Capital assets being depreciated, net of accumulated depreciation	<u>331,920</u>	<u>-</u>	<u>331,920</u>
Total assets	<u>1,610,628</u>	<u>2,289,986</u>	<u>3,900,614</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>746,190</u>	<u>-</u>	<u>746,190</u>
LIABILITIES			
Current liabilities			
Accounts payable	141,047	113,764	254,811
Claims payable	-	1,224,113	1,224,113
Accrued wages payable	40,791	1,342	42,133
Due to other funds	17,390	-	17,390
Total current liabilities	<u>199,228</u>	<u>1,339,219</u>	<u>1,538,447</u>
Noncurrent liabilities, net of current portion			
Compensated absences	125,040	-	125,040
Other postemployment benefits payable	1,410,636	-	1,410,636
Net pension liability	2,946,464	-	2,946,464
Total noncurrent liabilities	<u>4,482,140</u>	<u>-</u>	<u>4,482,140</u>
Total liabilities	<u>4,681,368</u>	<u>1,339,219</u>	<u>6,020,587</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	170,357	-	170,357
Other postemployment benefit items	289,222	-	289,222
Total deferred inflows of resources	<u>459,579</u>	<u>-</u>	<u>459,579</u>
NET POSITION			
Invested in capital assets, net of related debt	331,920	-	331,920
Unrestricted (deficit)	<u>(3,116,049)</u>	<u>950,767</u>	<u>(2,165,282)</u>
Total net position (deficit)	<u>\$ (2,784,129)</u>	<u>\$ 950,767</u>	<u>\$ (1,833,362)</u>

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION - INTERNAL SERVICE FUNDS
Year Ended June 30, 2017**

	General Internal Services	Employee Health Insurance	Total
Operating revenues			
Charges for services	\$ 5,557,553	\$ -	\$ 5,557,553
Other revenues	641,309	6,209,849	6,851,158
Total operating revenues	<u>6,198,862</u>	<u>6,209,849</u>	<u>12,408,711</u>
Operating expenses			
Personnel expenses	4,140,506	67,486	4,207,992
Contractual	2,199,877	8,309,289	10,509,166
Materials and supplies	1,636,756	-	1,636,756
Other expenses	36,123	-	36,123
Depreciation	113,420	-	113,420
Total operating expenses	<u>8,126,682</u>	<u>8,376,775</u>	<u>16,503,457</u>
Operating (loss)	<u>(1,927,820)</u>	<u>(2,166,926)</u>	<u>(4,094,746)</u>
Nonoperating revenues			
Investment earnings and change in fair value	1,332	9,048	10,380
Total nonoperating revenues	<u>1,332</u>	<u>9,048</u>	<u>10,380</u>
(Loss) before transfers	<u>(1,926,488)</u>	<u>(2,157,878)</u>	<u>(4,084,366)</u>
Transfers in	1,313,775	-	1,313,775
Total transfers	<u>1,313,775</u>	<u>-</u>	<u>1,313,775</u>
Change in net position	(612,713)	(2,157,878)	(2,770,591)
Net position (deficit) - beginning of year as previously stated	(515,737)	(16,067,616)	(16,583,353)
Prior period adjustments	<u>(1,655,679)</u>	<u>19,176,261</u>	<u>17,520,582</u>
Net position (deficit) - beginning of year, as restated	<u>(2,171,416)</u>	<u>3,108,645</u>	<u>937,229</u>
Net position (deficit) - end of year	<u>\$ (2,784,129)</u>	<u>\$ 950,767</u>	<u>\$ (1,833,362)</u>

