

City of Casper, Wyoming

FINANCIAL AND COMPLIANCE REPORT FISCAL YEAR ENDED JUNE 30, 2019



CITY OF CASPER, WYOMING
FINANCIAL AND COMPLIANCE REPORT
FISCAL YEAR ENDED JUNE 30, 2019

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FINANCIAL SECTION

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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, 2019, 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 of the Economic Development Joint Powers Board; both are discretely presented component units of the City. These component units represent 89%, 85%, and 91%, 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.



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

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 above 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, 2019, 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.

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 changes in total liability 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 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 March 25, 2020 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 solely 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 effectiveness of the City of Casper’s 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
March 25, 2020

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CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(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, 2019. 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 \$384.15 million (*net position*). Of this amount, \$28.96 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 activities, increased by \$5.78 million.

The City's total net liabilities increased by \$15.07 million or 10.29%, during the current fiscal year. The increase includes an \$11.79 million increase in net pension liability. There was an increase to the notes payable in the amount of \$2.28 million for additional projects in the utility funds that were completed in the fiscal year. The Landfill closure and post closure liability increased by a net \$3.39 million as the City continued to monitor costs of the former Balefill and consumed capacity in the new Landfill. There was a decrease in the net accrual of \$5.07 million for Other Post-Employment Benefits (OPEB). Other changes were due to an increase to accounts payable in the amount of \$3.52 million.

Fund Basis

As of June 30, 2019, the General Fund had an unassigned fund balance of \$9.59 million. The City of Casper has committed operating reserves of \$16.17 million as allowed by City Council's Reserve Policy. Inventory of \$94,660, and noncurrent notes receivable from the Central Wyoming Regional Water System and the Casper Housing Authority for \$5.40 million are classified as non-spendable.

For reporting purposes, under GASB 54, the City has combined the Perpetual Care, Redevelopment Land, Special Reserves, Opportunity, and Metro Animal Services into the General Fund. The total fund balance, inclusive of the funds mentioned, was \$71.45 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, 2019, all other governmental funds reported combined ending fund balances of \$37.98 million. The majority of this amount, \$33.87 million, consists of balances in the capital projects funds, with special revenue funds of \$1.68 million, primarily committed for specific program expenditures and debt service fund of \$2.43 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, 2019

(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 and 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.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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.

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.

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 reported 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: 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.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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.

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 increased by \$2.77 million, or 0.73%, from FY 2018 to FY 2019. This increase includes a prior period adjustment to the net position of \$3.01 million. Unrestricted net position increased \$2.19 million or 8.20% primarily due to the increase of investments of capital assets and the amount of cash and investments on hand. Investments in capital assets increased \$592,283, or 0.17%. Restricted net position decreased by \$18,241 or 2.04% of the City's total restricted net position.

Total Net Position

By far the largest portion of the City's net position (92.23%) reflects the net investment of \$354.31 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, 2019, 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 increased by \$9.59 million (in chart on the following page), or 5.15%, during the current fiscal year. A prior period adjustment of negative \$2.08 million affected the increase of the net position of the governmental activities for the fiscal year. This increase was comprised of an increase in net capital assets of \$1.37 million or 0.75%, an increase in unrestricted net position of \$6.19 million or 106.25%, and a decrease in restricted net position of \$50,741 or 10.08%, for governmental activities. The increase in unrestricted net position is primarily due to decrease in transfers to the business activities. The increase in capital assets is mainly due to a net increase of additions, disposals, and transfers for the current year activity.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Business-type Activities Net Position

Total net position of the City's business-type activities decreased \$4.74 million (in chart on the following page), or 2.4%, during the current fiscal year. This also includes a prior period adjustment of negative \$930,961 thus reducing the amount of decrease in the net position of business-type activities. The decrease was mainly due to a decrease in transferred assets from governmental fund.

**City of Casper
Comparative Statement of Net Position
June 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 127,268,000	\$ 119,067,172	\$ 45,614,816	\$ 44,547,923	\$ 172,882,816	\$ 163,615,095
Capital assets	183,540,764	182,172,087	187,947,094	186,397,155	371,487,858	368,569,242
Total assets	<u>310,808,764</u>	<u>301,239,259</u>	<u>233,721,991</u>	<u>230,945,078</u>	<u>544,530,755</u>	<u>532,184,337</u>
Deferred outflows of resources	<u>30,152,091</u>	<u>20,806,837</u>	<u>4,720,519</u>	<u>3,528,846</u>	<u>34,872,610</u>	<u>24,335,683</u>
Liabilities						
Current liabilities	6,614,693	5,216,257	5,994,970	3,875,595	12,609,663	9,091,852
Long-term liabilities	<u>109,556,610</u>	<u>104,818,521</u>	<u>39,415,128</u>	<u>32,601,730</u>	<u>148,971,738</u>	<u>137,420,251</u>
Total liabilities	<u>116,171,303</u>	<u>110,034,778</u>	<u>45,410,098</u>	<u>36,477,325</u>	<u>161,581,401</u>	<u>146,512,103</u>
Deferred inflows of resources	<u>28,770,025</u>	<u>23,504,954</u>	<u>4,905,503</u>	<u>5,124,619</u>	<u>33,675,528</u>	<u>28,629,573</u>
Net Position						
Net investment in capital assets	183,540,764	182,172,087	170,772,512	171,548,906	354,313,276	353,720,993
Restricted	452,560	503,301	425,000	392,500	877,560	895,801
Unrestricted	<u>12,026,203</u>	<u>5,830,976</u>	<u>16,929,397</u>	<u>20,930,574</u>	<u>28,955,600</u>	<u>26,761,550</u>
Total net position	<u>\$ 196,019,527</u>	<u>\$ 188,506,364</u>	<u>\$ 188,126,909</u>	<u>\$ 192,871,980</u>	<u>\$ 384,146,436</u>	<u>\$ 381,378,344</u>

CITY OF CASPER, WYOMING

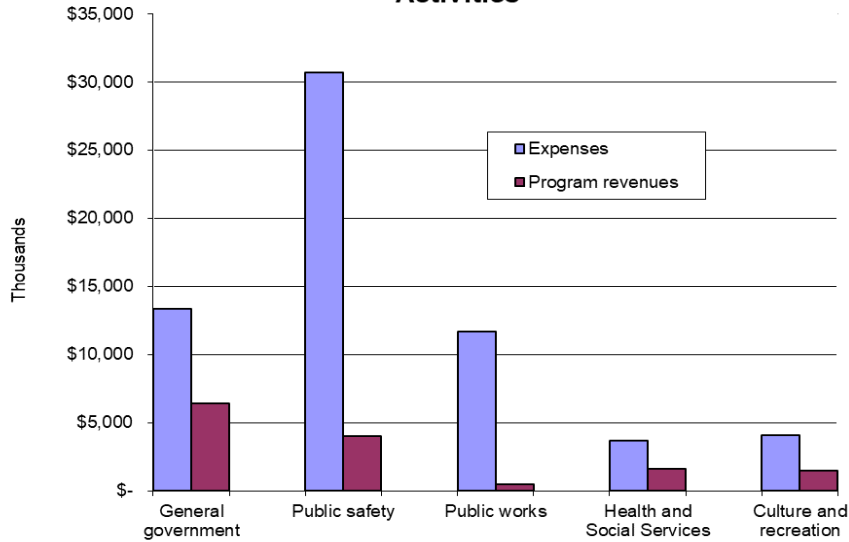
MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2019

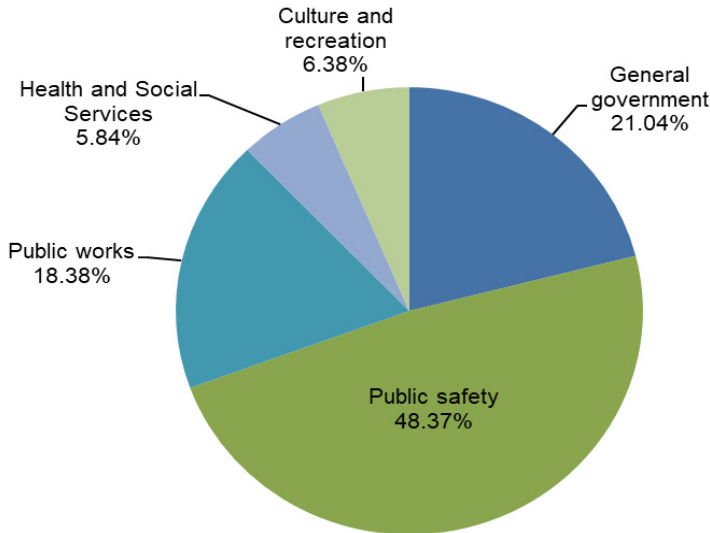
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Governmental-type Activities

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 48.37% of total governmental operating expense, followed by General Government at 21.04%, Public Works at 18.38%, Culture and Recreation at 6.38% and Health and Social Services at 5.84%.