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2017**

	General Internal Services	Employee Health Insurance	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,725,107	\$ 68,530	\$ 1,793,637
Receipts from interfund services provided	4,524,864	6,143,327	10,668,191
Cash payments to suppliers for goods and services	(3,596,375)	-	(3,596,375)
Claims paid	-	(8,026,757)	(8,026,757)
Cash payments for interfund services provided	(485,239)	-	(485,239)
Cash payments to employees for services	(3,892,237)	(74,985)	(3,967,222)
Net cash used by operating activities	<u>(1,723,880)</u>	<u>(1,889,885)</u>	<u>(3,613,765)</u>
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	1,334,449	-	1,334,449
Net cash provided by noncapital financing activities	<u>1,334,449</u>	<u>-</u>	<u>1,334,449</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(41,911)	-	(41,911)
Net cash used by capital and related financing activities	<u>(41,911)</u>	<u>-</u>	<u>(41,911)</u>
Cash flows from investing activities			
Purchase of investment securities	(5,471)	(127,710)	(133,181)
Proceeds from sale of investments	561,778	1,930,049	2,491,827
Interest on investments	2,607	27,720	30,327
Net cash provided by investing activities	<u>558,914</u>	<u>1,830,059</u>	<u>2,388,973</u>
Net increase (decrease) in cash and cash equivalents	127,572	(59,826)	67,746
Cash and cash equivalents - beginning of year	198,167	867,746	1,065,913
Cash and cash equivalents - end of year	<u>\$ 325,739</u>	<u>\$ 807,920</u>	<u>\$ 1,133,659</u>

(Continued)

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
Year Ended June 30, 2017

	General Internal Services	Employee Health Insurance	Total
Reconciliation of operating (loss) to net cash (used) by operating activities			
Operating (loss)	\$ (1,927,820)	\$ (2,166,926)	\$ (4,094,746)
Adjustments to reconcile operating (loss) to net cash used by operating activities			
Depreciation	113,420	-	113,420
Contribution of assets to other fund	36,123	-	36,123
Amortization of deferred outflows and deferred inflows			
Pension plan items	130,823	-	130,823
Other post employment benefits items	(32,940)	-	(32,940)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Customer receivables, net of allowance	51,109	2,008	53,117
Inventories	(4,217)	-	(4,217)
Deferred outflows and deferred inflows:			
Pension plan items	116,347	-	116,347
Other post employment benefits items	322,162	-	322,162
Accounts payable	(240,764)	10,820	(229,944)
Accrued wages payable	(30,975)	(773)	(31,748)
Claims payable	-	271,712	271,712
Compensated absences	(9,030)	(6,726)	(15,756)
Other post employment benefits payable	(245,043)	-	(245,043)
Net pension liability	(3,075)	-	(3,075)
Net cash used by operating activities	\$ (1,723,880)	\$ (1,889,885)	\$ (3,613,765)
Noncash investing, capital and related financing activities			
Change in fair value of investments	\$ (409)	\$ (14,972)	\$ (15,381)
Contribution of assets to other fund	(36,123)	-	(36,123)

SINGLE AUDIT SECTION

This page is intentionally left blank

CITY OF CASPER, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Project Number or Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
<i>CDBG Entitlement Grants Cluster</i>				
Direct				
Community Development Block Grants/Entitlement Grants	14.218	B14-MC56001	\$ -	\$ 69,022
Community Development Block Grants/Entitlement Grants	14.218	B15-MC56001	-	126,798
Community Development Block Grants/Entitlement Grants	14.218	B16-MC56001	-	196,583
<i>Total CDBG Entitlement Grants Cluster</i>			-	392,403
Community Development Block Grants - Section 108 Loan Guarantees	14.248	Unknown	-	414,000
Total U.S. Department of Housing and Urban Development			-	806,403
<u>U.S. Department of Justice</u>				
Passed through the Wyoming Division of Victim Services - Attorney General's Office				
Crime Victim Assistance	16.575	2015-VA-GX-0067		3,258
Direct				
Crime Victim Assistance/Discretionary Grants	16.582	2014-VF-GX-K011	-	66,434
Passed through the Wyoming Division of Victim Services - Attorney General's Office				
Violence Against Women Formula Grants	16.588	2015-WF-AX-0035	-	18,445
Direct				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0984	-	10,117
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0121	-	20,593
Total Edward Byrne Memorial Justice Assistance Grant Program			-	30,710
Total U.S. Department of Justice			-	118,847
<u>U. S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Passed through the Wyoming Department of Transportation				
Highway Planning and Construction	20.205	CD15002	-	192,156
Highway Planning and Construction	20.205	CD16205	-	18,644
Highway Planning and Construction	20.205	Unknown	-	165,663
Highway Planning and Construction	20.205	Unknown	-	306,037
Highway Planning and Construction	20.205	CD14005	-	12,392
Highway Planning and Construction	20.205	CD17203	-	186
<i>Total Highway Planning and Construction Cluster</i>			-	695,078
				(Continued)