CITY OF CASPER, WYOMING

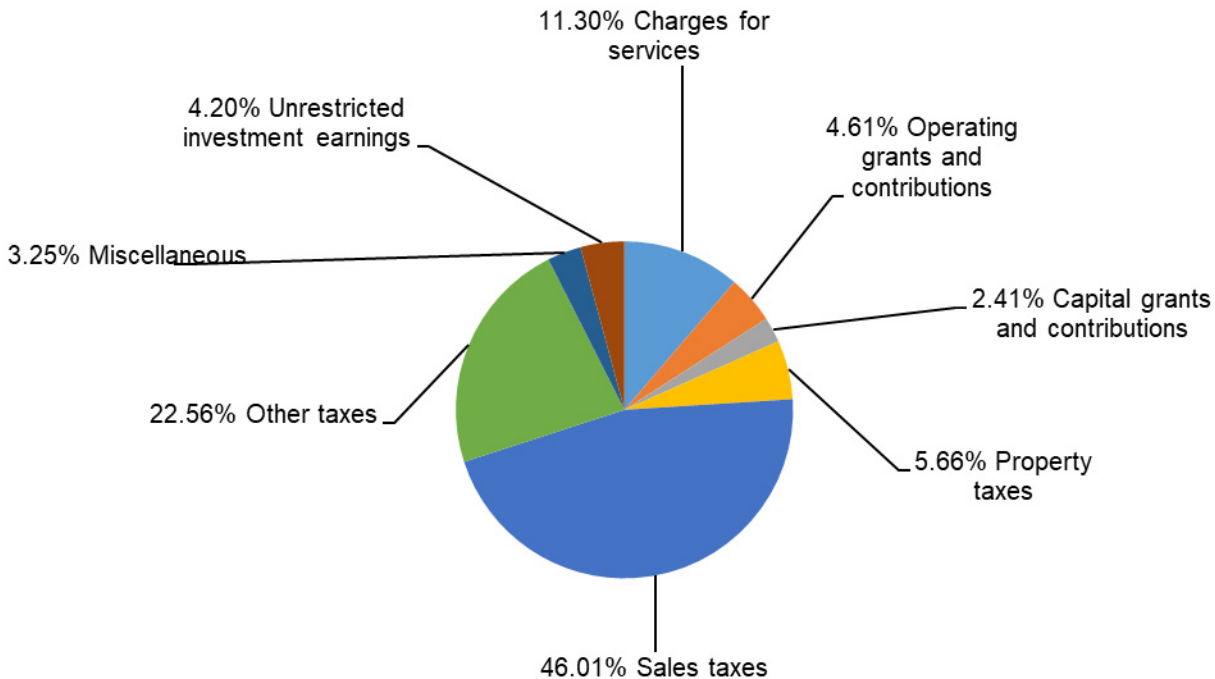
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(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 46.01% of revenues, other taxes 22.56% (including gasoline, franchise, 911, mineral, cigarette, and automobile taxes), capital grants and contributions are 2.41%, charges for services 11.30%, property taxes 5.66%, operating grants and contributions are 4.61%, and unrestricted investment earnings are 4.20% of total revenues.

Revenues By Source - Governmental Activities



Governmental activities, including transfers, increased the City's net position by \$9.59 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 \$14.47 million or 18.55% mainly due to decrease expenses in Public Safety of \$13.34 million while General Government, Public Works, and Culture and Recreation had decreases of expenses of \$1.04 million. Health and Social Services had an increase of \$597,286 of expenses.
- General government revenue increased by \$1.32 million or 18%.
- Operating grants and contributions revenue decreased by \$521,550 or 17.3%.
- Capital Grants and Contributions increased by \$597,050 or 47.5%.
- Sales tax revenue increased by \$3.60 million or 11.3%.
- Other tax revenue also increased by \$723,659 or 4.36%.

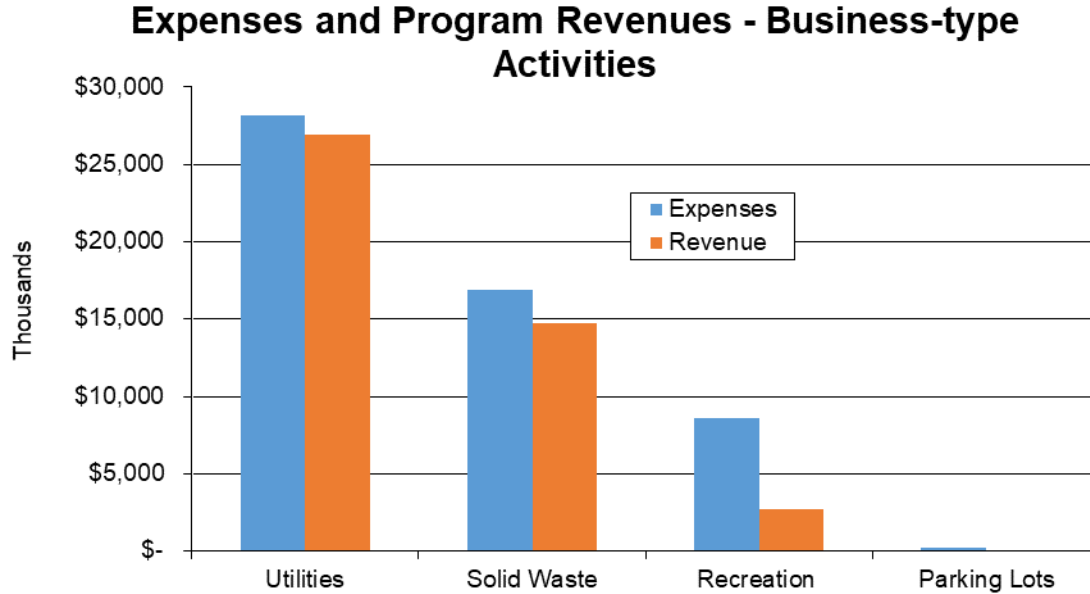
CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

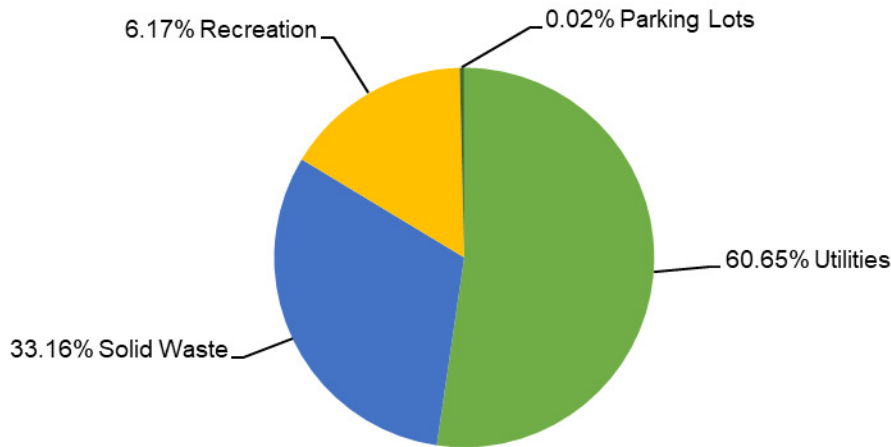
June 30, 2019

(Unaudited)

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, 2019

(Unaudited)

Business-type activities decreased the City's overall net position by \$3.81 million. The decrease in the net position of business-type activities includes a net increase in the Utilities Funds of \$147,749 primarily due to net contributions and transfers. The Solid Waste Funds had a net decrease in net position of \$1.40 million primarily due to increased post closure costs at the landfill. The Recreation Funds had a net decrease of \$2.02 million due to decreased transfers, grants, contributions, and increased operating expenses. The allocation of certain internal service fund revenues and expense to business-type activities reduced the overall net position by \$397,416.

**City of Casper
Comparative Statement of Net Position
Years Ended June 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for services	\$ 8,678,023	\$ 7,355,026	43,521,662	\$ 41,486,816	\$ 52,199,685	\$ 48,841,842
Operating grants and capital contributions	3,541,215	3,019,665	746	-	3,541,961	3,019,665
Capital grants and contributions	1,853,026	1,255,976	876,789	3,355,989	2,729,815	4,611,965
Taxes						
Property	4,347,755	4,248,342	-	-	4,347,755	4,248,342
Sales	35,322,763	31,727,228	-	-	35,322,763	31,727,228
Other	17,317,758	16,594,099	-	-	17,317,758	16,594,099
Miscellaneous	2,493,573	2,586,442	192,697	283,944	2,686,270	2,870,386
Unrestricted interest earnings	3,224,945	587,308	1,703,170	54,474	4,928,115	641,782
Total revenues	76,779,058	67,374,086	46,295,064	45,181,223	123,074,122	112,555,309
Expenses						
General government	13,363,934	14,678,841	-	-	13,363,934	14,678,841
Public safety	30,716,761	44,058,110	-	-	30,716,761	44,058,110
Public works	11,670,890	11,697,798	-	-	11,670,890	11,697,798
Health and social services	3,705,859	3,108,573	-	-	3,705,859	3,108,573
Culture & recreation	4,049,689	4,429,214	-	-	4,049,689	4,429,214
Utilities fund	-	-	28,138,661	27,481,445	28,138,661	27,481,445
Solid waste fund	-	-	16,834,649	13,565,812	16,834,649	13,565,812
Recreation fund	-	-	8,605,373	7,158,555	8,605,373	7,158,555
Parking lot fund enterprise fund	-	-	207,602	96,414	207,602	96,414
Total expenses	63,507,133	77,972,536	53,786,285	48,302,226	117,293,418	126,274,762
Excess (deficiency) of revenues over expenses						
before transfers	13,271,925	(10,598,450)	(7,491,221)	(3,121,003)	5,780,704	(13,719,453)
Transfers	(3,677,111)	(12,355,506)	3,677,111	12,355,506	-	-
Change in net position	9,594,814	(22,953,956)	(3,814,110)	9,234,503	5,780,704	(13,719,453)
Net position - beginning	188,506,364	212,181,761	192,871,980	183,948,520	381,378,344	396,130,281
Prior period adjustment	(2,081,651)	(721,441)	(930,961)	(311,043)	(3,012,612)	(1,032,484)
Net position - restated	186,424,713	211,460,320	191,941,019	183,637,477	378,365,732	395,097,797
Total net position	\$ 196,019,527	\$ 188,506,364	\$ 188,126,909	\$ 192,871,980	\$ 384,146,436	\$ 381,378,344

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Government Funds Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with government regulated 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, 2019, the City's governmental funds reported a combined ending fund balance of \$109.43 million, an increase of \$4.98 million. The major factors to the net increase are revenues in excess of expenditures in the amount of \$9.25 million. This is primarily due to an improvement in sales tax receipts, investment earnings, charges of services, and intergovernmental charges. Net transfers decreased the fund balance by \$5.16 million. A prior period adjustment also had a positive impact of \$900,243.

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 \$56.36 million, \$5.50 million non-spendable, and \$9.59 million unassigned. The total fund balance in the General Fund for FY 2019 is \$71.45 million. General Fund sales tax revenues in FY 2019 were up \$3.60 million or 11.33% from those received in FY 2018. Expenditures in the General Fund were less than budgeted by \$2.23 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 \$71.45 million fund balance includes committed balances of \$16.17 million for operating reserves as set by Council's Reserve Policy. The committed balance also includes \$31.19 million GAAP based Perpetual Care corpus to fund Optional One Cent facilities ongoing maintenance, while the amount committed to planned land acquisitions is \$660,019 for projects utilizing Optional One Cent monies. The City also has Opportunity projects of \$8.03 million, and Animal Control projects of \$316,365 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 \$94,660 and the non-current notes receivable of \$5.40 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 more capital project activity.

Enterprise Funds

Enterprise funds unrestricted net assets at June 30, 2019 amounted to \$9.75 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 \$22.35 million, negative \$10.67 million, and negative \$2.36 million, respectively. Other non-major Enterprise funds reported unrestricted net assets of \$416,980.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(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 FY 2019 unrestricted net position of \$2.14 million. This is an improvement of \$3.92 million from FY 2018. The improvement of the Internal Service Fund's net position was primarily caused by the reduction in health claims expenses and an increase in transfers.

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

Consolidated General Fund appropriation adjustments were approved during FY 2019 which increased the originally approved budget expenditures by \$728,886. Adjustments by General Fund grouping were: \$584,984 increase in the General Fund, \$6,886 increase in the Metro Animal Control Fund, \$150,184 increase in the Perpetual Care Fund, and a \$13,168 reduction in the Building and Structures Fund for City Hall.

The General Fund reflects a net ending variance from final budget of \$3.58 million, which consists of a positive revenue to budget variance of \$1.09 million, a positive total expenditure to budget variance of \$2.23 million and a net transfers budget variance of \$263,547. General Fund actual revenues are higher than budgeted due to higher tax revenues that was offset slightly by lower anticipated miscellaneous revenues.

On a budgetary basis General Fund expenditures were below budget, primarily due to lower than budgeted expenditures in General Government \$1.19 million, Public Safety \$877,320, Public Works \$10,772, Health and social services \$48,443, and Culture and recreation \$103,543.

Capital Projects Funds

Total Capital Projects Fund appropriation adjustments were \$4.91million. This adjustment was to primarily fund expenses associated with the securement of a State Land and Investment Board (SLIB) loan.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities for the current fiscal year amounts to \$354.31 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.

CITY OF CASPER, WYOMING

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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

Street Improvements	\$	5,862,374
Pool Improvements		862,808
Park Improvements		675,190
Platte River Restoration		367,813
Police Improvements		273,008

Additional information on the City’s capital assets can be found in Note 6 – Capital Assets, Note 17 – 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 \$148.97 million. Of this amount, \$112.53 million is for pension liability, \$17.49 million for loans payable, \$6.35 million is for Other Post-Employment Benefits payable, \$9.59 million for Landfill closure/post closure care costs, \$788,591 for sales tax overpayment, and \$2.22 million is for accrued compensated absences. During the year, \$11.79 million in additional pension liability was recognized, and the other post-employment benefit accrual was reduced by \$5.07 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 2019 the City’s economic condition improved significantly as there was stabilized activity in the energy sector and minimal changes to associated workforces. The State of Wyoming’s implementation of taxing online purchases should have an impact to sales taxes and the continued improvement in the housing industry all point to signs of encouragement. The FY 2020 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. The annexation of properties by the City of Casper along with the 2020 Census lead to possible changes in taxes or shifting of services based on those events. The volatility of an energy based economy highlights the necessity to shift focus to long term financial planning as previous years have shown. 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 was 4.1% which is higher than the State of Wyoming average unemployment rate of 3.4%. FY 2020 budgeted General Fund revenues have been established at a level consistent with FY 2019 actuals as no significant growth was assumed. FY 2020 budgeted expenses have been budgeted to track with budgeted revenues.

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 (tpitlick@casperwy.gov).

BASIC FINANCIAL STATEMENTS

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CITY OF CASPER, WYOMING
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 12,664,067	\$ 2,241,123	\$ 14,905,190	\$ 6,337,044
Investments	89,092,506	39,871,243	128,963,749	201,005
Receivables, net of allowance	14,475,532	6,051,247	20,526,779	407,810
Due from primary government	-	-	-	39,226
Due from other governments	-	-	-	9,188
Internal balances	3,142,241	(3,142,241)	-	-
Related party accounts receivable	-	160,081	160,081	-
Inventories	432,697	593,444	1,026,141	491,262
Prepaid items	2,680	-	2,680	41,373
Restricted cash	162,395	-	162,395	1,205,589
Notes receivable, current	1,503,002	-	1,503,002	1,092,783
Notes receivable, noncurrent	5,792,880	-	5,792,880	-
Capital assets, not being depreciated	24,586,385	22,922,906	47,509,291	9,717,707
Capital assets, net of depreciation	158,954,379	165,024,188	323,978,567	40,241,404
Total assets	<u>310,808,764</u>	<u>233,721,991</u>	<u>544,530,755</u>	<u>59,784,391</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	<u>30,152,091</u>	<u>4,720,519</u>	<u>34,872,610</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	5,210,596	4,848,244	10,058,840	194,155
Accrued wages payable	574,886	207,246	782,132	61,248
Accrued interest payable	7,431	382,219	389,650	115,424
Due to component units	-	39,226	39,226	-
Related party accounts payable	-	414,554	414,554	-
Unearned revenue/customer deposits	195,580	103,481	299,061	-
Unearned interest on notes receivable	1,404	-	1,404	-
Claims payable	624,796	-	624,796	-
Noncurrent liabilities				
Due within one year	290,580	1,288,020	1,578,600	2,024,607
Due in more than one year	109,266,030	38,127,108	147,393,138	13,746,671
Total liabilities	<u>116,171,303</u>	<u>45,410,098</u>	<u>161,581,401</u>	<u>16,142,105</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	<u>28,770,025</u>	<u>4,905,503</u>	<u>33,675,528</u>	<u>146,603</u>
NET POSITION				
Net investment in capital assets	183,540,764	170,772,512	354,313,276	34,187,833
Restricted by contract				
Construction reserve	-	-	-	1,205,589
Rock Creek Dam rehabilitation	-	100,000	100,000	-
Paradise Valley Pipeline project	-	325,000	325,000	-
Community development projects	30,192	-	30,192	-
Redevelopment loans	422,368	-	422,368	-
Unrestricted	<u>12,026,203</u>	<u>16,929,397</u>	<u>28,955,600</u>	<u>8,102,261</u>
Total net position	<u>\$ 196,019,527</u>	<u>\$ 188,126,909</u>	<u>\$ 384,146,436</u>	<u>\$ 43,495,683</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 13,363,934	\$ 5,130,987	\$ 1,257,722	\$ 52,855
Public safety	30,716,761	3,127,644	896,095	-
Public works	11,670,890	-	-	494,897
Health and social services	3,705,859	327,276	1,305,233	-
Culture and recreation	4,049,689	92,116	82,165	1,305,274
Total governmental activities	<u>63,507,133</u>	<u>8,678,023</u>	<u>3,541,215</u>	<u>1,853,026</u>
Business-type activities				
Utilities fund	28,138,661	26,648,399	-	280,231
Solid waste fund	16,834,649	14,126,071	-	596,558
Recreation fund	8,605,373	2,739,516	746	-
Parking lot fund	207,602	7,676	-	-
Total business-type activities	<u>53,786,285</u>	<u>43,521,662</u>	<u>746</u>	<u>876,789</u>
Total primary government	<u>\$ 117,293,418</u>	<u>\$ 52,199,685</u>	<u>\$ 3,541,961</u>	<u>\$ 2,729,815</u>
Component units	<u>\$ 8,049,904</u>	<u>\$ 6,476,575</u>	<u>\$ 702,342</u>	<u>\$ 337,178</u>

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
\$ (6,922,370)	\$ -	\$ (6,922,370)	\$ -
(26,693,022)	-	(26,693,022)	-
(11,175,993)	-	(11,175,993)	-
(2,073,350)	-	(2,073,350)	-
(2,570,134)	-	(2,570,134)	-
(49,434,869)	-	(49,434,869)	-
-	(1,210,031)	(1,210,031)	-
-	(2,112,020)	(2,112,020)	-
-	(5,865,111)	(5,865,111)	-
-	(199,926)	(199,926)	-
-	(9,387,088)	(9,387,088)	-
(49,434,869)	(9,387,088)	(58,821,957)	-
-	-	-	(533,809)
			(Continued)