See accompanying notes to schedule of expenditures of federal awards

CITY OF CASPER, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Project Number or Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U. S. Department of Transportation (Continued)</u>				
Direct				
<i>Federal Transit Cluster</i>				
Federal Transit Formula Grants	20.507	WY-90-X058-00	\$ -	\$ 149,031
Federal Transit Formula Grants	20.507	WY-2016-002-00	-	915,410
<i>Total Federal Transit Cluster</i>			<u>-</u>	<u>1,064,441</u>
<i>Highway Safety Cluster</i>				
Passed through Wyoming Association of Sheriffs and Chiefs of Police				
National Priority Safety Programs	20.616	FY 16 OP HVE 405B	-	12,578
National Priority Safety Programs	20.616	FY 16 DUI 405D	-	264
National Priority Safety Programs	20.616	FY 17 OP HVE 405B	-	24,649
National Priority Safety Programs	20.616	FY 17 DUI 405D	-	14,351
<i>Total Highway Safety Cluster</i>			<u>-</u>	<u>51,842</u>
Total U. S. Department of Transportation			<u>-</u>	<u>1,811,361</u>
<u>U. S. Department of Environmental Protection Agency</u>				
Direct				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	9689701	-	33,100
Total U.S. Department of Environmental Protection Agency			<u>-</u>	<u>33,100</u>
<u>U. S. Department of Health and Human Services</u>				
Passed through Wyoming Department of Health Block Grants for Prevention and Treatment of Substance Abuse				
Total U.S. Department of Health and Human Services	93.959	Unknown	-	11,979
			<u>-</u>	<u>11,979</u>
<u>U. S. Department of Homeland Security</u>				
Passed through Wyoming Office of Homeland Security Homeland Security Grant Program				
Total U.S. Department of Homeland Security	97.067	15-GPD-CAS-LP-HLE15	-	10,219
			<u>-</u>	<u>10,219</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$2,791,909</u>

See accompanying notes to schedule of expenditures of federal awards

CITY OF CASPER, WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

Note 1. Basis of Presentation

The accompany schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Casper, Wyoming under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal award activity for the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board have not been included in the schedule. Because the Schedule presents only a selected portion of the operations of the City of Casper, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Casper, Wyoming.

Note 2. Summary of Significant Accounting Policies for the Schedule

Expenditures reported on the Schedule are reported on the generally accepted accounting principles basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City of Casper, Wyoming has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Loans Outstanding

The City had the following loan balance under federally guaranteed loan programs outstanding at June 30, 2017:

Program Title	Federal CFDA Number	Amount
U. S. Department of Housing and Urban Development Community Development Block Grants - Section 108 Loan Guarantees	14.248	\$ 414,000

This loan is collateralized by property and began amortization in August, 2010.

Note 5. Revenues from Wyoming Department of Transportation

To aid in the reconciliation process for subrecipient monitoring purposes, the following schedule represents federal grant revenues received from the Wyoming Department of Transportation on a cash basis of accounting for the year ended June 30, 2017:

Program Title	Federal CFDA Number	Grantor Project Number	Revenue Received
Highway Planning and Construction	20.205	Various	\$ 903,098

CITY OF CASPER, WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

Note 6. Metropolitan Planning Organization Funding

The Wyoming Department of Transportation provides funding for the City's Metropolitan Planning Organization (MPO), which is identified as CFDA No. 20.505. The Fiscal Year 2016 Unified Planning Work Program notes that Casper and Cheyenne MPOs submit their planning programs together under the Consolidated Planning Grant (CPG). Within the CPG, FHWA and FTA funds are blended together and lose their identity. Per the Master Agreement for Metropolitan Transportation Planning between the Wyoming Department of Transportation, the Federal Highway Administration, and the Casper Metropolitan Planning Organization, all work under this Master Agreement shall be administered and catalogued by the Federal Highway Administration CFDA number 20.205. Of the total \$695,078 expenditures reported under CFDA 20.205 in the schedule, \$471,700 of MPO expenditures are included under CFDA 20.205 rather than CFDA 20.505.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor, Members of the Council and City Manager
City of Casper, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Casper, Wyoming, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the City of Casper, Wyoming's basic financial statements, and have issued our report thereon dated February 28, 2018. Our report includes a reference to other auditors who audited the financial statements of the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board, as described in our report on the City of Casper, Wyoming’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Casper, Wyoming’s internal control over financial reporting (internal control) to determine our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Casper, Wyoming’s internal control. Accordingly, we do not express an opinion on the effectiveness on the City of Casper, Wyoming’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entities financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, and 2017-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Casper, Wyoming's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters we reported to the management of the City of Casper in a separate letter February 28, 2018.