CITY OF CASPER, WYOMING

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position	\$ (49,434,869)	\$ (9,387,088)	\$ (58,821,957)	\$ (533,809)
General revenues				
Property taxes	4,347,755	-	4,347,755	164,267
Sales taxes	19,248,849	-	19,248,849	-
Optional 1% sales taxes	16,073,914	-	16,073,914	-
Gas taxes	2,016,520	-	2,016,520	-
Franchise taxes	4,665,981	-	4,665,981	-
911 telecommunication taxes	772,498	-	772,498	-
Mineral taxes	8,110,204	-	8,110,204	-
Cigarette taxes	273,243	-	273,243	-
Motor vehicle taxes	1,479,312	-	1,479,312	-
Miscellaneous	2,493,573	192,697	2,686,270	355,703
Unrestricted investment earnings	3,224,945	1,703,170	4,928,115	991,835
Transfers	(3,677,111)	3,677,111	-	-
Total general revenues and transfers	<u>59,029,683</u>	<u>5,572,978</u>	<u>64,602,661</u>	<u>1,511,805</u>
Change in net position	9,594,814	(3,814,110)	5,780,704	977,996
Net position - beginning of year, as previously stated	188,506,364	192,871,980	381,378,344	42,517,687
Prior period adjustment	(2,081,651)	(930,961)	(3,012,612)	-
Net position - beginning of year, as restated	<u>186,424,713</u>	<u>191,941,019</u>	<u>378,365,732</u>	<u>42,517,687</u>
Net position - end of year	<u>\$ 196,019,527</u>	<u>\$ 188,126,909</u>	<u>\$ 384,146,436</u>	<u>\$ 43,495,683</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,446,653	\$ 3,325,248	\$ 1,398,755	\$ 10,170,656
Investments	54,237,451	29,952,705	2,181,899	86,372,055
Taxes receivable	8,873,080	2,812,835	-	11,685,915
Other receivables, net of allowance	846,414	-	589,044	1,435,458
Interest receivable	221,873	31,379	45,871	299,123
Inventories	94,660	-	-	94,660
Restricted cash	-	162,395	-	162,395
Due from other governments	19,844	467,247	463,425	950,516
Due from other funds	1,105,217	-	-	1,105,217
Notes receivable, current	1,442,978	9,074	50,950	1,503,002
Notes receivable, noncurrent	5,402,682	115,782	274,416	5,792,880
	<u>\$ 77,690,852</u>	<u>\$ 36,876,665</u>	<u>\$ 5,004,360</u>	<u>\$ 119,571,877</u>
LIABILITIES				
Accounts payable	\$ 1,154,014	\$ 2,838,801	\$ 364,022	\$ 4,356,837
Accrued wages payable	519,120	-	33,444	552,564
Compensated absences	9,172	-	-	9,172
Unearned revenue and customer deposits	195,580	-	-	195,580
Unearned special assessments	-	-	10,416	10,416
Unearned development recapture fees	-	162,395	-	162,395
Unearned interest on notes receivable	1,404	-	-	1,404
Due to other funds	3,261	-	488,210	491,471
Total liabilities	<u>1,882,551</u>	<u>3,001,196</u>	<u>896,092</u>	<u>5,779,839</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	<u>4,360,849</u>	<u>-</u>	<u>-</u>	<u>4,360,849</u>
FUND BALANCES				
Nonspendable	5,497,342	115,782	274,416	5,887,540
Restricted	-	-	188,560	188,560
Unrestricted				
Committed	56,362,690	33,759,687	3,891,096	90,122,377
Unassigned (deficit)	9,587,420	-	(245,804)	9,341,616
Total fund balances	<u>71,447,452</u>	<u>33,875,469</u>	<u>4,108,268</u>	<u>109,431,189</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,690,852</u>	<u>\$ 36,876,665</u>	<u>\$ 5,004,360</u>	<u>\$ 119,571,877</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

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

June 30, 2019

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

Total fund balances, governmental funds		\$ 109,431,189
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Total capital assets, governmental funds	\$ 183,540,764	
Less capital assets, internal service funds	<u>(105,992)</u>	183,434,772

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	4,360,849	
Unavailable property taxes - governmental activities	(4,272,068)	
Unearned special assessments - governmental funds	10,416	
Unearned development recapture fees - governmental funds	<u>162,395</u>	261,592

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	27,344,656	
Less internal service fund deferred outflows - pension plan items	(635,638)	
Deferred outflows - other postemployment benefits items	2,807,435	
Less internal service fund deferred outflows - other postemployment benefits items	(186,071)	
Deferred inflows - pension plan items	(14,539,984)	
Less internal service fund deferred inflows - pension plan items	284,831	
Deferred inflows - other postemployment benefits items	(9,957,973)	
Less internal service fund deferred inflows - other postemployment benefits items	<u>638,024</u>	5,755,280

(Continued)

CITY OF CASPER, WYOMING

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

June 30, 2019

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.		\$ 4,649,961
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	\$ (7,431)	
Retainage payable	(389,103)	
Note payable	(314,000)	
Repayment of sales tax due to incorrect distribution	(788,591)	
Compensated absences	(1,723,530)	
Less compensated absences recorded in governmental and internal service funds	72,149	
Net pension liability	(101,900,405)	
Less net pension liability in internal service funds	1,902,246	
Other post-employment benefits payable	(4,830,084)	
Less other post-employment benefits payable in internal service funds	<u>465,482</u>	<u>(107,513,267)</u>
Net position of governmental activities		<u><u>\$ 196,019,527</u></u>

See accompanying notes to the financial statements

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CITY OF CASPER, WYOMING

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes and special assessments	\$ 4,338,748	\$ 16,073,914	\$ -	\$ 20,412,662
Licenses and permits	1,131,336	-	-	1,131,336
Intergovernmental	35,879,688	1,542,758	3,718,813	41,141,259
Charges for services	6,267,103	2,700	787,514	7,057,317
Fines	1,122,872	-	-	1,122,872
Investment earnings	2,163,039	924,731	60,641	3,148,411
Miscellaneous revenues	1,932,108	5,871	734,368	2,672,347
Total revenues	<u>52,834,894</u>	<u>18,549,974</u>	<u>5,301,336</u>	<u>76,686,204</u>
Expenditures				
Current				
General government	8,117,329	3,208,039	709,723	12,035,091
Public safety	24,596,513	-	2,775,239	27,371,752
Public works	4,967,444	-	507,286	5,474,730
Health and social services	1,251,242	-	2,109,236	3,360,478
Culture and recreation	2,710,055	-	-	2,710,055
Debt service				
Principal	-	-	50,000	50,000
Interest	-	-	19,925	19,925
Capital outlay	1,808,675	14,113,144	496,270	16,418,089
Total expenditures	<u>43,451,258</u>	<u>17,321,183</u>	<u>6,667,679</u>	<u>67,440,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,383,636</u>	<u>1,228,791</u>	<u>(1,366,343)</u>	<u>9,246,084</u>
Other financing sources (uses)				
Capital transfers in	1,620,986	-	-	1,620,986
Capital transfers out	(1,469,016)	-	-	(1,469,016)
Transfers in	5,332,162	-	1,780,861	7,113,023
Transfers out	(7,188,641)	(5,229,297)	(12,800)	(12,430,738)
Total other financing sources (uses)	<u>(1,704,509)</u>	<u>(5,229,297)</u>	<u>1,768,061</u>	<u>(5,165,745)</u>
Net change in fund balances	7,679,127	(4,000,506)	401,718	4,080,339
Fund balances - beginning of year as previously stated	62,782,429	38,023,615	3,644,563	104,450,607
Prior period adjustment	985,896	(147,640)	61,987	900,243
Fund balances - beginning of year as restated	<u>63,768,325</u>	<u>37,875,975</u>	<u>3,706,550</u>	<u>105,350,850</u>
Fund balances - end of year	<u>\$ 71,447,452</u>	<u>\$ 33,875,469</u>	<u>\$ 4,108,268</u>	<u>\$ 109,431,189</u>

See accompanying notes to the 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, 2019

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

Net change in fund balances - total governmental funds \$ 4,080,339

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	\$ 13,790,414	
Less transfers to enterprise and internal service funds	(800,958)	
Depreciation expense	(8,084,134)	
Less internal service fund depreciation	<u>56,938</u>	4,962,260

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	(1,319,523)	
Accumulated depreciation on assets disposed	<u>1,251,370</u>	(68,153)

The issuance of long-term debt (e.g. capital leases) provides current financial resources to governmental funds, while the repayment or principal consumes the current financial resources of governmental funds.

Payment of principal on note payable	50,000	
Repayment of sales tax due to incorrect distribution - paid current year	<u>912,552</u>	962,552

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 retainage payable current year	(389,103)	
Total accrued compensated absences prior year	1,699,383	
Less amount recorded in governmental funds and internal service fund in prior year	(219,159)	
Total accrued compensated absences current year	(1,723,530)	
Less amounts recorded in governmental funds and internal service fund in current year	72,149	
Unearned accrued interest on note payable prior year	8,482	
Unearned accrued interest on note payable current year	<u>(7,431)</u>	(559,209)

(Continued)

See accompanying notes to the 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, 2019

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	\$ 90,079,072	
Pension liability current year	(99,998,159)	
Deferred outflows - pension plan items prior year	(16,684,584)	
Deferred outflows - pension plan items current year	26,709,018	
Deferred inflows - pension plan items prior year	8,933,441	
Deferred inflows - pension plan items current year	<u>(14,255,153)</u>	\$ (5,216,365)

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	(24,915)	
Unearned special assessments revenue current year	10,416	
Development recapture fees prior year	(25,000)	
Development recapture fees current year	162,395	
Unavailable property taxes in governmental funds prior year	(4,434,885)	
Unavailable property taxes in governmental activities prior year	4,355,111	
Unavailable property taxes in governmental funds current year	4,360,849	
Unavailable property taxes in governmental activities current year	<u>(4,272,068)</u>	131,903

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	7,246,637	
Other post-employment benefits payable current year	(4,364,602)	
Deferred outflows - other postemployment benefits items prior year	(2,997,143)	
Deferred outflows - other postemployment benefits items current year	2,621,364	
Deferred inflows - other postemployment benefits items prior year	8,134,381	
Deferred inflows - other postemployment benefits items current year	<u>(9,319,949)</u>	1,320,688

(Continued)

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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, 2019

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	\$ 3,924,117	
A portion of net revenue (expense) of internal service funds is included with business-type activities - prior year	(2,011,303)	
A portion of net revenue (expense) of internal service funds is included with business-type activities - current year	2,408,719	
Capital transfers reported in governmental activities	1,128,282	
Capital transfers reported in governmental activities - internal service funds	<u>(1,469,016)</u>	<u>\$ 3,980,799</u>
Change in net position of governmental activities		<u><u>\$ 9,594,814</u></u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
ASSETS	Utilities Fund	Solid Waste Fund	Recreation Fund
Current assets			
Cash and cash equivalents	\$ 328,918	\$ 1,473,515	\$ 434,214
Investments	28,045,876	11,408,096	-
Interest receivable	125,044	49,205	-
Customer receivables, net of allowance	3,311,007	1,363,429	5,328
Due from other governments	29,312	1,165,978	-
Due from other funds	-	-	-
Other receivables	-	-	-
Prepaid items	-	-	-
Related party accounts receivable	-	-	160,081
Inventories	593,444	-	-
Total current assets	32,433,601	15,460,223	599,623
Capital assets, not being depreciated	15,133,398	7,274,008	515,500
Capital assets, net of depreciation	93,759,295	29,357,347	41,016,862
Net capital assets	108,892,693	36,631,355	41,532,362
Total assets	141,326,294	52,091,578	42,131,985
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	2,356,667	1,558,684	805,168
 LIABILITIES			
Current liabilities			
Notes payable, current	1,175,376	112,644	-
Accounts payable and other accrued liabilities	2,026,114	2,662,511	153,999
Accrued interest payable	324,306	57,913	-
Related party accounts payable	-	-	414,554
Unearned revenue and refundable customer deposits	102,220	-	1,261
Accrued wages payable	77,816	60,837	68,593
Claims payable	-	-	-
Due to other funds	535,967	130,482	65,982
Due to component units	39,226	-	-
Total current liabilities	4,281,025	3,024,387	704,389
Noncurrent liabilities, net of current maturities			
Compensated absences	230,937	195,234	74,676
Landfill closure and post closure	-	9,589,560	-
Other postemployment benefits payable	765,794	471,206	280,707
Notes payable	11,193,820	4,692,742	-
Net pension liability	5,393,801	3,274,929	1,963,702
Total noncurrent liabilities	17,584,352	18,223,671	2,319,085
Total liabilities	21,865,377	21,248,058	3,023,474

See accompanying notes to the 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>		
\$ 4,476	\$ 2,241,123	\$ 2,493,412	
417,271	39,871,243	2,720,450	
1,944	176,193	5,023	
-	4,679,764	56,876	
-	1,195,290	-	
-	-	187,664	
-	-	42,621	
-	-	2,680	
-	160,081	-	
-	593,444	338,036	
<u>423,691</u>	<u>48,917,138</u>	<u>5,846,762</u>	
-	22,922,906	-	
890,684	165,024,188	105,992	
890,684	187,947,094	105,992	
1,314,375	236,864,232	5,952,754	
-	4,720,519	821,709	
-	1,288,020	-	
5,620	4,848,244	464,656	
-	382,219	-	
-	414,554	-	
-	103,481	-	
-	207,246	22,321	
-	-	624,796	
1,091	733,522	67,888	
-	39,226	-	
<u>6,711</u>	<u>8,016,512</u>	<u>1,179,661</u>	
-	500,847	62,977	
-	9,589,560	-	
-	1,517,707	465,482	
-	15,886,562	-	
-	10,632,432	1,902,246	
-	38,127,108	2,430,705	
6,711	46,143,620	3,610,366	

(Continued)

CITY OF CASPER, WYOMING

STATEMENT OF NET POSITION (CONTINUED)
 PROPRIETARY FUNDS
 June 30, 2019

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	\$ 2,515,714	\$ 1,652,117	\$ 737,672
NET POSITION			
Net investment in capital assets	96,523,497	31,825,969	41,532,362
Restricted			
Rock Creek Dam rehabilitation	100,000	-	-
Paradise Valley Pipeline project	325,000	-	-
Unrestricted	22,353,373	(10,665,442)	(2,356,355)
Committed			
Landfill closure and post closure - W.S. 35-11-532	-	9,589,560	-
Total net position	\$ 119,301,870	\$ 30,750,087	\$ 39,176,007

See accompanying notes to the 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>
\$ -	\$ 4,905,503	\$ 922,855
890,684	170,772,512	105,992
-	100,000	-
-	325,000	-
416,980	9,748,556	2,135,250
-	9,589,560	-
<u>\$ 1,307,664</u>	<u>\$ 190,535,628</u>	<u>\$ 2,241,242</u>

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CITY OF CASPER, WYOMING

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

June 30, 2019

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

Total net position, proprietary funds	\$ 190,535,628
Certain internal service fund assets and liabilities included with business-type activities.	<u>(2,408,719)</u>
Net position of business-type activities	<u><u>\$ 188,126,909</u></u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
Operating revenues			
Charges for services	\$ 26,648,399	\$ 14,126,071	\$ 2,739,516
Other revenues	46,415	62,590	84,436
Total operating revenues	26,694,814	14,188,661	2,823,952
Operating expenses			
Personnel expenses	4,870,737	3,654,140	2,165,989
Contractual	9,546,548	5,608,585	2,479,784
Materials and supplies	8,087,655	1,673,813	356,259
Landfill closure and post closure costs	-	3,388,070	-
Other expenses	20,776	-	13,641
Depreciation expense	5,410,085	2,262,276	2,134,419
Total operating expenses	27,935,801	16,586,884	7,150,092
Operating loss	(1,240,987)	(2,398,223)	(4,326,140)
Nonoperating revenues (expenses)			
Investment earnings	1,181,335	501,648	616
Interest	(321,768)	(62,857)	-
Loss on sale of capital assets	(8,839)	(97,853)	(1,058,344)
Total nonoperating revenues (expenses)	850,728	340,938	(1,057,728)
Loss before contributions and transfers	(390,259)	(2,057,285)	(5,383,868)
Grants and contributions	347,016	905,040	962,196
Capital transfers	-	-	-
Transfers in	1,400,000	189,263	2,398,903
Transfers out	(1,209,008)	(439,512)	-
Net contributions and transfers	538,008	654,791	3,361,099
Change in net position	147,749	(1,402,494)	(2,022,769)
Net position (deficit) - beginning of year as previously stated	120,017,300	32,219,006	41,200,133
Prior period adjustment	(863,179)	(66,425)	(1,357)
Net position (deficit) - beginning of year, as restated	119,154,121	32,152,581	41,198,776
Net position - end of year	\$ 119,301,870	\$ 30,750,087	\$ 39,176,007

See accompanying notes to the 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>
\$ 7,676	\$ 43,521,662	\$ 5,592,255
-	193,441	7,110,874
<u>7,676</u>	<u>43,715,103</u>	<u>12,703,129</u>
-	10,690,866	2,532,856
27,303	17,662,220	8,924,544
70,915	10,188,642	1,554,034
-	3,388,070	-
-	34,417	-
68,209	9,874,989	56,938
<u>166,427</u>	<u>51,839,204</u>	<u>13,068,372</u>
<u>(158,751)</u>	<u>(8,124,101)</u>	<u>(365,243)</u>
19,571	1,703,170	58,072
-	(384,625)	-
-	(1,165,036)	-
<u>19,571</u>	<u>153,509</u>	<u>58,072</u>
<u>(139,180)</u>	<u>(7,970,592)</u>	<u>(307,171)</u>
-	2,214,252	-
-	-	1,620,986
-	3,988,166	2,703,560
-	(1,648,520)	(93,258)
<u>-</u>	<u>4,553,898</u>	<u>4,231,288</u>
<u>(139,180)</u>	<u>(3,416,694)</u>	<u>3,924,117</u>
1,446,844	194,883,283	(1,682,875)
-	(930,961)	-
<u>1,446,844</u>	<u>193,952,322</u>	<u>(1,682,875)</u>
<u>\$ 1,307,664</u>	<u>\$ 190,535,628</u>	<u>\$ 2,241,242</u>

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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, 2019