City of Casper, Wyoming's Response to Findings

The City of Casper, Wyoming's response to the findings identified in our engagement is described in the accompanying schedule of findings and questioned costs. The City of Casper's response was not subjected to the auditing procedure applied in the engagement to audit the financial statements and, accordingly we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
February 28, 2018



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the Council and City Manager
City of Casper, Wyoming

Report on Compliance for Each Major Federal Program

We have audited the City of Casper, Wyoming's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Casper, Wyoming's major federal programs for the year ended June 30, 2017. The City of Casper, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City of Casper, Wyoming's basic financial statements include the operations of the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board, discretely presented component units. Our audit described below, did not include the operations of the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board because each component unit engaged other auditors to perform its audit. The reports of those auditors referenced \$1,364,592 and \$0 of federal awards being expended by the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board, respectively.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Casper, Wyoming's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Casper, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Casper, Wyoming's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Casper, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the City of Casper, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City of Casper, Wyoming's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Casper, Wyoming's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-004, 2017-005, and 2017-006 that we consider to be significant deficiencies.

The City of Casper's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questions costs. The City of Casper's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
February 28, 2018

This page is intentionally left blank

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

 Material weaknesses identified? Yes

 Significant deficiencies identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

 Material weaknesses identified? No

 Significant deficiencies identified? Yes

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster	Amount
14.218	<i>CDBG - Entitlement Grants Cluster</i> Community Development Block Grants/Entitlement Grants	\$ 392,403
20.205	<i>Highway Planning and Construction Cluster</i> Highway Planning and Construction	<u>695,078</u>
		<u><u>\$ 1,087,481</u></u>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section II – Financial Statement Findings

Material Weaknesses in Internal Control over Financial Reporting

2017-001 Preparation of Financial Statements

Criteria

The Government Accountability Office requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with GAAP.

Condition

The City does not have finance personnel capable of preparing GAAP basis financial statements.

Cause

In our judgment, the City’s accounting personnel lack the knowledge and experience to prepare accurate GAAP basis financial statements and related footnotes. The City of Casper regularly prepared budgetary basis financial reports. However, the City’s budgetary basis differs significantly from GAAP. The City’s hiring criteria has not included the ability to prepare GAAP basis financial statements.

Effect

Since the people charged with preparing support for and reviewing the City’s financial statements are not well-versed in GAAP requirements, their support and review may have limited benefit. The financial statements could include undetected errors and irregularities or omit information which is important to readers of the financial statements.

Recommendation

In our judgment, management and those charged with governance need to understand the importance of this communication as it relates to external GAAP basis financial statements. While accounting personnel, management, and those charged with governance has the skills to understand non-GAAP financial reports, we recommend accounting personnel attend training to improve their understanding of GAAP basis financial reporting specifically geared towards reporting for governmental organizations. We also recommend accounting personnel receive additional training to improve utilization of the software to produce accounting information on a GAAP basis in addition to the budgetary basis. Management may also mitigate this weakness by providing additional training to finance department personnel to enhance financial reporting capabilities or utilize the services of another accounting firm to assist in compiling the financial statements.

Response

See Corrective Action Plan.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section II – Financial Statement Findings (Continued)

Material Weakness in Internal Control over Financial Reporting (Continued)

2017-002 Material Audit Adjustments

Criteria

The Government Accountability Office requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with GAAP.

Condition

The City provides its financial information to the auditors at the start of the audit. However, material audit adjustments were still required to prevent the financial statements from being materially misstated in accordance with generally accepted accounting principles accepted in the United States (GAAP).

Cause

City staff had not identified all entries needed at the time of the audit. Personnel are relying primarily on the budgetary basis of accounting without full consideration of all adjustments required for GAAP reporting.

Effect

Significant journal entries were posted in the following areas:

- Equity
- Receivables (subsequent receipts, grants, current and deferred property taxes)
- Payables
- Fixed assets (construction in progress, depreciation expense, accumulated depreciation, and gain/loss on sales of assets)
- Other post-employment benefits
- Investments
- Internal service fund eliminations for government-wide presentation
- Downtown Development Authority – pledge receivables, accounts payable, retainage payable, current and deferred property taxes, equity, revenue, expenditures

These journal entries were required to correct the balances for governmental funds financial statements and government wide financial statements. While these entries are not part of the City’s assessment of budgetary compliance, they do include significant commitments, liabilities and balances that are significant to the City’s complete financial information.

Recommendation

In our judgment, management and those charged with governance need to consider procedures to ensure that complete and accurate financial information is available and evaluated in a timely manner to properly record transactions in accordance with GAAP.

Response

See Corrective Action Plan.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2017

Section II – Financial Statement Findings (Continued)

Material Weakness in Internal Control over Financial Reporting (Continued)

2017-003 Journal Entries

Criteria

Organizations develop strong internal controls aimed at financial transactions posting correctly, and journal entries change those recorded balances. Procedures and control activities for journal entries must include documentation to support the propriety of the entry, review by personnel with appropriate knowledge and skill, and evidence of review.

Condition

In many items tested, journal entries posted by the City lacked appropriate supporting documentation for the reviewer to fully understand and confirm that the journal entry proposed was correct and properly prepared. It was evident in some cases that the reviewer did not fully understand why the journal entry was being posted and what the journal entry was supposed to correct. Furthermore, City personnel used a sampling approach to review journal entries which were posted for multiple purposes. The City records journal entries to net assets through the use of the budget basis accounts as well as during the reconciliation of equity while converting to the modified accrual basis. Several of the reconciling entries contained significant undetected errors.

Effect

When insufficient support is provided, the reviewer may be unable to determine the accuracy of the proposed journal entry. Additionally, lack of understanding and detailed review results in reversal and reposting of journal entries and consumes additional time and effort. Errors in the financial records may not be detected and corrected in a timely manner.

Cause

Reviewing personnel do not return the journal entry to the preparer when the entry does not include sufficient supporting documentation for the entry to stand alone. Additionally, the lack of knowledge resulted in a cursory and ineffectual review of the journal entries.

Recommendation

Journal entry preparers should attach all necessary documentation for the entry to be fully understood by the reviewer. If the journal entry does not include appropriate support, the entry should be returned to the preparer for completion. Further, reviewing personnel should have the appropriate understanding of the reason for the proposed journal entry. While some adjustments are simply audit preparation entries and may only be understood by Finance personnel, monthly/routine entries should be reviewed by personnel who understand and could catch errors if the journal entry was not recorded appropriately. We would recommend the City choose personnel to review journal entries giving consideration to an appropriate level of knowledge and understanding. In review of the journal entry, all pieces of the journal entry should be reviewed to prevent human error and sampling should not be used. Close attention should be paid to what type of fund the journal entry is affecting and the reviewer should have an understanding of why the journal entry is necessary prior to signing off as the reviewer.

Response

See Corrective Action Plan.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section III - Federal Award Findings and Questioned Costs

Significant Deficiency in Internal Control over Compliance

2017-004 Allowable Costs

Highway Planning and Construction, CFDA # 20.205 (Highway Planning and Construction Cluster) Passed through Wyoming Department of Transportation to the City of Casper Metropolitan Planning Organization

Criteria

§200.430 Compensation—personal services.

(a) *General.* Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

(3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

(i) *Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on a Federal award and non-Federal award.

In addition, the Memorandum of Understanding with the Wyoming Department of Transportation, Part 8. Division of Cost and Payment, Part C, Non-Billable Activities, states that the City of Casper Metropolitan Planning Organization (MPO) shall charge separately and keep separate accounting for all City of Casper business activities not directly related to the function of the MPO. Such activities shall be considered non-reimbursable. The MPO staff may participate in any of such activities, but reimbursement for staff time should be charged directly to the City of Casper and not MPO PL or 5303 planning funds.