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

Net change in net position - proprietary funds	\$ (3,416,694)
Net revenue (expense) of certain internal service funds reported with business-type activities - prior year.	2,011,303
Net revenue (expense) of certain internal service funds reported with business-type activities - current year.	<u>(2,408,719)</u>
Change in net position of business-type activities	<u><u>\$ (3,814,110)</u></u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2019**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Recreation Fund</u>
Cash flows from operating activities			
Cash received from customers	\$ 23,828,978	\$ 13,064,256	\$ 2,915,647
Cash receipts from interfund services provided	2,778,055	130,000	-
Cash payments to suppliers for goods and services	(13,976,148)	(7,340,264)	(2,735,825)
Claims paid	-	-	-
Cash payments for interfund services used	(2,778,055)	(1,826,848)	(432,928)
Cash payments to employees for services	(4,848,655)	(97,047)	(2,520,809)
Net cash provided (used) by operating activities	<u>5,004,175</u>	<u>3,930,097</u>	<u>(2,773,915)</u>
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	1,530,585	172,476	2,757,139
Transfers out	(1,209,008)	(439,512)	-
Net cash provided (used) by noncapital financing activities	<u>321,577</u>	<u>(267,036)</u>	<u>2,757,139</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(3,719,447)	(7,833,940)	-
Capital contributions	347,016	905,040	8,038
Proceeds from long-term financing	327,888	3,261,710	-
Principal paid	(1,153,150)	(110,115)	-
Interest paid	(289,354)	(30,058)	-
Net cash provided (used) by capital and related financing activities	<u>(4,487,047)</u>	<u>(3,807,363)</u>	<u>8,038</u>
Cash flows from investing activities			
Purchase of investment securities	(1,830,548)	(198,560)	-
Proceeds from the sale of investment securities	681,298	1,275,410	-
Interest on investments	441,733	202,287	616
Net cash provided (used) by investing activities	<u>(707,517)</u>	<u>1,279,137</u>	<u>616</u>
Net increase (decrease) in cash and cash equivalents	131,188	1,134,835	(8,122)
Cash and cash equivalents - beginning of year	<u>197,731</u>	<u>338,680</u>	<u>442,336</u>
Cash and cash equivalents - end of year	<u>\$ 328,919</u>	<u>\$ 1,473,515</u>	<u>\$ 434,214</u>

See accompanying notes to the financial statements

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>	
<u>Other Nonmajor Enterprise Fund</u>	<u>Totals</u>	<u>Internal Service Funds</u>	
<u>Parking Lot</u>			
\$ 7,676	\$ 39,816,557	\$ 946,518	
-	2,908,055	11,711,062	
(78,541)	(24,130,777)	(3,224,131)	
-	-	(6,949,628)	
(14,183)	(5,052,015)	(549,859)	
-	(7,466,511)	(4,331,152)	
<u>(85,048)</u>	<u>6,075,309</u>	<u>(2,397,190)</u>	
1,091	4,461,291	4,077,767	
-	(1,648,520)	145,864	
<u>1,091</u>	<u>2,812,771</u>	<u>4,223,631</u>	
-	(11,553,387)	-	
-	1,260,094	-	
-	3,589,598	-	
-	(1,263,265)	-	
-	(319,412)	-	
<u>-</u>	<u>(8,286,372)</u>	<u>-</u>	
(7,513)	(2,036,621)	(1,836,551)	
43,791	2,000,499	63,961	
7,454	652,090	30,317	
<u>43,732</u>	<u>615,968</u>	<u>(1,742,273)</u>	
(40,225)	1,217,676	84,168	
<u>44,701</u>	<u>1,023,448</u>	<u>2,409,244</u>	
<u>\$ 4,476</u>	<u>\$ 2,241,124</u>	<u>\$ 2,493,412</u>	

(Continued)

CITY OF CASPER, WYOMING

STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 Year Ended June 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Recreation Fund</u>
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (1,240,987)	\$ (2,398,223)	\$ (4,326,140)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation expense	5,410,085	2,262,276	2,134,419
Amortization of pension plan items	(860,003)	(618,545)	(274,120)
Amortization of OPEB plan items	227,092	154,833	11,391
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Customer receivables	(91,714)	(994,405)	84,911
Prepaid items			
Due from management company	-	-	6,784
Inventories	77,696	-	-
Deferred outflows - pension plan items	(26,376)	(14,770)	(10,291)
Accounts payable and accrued liabilities	823,080	1,637,591	(319,069)
Accrued wages payable	(1,270)	2,229	12,885
Unearned revenues and refundable customer deposits	3,933	-	-
Claims payable	-	-	-
Compensated absences	30,486	17,843	3,870
Landfill closure and post closure care	-	3,388,070	-
Other postemployment benefits liability	(644,544)	(439,453)	(511,876)
Net pension liability	1,296,697	932,651	413,321
Net cash provided (used) by operating activities	<u>\$ 5,004,175</u>	<u>\$ 3,930,097</u>	<u>\$ (2,773,915)</u>
Noncash investing, capital and related financing activities			
Change in fair value of investments	\$ 708,839	\$ 292,659	\$ -
Capital assets contributed by governmental funds	-	308,482	951,703

See accompanying notes to the 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>		
\$ (158,751)	\$ (8,124,101)	\$ (365,243)	
68,209	9,874,989	56,938	
-	(1,752,668)	(262,095)	
-	393,316	(169,433)	
-	(1,001,208)	(45,549)	
-	6,784	(2,680)	
-	77,696	-	
-	(51,437)	212,838	
-	2,147,096	62,363	
5,494	2,147,096	120,365	
-	13,844	(17,238)	
-	3,933	-	
-	-	(575,563)	
-	52,199	(51,335)	
-	3,388,070	-	
-	(1,595,873)	(589,041)	
-	2,642,669	(771,517)	
<u>\$ (85,048)</u>	<u>\$ 6,075,309</u>	<u>\$ (2,397,190)</u>	

\$ 11,815	\$ 1,013,313	\$ 30,826
-	1,260,185	-

CITY OF CASPER, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - AMOCO REUSE JOINT POWERS BOARD INVESTMENTS
June 30, 2019

	<u>Agency Fund</u>
ASSETS	
	\$ 373,026
Investments	10,271,920
Interest receivable	46,966
Total assets	<u>\$ 10,691,912</u>
LIABILITIES	
Amounts payable to Amoco Reuse Joint Powers Board	\$ 10,691,912
Total liabilities	<u>\$ 10,691,912</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
June 30, 2019

	<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	\$ 4,857,259	\$ 264,396	\$ 1,215,389	\$ 6,337,044
Investments	-	-	201,005	201,005
Receivables, net of allowance	100,980	306,830	-	407,810
Due from primary government	39,226	-	-	39,226
Due from other governments	-	9,188	-	9,188
Inventories	491,262	-	-	491,262
Prepaid items	21,373	-	20,000	41,373
Restricted cash	1,000,000	205,589	-	1,205,589
Notes receivable, noncurrent	-	-	1,092,783	1,092,783
Capital assets, not being depreciated	3,839,981	5,877,726	-	9,717,707
Capital assets, net of depreciation	40,122,383	103,050	15,971	40,241,404
Total assets	<u>50,472,464</u>	<u>6,766,779</u>	<u>2,545,148</u>	<u>59,784,391</u>
LIABILITIES				
Accounts payable and other current liabilities	153,176	40,129	850	194,155
Accrued expenses	56,997	4,251	-	61,248
Accrued interest payable	115,424	-	-	115,424
Noncurrent liabilities				
Due within one year	2,024,607	-	-	2,024,607
Due in more than one year	13,746,671	-	-	13,746,671
Total liabilities	<u>16,096,875</u>	<u>44,380</u>	<u>850</u>	<u>16,142,105</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	19,539	127,064	-	146,603
NET POSITION				
Net investment in capital assets	28,191,086	5,980,776	15,971	34,187,833
Restricted				
Construction reserve	1,000,000	205,589	-	1,205,589
Unrestricted	5,164,964	408,970	2,528,327	8,102,261
Total net position	<u>\$ 34,356,050</u>	<u>\$ 6,595,335</u>	<u>\$ 2,544,298</u>	<u>\$ 43,495,683</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
Year Ended June 30, 2019

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Major component units				
Central Wyoming Regional Water System Joint Powers Board	\$ 6,442,510	\$ 6,343,248	\$ -	\$ 333,910
Nonmajor component units				
Downtown Development Authority	970,082	133,327	120,000	3,268
Economic Development Joint Powers Board	637,312	-	582,342	-
Total nonmajor component units	<u>1,607,394</u>	<u>133,327</u>	<u>702,342</u>	<u>3,268</u>
Total component units	<u>\$ 8,049,904</u>	<u>\$ 6,476,575</u>	<u>\$ 702,342</u>	<u>\$ 337,178</u>

General revenues
Property taxes
Miscellaneous
Unrestricted investment earnings
Total general revenues

Change in net position

Net position - beginning of year,

Net position - end of year

See accompanying notes to the financial statements

Major	Nonmajor		
Central Wyoming Regional Water System Joint Powers Board	Downtown Development Authority	Economic Development Joint Powers Board	Total Component Units
\$ 234,648	\$ -	\$ -	\$ 234,648
-	(713,487)	-	(713,487)
-	-	(54,970)	(54,970)
-	(713,487)	(54,970)	(533,809)
-	164,267	-	164,267
-	355,703	-	355,703
992,882	32,191	(33,238)	991,835
992,882	552,161	(33,238)	1,511,805
1,227,530	(161,326)	(88,208)	977,996
33,128,520	6,756,661	2,632,506	42,517,687
\$ 34,356,050	\$ 6,595,335	\$ 2,544,298	\$ 43,495,683

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CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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. Component units are 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 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 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 THE FINANCIAL STATEMENTS

June 30, 2019

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. The Authority is not identified as 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 THE FINANCIAL STATEMENTS

June 30, 2019

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. In fiscal year 2019, the City transferred the city hall and management information services funds to the general fund. All current year activity for these funds are reported in the general fund and a transfer of capital is reported in the internal service funds.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

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.