Condition

In the period from July 1, 2016 through October 31, 2016, an employee worked on grant related activities approximately 80% of the time. However, 100% of the associated fringe benefits were considered expenditures under the grant. The matching portion of the associated fringe benefits were also based upon 100% rather than 80%. In addition, approximately 18 hours of vacation time was charged solely to the grant rather than being allocated between the grant and the City of Casper.

Questioned Costs

None

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section III - Federal Award Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control over Compliance (Continued)

2017-004 Allowable Costs (Continued)

Context

The payroll system of the City of Casper is set to record a portion of the payroll and related fringe benefits based on the match required by the grant, assuming each employee spends 100% of their time working on this grant. This automates the payroll process, but does not take into consideration an employee who does not spend all of their time on a single grant. MPO personnel proposed and posted journal entries for the correct allocation of regular payroll; however, the grant managers did not consider the allocation of fringe benefits according the average of 80% hours worked by this employee.

Effect

Excess payroll costs and the associated fringe benefits were charged as grant expenditures rather than expenditures of the City of Casper. This also resulted in the improper calculation of the portion of match expenditures.

Cause

MPO personnel did not prepare or propose a journal entry to correct the over-expenditure to the grant related to the vacation, sick leave, and holiday.

Identification of a Repeat Finding

This is a repeat finding from the prior year, 2016-002.

Recommendation

Time logs of personnel should be more closely reviewed and monitored monthly. When an employee does not spend 100% of their time, a calculation of the appropriate allocation of vacation hours and fringe benefits based on an average of actual hours worked on grant activities should be prepared and compared to what was actually posted as expenditures. A journal entry should be prepared and posted so expenditures for payroll and the associated fringe benefits reflect a true allocation of time spent working on the federal award. The effect on the match calculation should be reviewed.

Response

See Corrective Action Plan

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section III - Federal Award Findings and Questioned Costs (Continued)

Significant Deficiency in Internal Control over Compliance

2017-005 Cash Management

Highway Planning and Construction, CFDA # 20.205 (Highway Planning and Construction Cluster) Passed through Wyoming Department of Transportation to the City of Casper Metropolitan Planning Organization

Community Development Block Grants, CFDA # 14.218 (CDBG Entitlement Grants Cluster) Directly to the City of Casper Metropolitan Planning Organization

Criteria

Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR Part 2015. According to the OMB Compliance Supplement Part 3, when entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government.

Condition

Reimbursement requests for High Planning and Construction grants and Community Development Block Grants were submitted for drawdown prior to the City of Casper actually paying the expenditure. There were a total of 20 reimbursements requests tested and out of 20 reimbursement requests tested, five were requested prior to one or more of the invoices being paid.

Questioned Costs

None

Context

The revenue from the reimbursement request is deposited into a non-interest bearing bank account and therefore there would be no interest that could accumulate on the federal funds. Additionally, all of the bills were paid prior to receiving the revenue from the request. Therefore, there was no interest accrued in the account.

Effect

Due to the reimbursement request being submitted prior to the bills being paid, it is possible that the City of Casper could receive and utilize the funds prior to paying the grant related expenditures.

Cause

All grant coordinators and associated reviewing personnel were unaware and did not understand the compliance requirement that the funds actually be disbursed prior to requesting reimbursement. Therefore, no process was in place to prevent a request being submitted prior to individual bills being paid.

Recommendation

A listing of individual invoices requested in the reimbursement request packet for all grants should be reviewed to ensure that all bills have been paid prior to the drawdown. If a bill has not been paid as evidenced in the Bills and Claims report at the time of the drawdown, then that bill should be removed from the request and included in the next drawdown.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section III - Federal Award Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control over Compliance (Continued)

2017-005 Cash Management (Continued)

Response

See Corrective Action Plan.

2017-006 Preparation, Monitoring, and Review of the Schedule of Expenditures of Federal Awards

All CFDA numbers.