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.

The amount that the City reports as restricted cash has been restricted under an agreement with Charter Communications for an upgrade to the public access television equipment and under an agreement with McMurry Business Park to maintain and improve public open spaces in the McMurry Business Park.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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

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 two sources: property taxes and special assessments. 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows and Deferred Inflows of Resources (Continued)

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.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 as 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.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

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, 2019 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.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

Standard Implemented in Current Year

The Governmental Accounting Standards Board Statement (GASB) has issued GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The GASB establishes accounting and financial reporting requirements related to debt. The City of Casper implemented the requirements of this standard in the current year.

During the fiscal year June 30, 2019, the City of Casper early implemented the Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. Statement 89 establishes guidance designed to enhance relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. For financial statements prepared using the economic resources measurement focus, interest costs incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest costs should not be capitalized as part of the historical cost of a capital asset. The City expensed all construction interest incurred in the current year.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Custodial Credit Risk - Deposits (Continued)

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, 2019, the carrying amount of the City's bank deposits was \$13,366,015 and the bank balance was \$13,894,512. All bank deposits at June 30, 2019 were covered by insurance or collateral held in joint custody with the financial institution.

The City also had cash equivalents of \$2,060,310 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, 2019, the carrying amount of the Downtown Development Authority bank deposits was \$469,985 and the bank balance was \$470,898. All bank deposits at June 30, 2019 were covered by insurance or collateral held in joint custody with the financial institution.

At June 30, 2019, the carrying amount of the Economic Development Joint Powers Board's bank deposits was \$1,310,347 which includes cash of \$1,215,389 and a certificate of deposit of \$94,958 reported as an investment and the bank balance was \$1,310,347. 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, 2019 were covered by insurance or collateral held in joint custody with the financial institution.

At June 30, 2019, the carrying amount of the Central Wyoming Regional Water System Joint Powers Board's bank deposits and the bank balance was \$5,330,609. All bank deposits at June 30, 2019 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 \$526,650 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Investments

As of June 30, 2019, 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	0.00% - 5.30%	\$ 40,782,964	\$ 21,711,409	\$ 19,071,555	\$ -	\$ -	Aaa
GSE notes	.00%-2.89%	68,104,020	20,014,410	48,089,610	-	-	Aaa
Government agency mortgage backed securities	6.47%	13,997	-	13,997	-	-	Aaa
GSE mortgage backed securities	3.98%-6.48%	302,478	-	39,923	-	262,555	Aaa
GSE zero coupon bonds	0.00%	17,630,626	17,630,626	-	-	-	Aaa
Commercial paper	0.00%	12,401,584	12,401,584	-	-	-	Aaa
Total primary government		\$ 139,235,669	\$ 71,758,029	\$ 67,215,085	\$ -	\$ 262,555	

Investments are reported in the following classifications

Governmental activities	\$ 89,092,506
Business-type activities	39,871,243
Fiduciary funds	10,271,920
	<u>\$ 139,235,669</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

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, 2019, 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 THE FINANCIAL STATEMENTS

June 30, 2019

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	\$ 40,782,964	29.29%
GSE notes	68,104,020	48.91%
Government agency mortgage backed securities	13,997	0.01%
GSE mortgage backed securities	302,478	0.22%
GSE zero coupon bonds	17,630,626	12.66%
Commercial paper	12,401,584	8.91%
	\$ 139,235,669	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, 2019, 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	1.35%	\$ 94,958	\$ 94,958	\$ -	\$ -	\$ -
Money market	1.73%	106,047	106,047	-	-	-
		\$ 201,005	\$ 201,005	\$ -	\$ -	\$ -

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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, 2019:

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

Government sponsored enterprises (GSE) 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, 2019			
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bonds	\$ 40,782,964	\$ -	\$ -	\$ 40,782,964
GSE notes	-	68,104,020	-	68,104,020
U.S. government agency mortgage backed securities	-	13,997	-	13,997
GSE mortgage backed securities	-	302,478	-	302,478
GSE zero coupon bonds	-	17,630,626	-	17,630,626
Commercial paper	-	12,401,584	-	12,401,584
	\$ 40,782,964	\$ 98,452,705	\$ -	\$ 139,235,669
Total investments at fair value	\$ 40,782,964	\$ 98,452,705	\$ -	\$ 139,235,669

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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	\$ 8,873,080	\$ 2,812,835	\$ -	\$ -	\$ -
Customers - billed service	-	-	2,418,684	1,220,769	29,961
Customers - unbilled	-	-	1,016,273	258,836	-
Court and parking fines	1,061,475	-	-	-	-
Allowance for bad debts	(608,763)	-	(123,950)	(116,176)	(24,633)
Due from other governments	19,844	467,247	29,312	1,165,978	-
Interest	221,873	31,379	125,044	49,205	-
Due from management company	-	-	-	-	160,081
Miscellaneous	393,702	-	-	-	-
	<u>\$ 9,961,211</u>	<u>\$ 3,311,461</u>	<u>\$ 3,465,363</u>	<u>\$2,578,612</u>	<u>\$ 165,409</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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

Individual fund inter-fund receivable and payable balances at June 30, 2019 are as follows:

	Receivable	Payable
Primary Government		
<i>Governmental Funds</i>		
<i>Major Funds</i>		
General Fund	\$ 1,105,217	\$ 3,261
<i>Other Governmental Funds</i>		
Special Revenue Funds		
Weed and Pest	-	13,005
Transportation Services	-	340,648
Metropolitan Planning Organization	-	67,890
Special Events Assistance	-	19,136
Police Grants	-	37,841
Public Safety Communications	-	9,690
Total governmental funds	1,105,217	491,471
<i>Business-type Activities - Enterprise Funds</i>		
<i>Major Funds</i>		
Utilities Fund	-	535,967
Solid Waste Fund	-	130,482
Recreation Fund	-	65,982
<i>Other Enterprise Funds</i>		
Parking Lot	-	1,091
Total business-type activities - enterprise funds	-	733,522
<i>Governmental Activities - Internal Service Funds</i>		
General Internal Services	187,664	67,888
Total internal service funds	187,664	67,888
	\$ 1,292,881	\$ 1,292,881

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

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

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, 2019 were as follows:

	Transfer In	Transfer Out
Primary Government		
<i>Governmental Funds</i>		
<i>Major Funds</i>		
General Fund	\$ 6,953,148	\$ 7,188,641
General Fund - internal service fund net asset transfers	-	1,620,986
General Fund - internal service fund capital asset transfers	-	141,598
Capital Projects Fund	-	5,229,297
<i>Other Governmental Funds</i>		
Special Revenue Funds		
Weed and Pest	-	12,800
Transportation Services	513,000	-
Metropolitan Planning Organization	61,383	-
Public Safety Communications	1,206,478	-
Total governmental funds	8,734,009	14,193,322
Other capital asset transfers		
reported in governmental activities	148,212	1,128,282
Total governmental activities - governmental funds	8,882,221	15,321,604
<i>Business-type Activities - Enterprise Funds</i>		
<i>Major Funds</i>		
Utilities Fund	1,400,000	1,209,008
Solid Waste Fund	189,263	439,512
Recreation Fund	2,398,903	-
Other capital asset transfers		
reported in business-type activities	1,337,465	-
Total business-type activities - enterprise funds	5,325,631	1,648,520
<i>Governmental Activities - Internal Service Funds</i>		
General Internal Services	439,953	93,258
Health Insurance	2,263,607	-
Total governmental activities - internal service funds	2,703,560	93,258
Other capital asset transfers		
reported in governmental activities - internal service funds	1,620,986	1,469,016
Total governmental activities - internal service funds	\$ 18,532,398	\$ 18,532,398

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 5. Notes Receivable

Notes receivable at June 30, 2019 consist of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Primary government notes receivable					
<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 step-up installments from \$15,000 to \$55,000, beginning August 1, 2010, collateralized by property, due August 2024	\$ 364,000	\$ -	\$ 50,000	\$ 314,000	\$ 50,000
<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	133,728	-	8,872	124,856	9,074
<i>Debt service fund notes receivable</i>					
Local assessment districts notes	24,915	-	14,499	10,416	-
<i>CDBG fund notes receivable</i>					
Community Development Block Grant notes	1,888	-	938	950	950
<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	299,962	-	20,411	279,551	21,243
Casper Housing Authority note receivable, 3% interest payable in monthly installments of \$3,000 of principal and interest, collateralized by property, due April 2032	405,137	-	24,171	380,966	24,906
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	7,547,520	-	1,362,377	6,185,143	1,396,829
	<u>8,252,619</u>	<u>-</u>	<u>1,406,959</u>	<u>6,845,660</u>	<u>1,442,978</u>
Total notes receivable	<u>\$ 8,777,150</u>	<u>\$ -</u>	<u>\$ 1,481,268</u>	<u>\$ 7,295,882</u>	<u>\$ 1,503,002</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 5. Notes Receivable (Continued)