Criteria

Internal controls over the preparation of the Schedule of Expenditure of Federal Awards (“SEFA”) should provide reasonable assurance regarding the reliability that the SEFA is fairly stated in all material respects in relation to the basic financial statements, and includes the following information:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in §200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

Condition

Evidence of review of the accuracy and completeness of the information in the schedule of expenditures of federal awards was not present.

Questioned Costs

None

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2017

Section III - Federal Award Findings and Questioned Costs (Continued)

Significant Deficiency in Internal Control over Compliance (Continued)

2017-006 Preparation, Monitoring, and Review of the Schedule of Expenditures of Federal Awards (Continued)

Context

These City entities/departments have procedures in place to identify and track these awards, placing them into the format of a schedule of expenditures of federal awards (SEFA). However, the processes in place do not incorporate sufficient review and monitoring to assure the accuracy and reliability of the information.

Effect

Federal expenditures may not be properly identified in a timely manner. City personnel could receive and expend Federal awards without proper consideration of the compliance requirements, resulting in noncompliance and possible questioned costs, and the need to return these funds to the granting agencies. With delayed identification of total expenditures, adequate coverage for testing of Federal awards may not be achieved, delaying the completion of the audit and issuance of the financial statements by the required deadline. Significant compliance issues could also harm the City's ability to continue to receive Federal funding in future years.

Cause

While the City has a process to gather information for the SEFA, policies and procedures are incomplete as they do not incorporate or provide for monitoring or review by management.

Identification of a Repeat Finding

This is not a repeat finding from the prior year.

Recommendation

The City should establish policies and procedures for Federal Funds to ensure the SEFA is properly monitored and reviewed.

Response

See Corrective Action Plan.

Compliance Findings - None

This page is intentionally left blank



CITY OF CASPER

200 NORTH DAVID STREET

CASPER, WYOMING 82601

PHONE: (307) 235-8400

FAX: (307) 235-7575

www.cityofcasperwy.com

City of Casper, Wyoming
Summary Schedule of Prior Audit Findings
June 30, 2017

Significant Deficiencies in Internal Control over Financial Reporting

2016-001 Capital Assets

Condition

Numerous errors were found in testing additions, contributed capital, and construction in progress schedules.

We identified additional costs of \$1.45 million which should have been capitalized, but were improperly excluded. The truck barn expansion for the Balefill, included in construction in progress in the prior year, was noted as completed, but excluded costs of \$1.15 million in current year costs. We identified over \$840,000 for the installation of a centrifuge system which were duplicated, as they were added as equipment as well as added as part of construction in progress. Capital costs of \$457,000 were improperly added as they were comprised of numerous smaller assets which were under the capitalization threshold. Capital contributions from internal parties excluded over \$5.17 million in completed construction in progress, while contributions from external parties excluded approximately \$996,000 of land and improvements contributed by the Downtown Development Authority. The failure to properly identify projects as completed also required adjustments to capitalized interest in the utilities fund.

Status

Some capital assets issues reported in the prior year were addressed. However, there were significant journal entries required in the current year to correct balances. See findings 2017-002 and 2017-003.

Significant Deficiencies in Internal Control Over Compliance

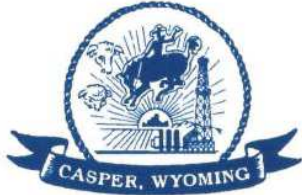
2016-002 Allowable Costs

Condition

One employee who performs activities under the grant also works on activities which are not related to the Federal award. A time log is maintained by this employee; however, 100% of the employee's time was inadvertently charged by the payroll system to this federal award. The payroll system of the City is set to record a portion of the payroll and related fringe benefits based on the match required by the grant, assuming each employee spends 100% of their time working on this grant. This automates the payroll process, but does not take into consideration an employee who does not spend all of their time on a single grant. MPO personnel were aware of the fact that one employee was not spending all her time on this grant.

Status

See repeat finding 2017-004.



OFFICE OF THE ADMINISTRATIVE
SERVICES DIRECTOR

CITY OF CASPER

200 NORTH DAVID STREET

CASPER, WYOMING 82601

PHONE: (307) 235-8400

FAX: (307) 235-7575

www.cityofcasperwy.com

CORRECTIVE ACTION PLAN

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding – 2017-001 – Preparation of Financial Statements

Name of Contact Person – Pete Meyers, Assistant Support Services Director

Corrective Action

In September, 2017, the City of Casper hired a Financial Services Director to oversee the Finance Division. The Director has over twelve years of experience as a municipal finance director in addition to serving various financial roles in the private sector for nearly twenty five years. This addition to the Finance team, along with an increased awareness and commitment of existing staff, is expected to bring improvement to the City's financial reporting and adherence to GAAP accounting standards. Four members of Finance staff participated in a GFOA sponsored GAAP training December, 2017. Other training opportunities will also be evaluated and utilized in areas deemed appropriate and beneficial.

The current software utilized by the City is outdated and limits financial reporting capabilities. Requests for Proposals have been issued to replace the system with a product with enhanced accounting modules as well as other features that will benefit the organization as a whole. Purchase of a new operating system will be requested in the proposed fiscal year 2019 budget and is subject to Council approval.

Proposed Completion Date: July 1, 2019

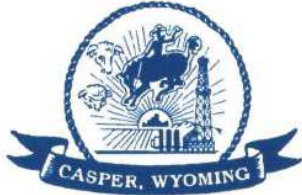
Finding – 2017-002 – Material Audit Adjustments

Name of Contact Person – Pete Meyers, Assistant Support Services Director

Corrective Action

A pre-audit checklist will be developed listing actions needed to be taken prior to submission of the trial balance to the auditors. Accountability will be assigned to staff for completion of the actions required. Discussions will also take place with the auditing firm to establish an audit schedule that will allow time for yearend closing entries while still meeting audit reporting deadlines.

Proposed Completion Date: June 1, 2018



OFFICE OF THE ADMINISTRATIVE
SERVICES DIRECTOR

CITY OF CASPER

200 NORTH DAVID STREET

CASPER, WYOMING 82601

PHONE: (307) 235-8400

FAX: (307) 235-7575

www.cityofcasperwy.com

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding – 2017-003 – Journal Entries

Name of Contact Person – Pete Meyers, Assistant Support Services Director

Corrective Action

A process is already in place whereby proposed journal entries are independently prepared and reviewed by two finance staff members prior to posting. Those staff members reviewing the entries will be reminded of the importance to have all supporting documentation available prior to approval. Any proposed entries that are lacking supporting documentation or not fully understood will be returned to the originator for further clarification.

Proposed Completion Date: June 30, 2018

Finding – 2017-004 – Allowable Costs

Name of Contact Person – Pete Meyers, Assistant Support Services Director

Corrective Action:

As of March, 2017, there is no longer a grant funded employee assigned to this grant which has the effect of eliminating the issues related to this finding.

Proposed Completion Date: N/A

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

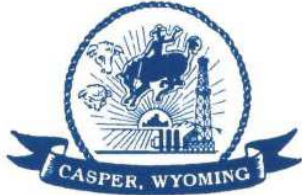
Finding – 2017-005 – Cash Management

Name of Contact Person – Pete Meyers, Assistant Support Services Director

Corrective Action:

Procedures will be put in place to ensure the timing of grant reimbursements do not precede actual payment of the expenditure by the City. For CFDA #14.218, this will include utilizing our current operating software to generate reports that verify payment has been made prior to submission. These reports will then become part of the corresponding expenditure file. For CFDA #20.205, a spreadsheet will be utilized that will document the date an expenditure is actually paid and the corresponding date the request for drawdown is made. This spreadsheet is designed to meet FTA audit requirements as well.

Proposed Completion Date: September 2017



OFFICE OF THE ADMINISTRATIVE
SERVICES DIRECTOR

CITY OF CASPER

200 NORTH DAVID STREET

CASPER, WYOMING 82601

PHONE: (307) 235-8400

FAX: (307) 235-7575

www.cityofcasperwy.com

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding – 2017-006 – Preparation, Monitoring, and Review of the Schedule of Expenditures of Federal Awards

Name of Contact Person – Pete Meyers, Assistant Support Services Director

Corrective Action

The Finance Division will dedicate a staff member to review the SEFA for completeness and accuracy. Training needs will be identified to support this process.

Proposed Completion Date: June 30, 2018