	Notes Receivable	Unamortized Discount	Present Value of Notes Receivable
Component Units Notes Receivable			
<i>Economic Development Joint Powers Board Notes Receivable</i>			
Construction Careers Foundation, secured by mortgage against the McMurry Training Center, effective interest rate of 5%, used as stated, non-interest bearing note; agreement modified April 2019 to require 0% interest down from 2% interest in addition to principal payments to be received in monthly installments of \$10,200 through November 2029 and a final payment of \$4,150 in December 2029, starting April 2008 based on 263 month amortization	\$ 1,278,900	\$ 710,862	\$ 568,038
RH Farms, secured by mortgage against equipment, interest rate of 2%, payments to be received in monthly installments of \$1,500, starting August 2017 through December 2022, based on a 72 month amortization	60,931	-	60,931
True North Steel, secured by mortgage against equipment, interest rate of 3%, payments to be received in monthly installments of \$4,828 through July 2023 and a final payment of \$273,519 in August 2023, starting September 2018 based on a 120 month amortization	463,814	-	463,814
Total notes receivable	\$ 1,803,645	\$ 710,862	\$ 1,092,783

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6. Capital Assets

Primary Government

Capital asset activity for governmental activities for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018 as restated	Additions	Disposals	Transfers	Balance June 30, 2019
<i>Governmental activities</i>					
Capital assets not being depreciated					
Land, artwork, water rights and easements	\$ 12,963,940	\$ -	\$ -	\$ -	\$ 12,963,940
Construction in progress	8,464,101	10,841,235	-	(7,682,891)	11,622,445
Total capital assets not being depreciated	21,428,041	10,841,235	-	(7,682,891)	24,586,385
Capital assets being depreciated					
Buildings	35,992,234	-	117,456	-	35,874,778
Improvements	38,503,403	405,640	-	48,186	38,957,229
Equipment	38,155,608	1,843,614	1,202,067	125,160	38,922,315
Infrastructure	143,214,390	699,925	-	6,422,272	150,336,587
Total capital assets being depreciated	255,865,635	2,949,179	1,319,523	6,595,618	264,090,909
Less accumulated depreciation for					
Buildings	11,647,765	718,480	96,471	-	12,269,774
Improvements	24,782,438	1,574,114	-	-	26,356,552
Equipment	31,841,120	1,814,327	1,154,899	(286,315)	32,214,233
Infrastructure	30,318,758	3,977,213	-	-	34,295,971
Total accumulated depreciation	98,590,081	8,084,134	1,251,370	(286,315)	105,136,530
Total capital assets being depreciated, net	157,275,554	(5,134,955)	68,153	6,881,933	158,954,379
Governmental activities capital assets, net	\$ 178,703,595	\$ 5,706,280	\$ 68,153	\$ (800,958)	\$ 183,540,764

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 6. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities	
General government	\$ 457,213
Public safety	1,230,904
Public works	5,518,547
Health and social services	310,123
Culture and recreation	567,347
	<u>8,084,134</u>
Total depreciation expenses - governmental activities	<u>\$ 8,084,134</u>

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018 as restated	Additions	Disposals	Transfers	Balance June 30, 2019
<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	9,116,142	9,910,683	20,586	(4,271,910)	14,734,329
Total capital assets not being depreciated	<u>17,304,719</u>	<u>9,910,683</u>	<u>20,586</u>	<u>(4,271,910)</u>	<u>22,922,906</u>
Capital assets being depreciated					
Buildings	70,329,799	-	24,410	-	70,305,389
Improvements	215,315,559	80,613	1,250,722	4,047,915	218,193,365
Equipment	30,465,812	2,022,418	2,288,056	1,311,269	31,511,443
Total capital assets being depreciated	<u>316,111,170</u>	<u>2,103,031</u>	<u>3,563,188</u>	<u>5,359,184</u>	<u>320,010,197</u>
Less accumulated depreciation for					
Buildings	33,391,105	1,389,785	10,224	-	34,770,666
Improvements	90,265,350	6,753,335	188,318	-	96,830,367
Equipment	23,408,124	1,731,870	2,041,334	(286,316)	23,384,976
Total accumulated depreciation	<u>147,064,579</u>	<u>9,874,990</u>	<u>2,239,876</u>	<u>(286,316)</u>	<u>154,986,009</u>
Total capital assets being depreciated, net	<u>169,046,591</u>	<u>(7,771,959)</u>	<u>1,323,312</u>	<u>5,072,868</u>	<u>165,024,188</u>
Business-type activities capital assets, net	<u>\$ 186,351,310</u>	<u>\$ 2,138,724</u>	<u>\$ 1,343,898</u>	<u>\$ 800,958</u>	<u>\$ 187,947,094</u>

As of June 30, 2019, the City had \$389,103 of retainage payable related to capital construction projects included in accounts payable and other current liabilities.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Transfers and Deletions	Balance June 30, 2019
<i>Downtown Development Authority</i>				
Capital assets not being depreciated				
Construction in progress	\$ 5,728,281	\$ 149,445	\$ -	\$ 5,877,726
Total capital assets, not being depreciated	<u>5,728,281</u>	<u>149,445</u>	<u>-</u>	<u>5,877,726</u>
Capital assets being depreciated				
Improvements	109,694	9,435	-	119,129
Total capital assets being depreciated	<u>109,694</u>	<u>9,435</u>	<u>-</u>	<u>119,129</u>
Less accumulated depreciation for				
Improvements	3,737	12,342	-	16,079
Total accumulated depreciation	<u>3,737</u>	<u>12,342</u>	<u>-</u>	<u>16,079</u>
Total capital assets being depreciated, net	<u>105,957</u>	<u>(2,907)</u>	<u>-</u>	<u>103,050</u>
Total capital assets, net	<u>\$ 5,834,238</u>	<u>\$ 146,538</u>	<u>\$ -</u>	<u>\$ 5,980,776</u>
<i>Economic Development Joint Powers Board</i>				
Capital assets being depreciated				
Equipment	\$ 124,048	\$ -	\$ -	\$ 124,048
Total capital assets being depreciated	<u>124,048</u>	<u>-</u>	<u>-</u>	<u>124,048</u>
Less accumulated depreciation for				
Equipment	100,931	7,146	-	108,077
Total accumulated depreciation	<u>100,931</u>	<u>7,146</u>	<u>-</u>	<u>108,077</u>
Total capital assets, net	<u>\$ 23,117</u>	<u>\$ (7,146)</u>	<u>\$ -</u>	<u>\$ 15,971</u>
<i>Central Wyoming Regional Water System Joint Powers Board</i>				
Capital assets not being depreciated				
Land	\$ 580,874	\$ -	\$ -	\$ 580,874
Construction in progress	9,612,119	989,071	(7,342,083)	3,259,107
Total capital assets, not being depreciated	<u>10,192,993</u>	<u>989,071</u>	<u>(7,342,083)</u>	<u>3,839,981</u>
Capital assets being depreciated				
Buildings and improvements	77,552,921	230,832	7,214,783	84,998,536
Equipment	900,966	96,163	65,756	931,373
Total capital assets being depreciated	<u>78,453,887</u>	<u>326,995</u>	<u>7,280,539</u>	<u>85,929,909</u>
Less accumulated depreciation for				
Buildings and improvements	43,131,149	2,167,693	84,188	45,214,654
Equipment	518,418	140,924	66,470	592,872
Total accumulated depreciation	<u>43,649,567</u>	<u>2,308,617</u>	<u>150,658</u>	<u>45,807,526</u>
Total capital assets being depreciated, net	<u>34,804,320</u>	<u>(1,981,622)</u>	<u>7,129,881</u>	<u>40,122,383</u>
Total capital assets, net	<u>\$ 44,997,313</u>	<u>\$ (992,551)</u>	<u>\$ (212,202)</u>	<u>\$ 43,962,364</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 7. Transactions with Component Units and Related Parties

The City provided \$424,484 in revenues to the Economic Development Joint Powers Board, a component unit of the City, during the fiscal year ended June 30, 2019. There were no receivables or payables with this component unit at June 30, 2019.

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 \$3,221,387 for operating costs and billed the City \$5,646,628 for water sales during the fiscal year ended June 30, 2019. At June 30, 2019, the City owed the CWRWS \$578,870 and CWRWS owed the City \$539,644 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 9.

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

On October 1, 2016, The City entered into a contract with Global Spectrum, L.P d/b/a Spectra Venue Management (“the Management Company”) to manage the Casper Events Center operations (“the Facility”). Under the management contract between the City and the Management Company, the City has retained ownership and control of the capital facilities, as well as the events bank account. On November 21, 2017, the Management Company amended the original contract to include the management of Hogadon Lodge Restaurant Operations. The management contract stipulated the City would provide a subsidy of \$994,919 to the Management Company during the year ending June 30, 2019.

As of June 30, 2019, the Management Company had receivables from the City of \$445,992 for presold tickets. In addition, the Management Company had accounts payable to the City of \$8,816 as of June 30, 2019.

Under the terms of the management contract, the Management Company received a management fee of \$11,407 per month, or \$136,888 during the year ending June 30, 2019. The Management Company is entitled to receive a commercial rights fee equal to 15% of the portion of revenue from the sale of commercial rights, including revenue from naming, sponsorship, advertising, and premium seating arrangements which were entered into during the year ended June 30, 2019. The Management Company received \$46,746 for the commercial rights for the year ending June 30, 2019. In addition, the Management Company is entitled to receive 3% of the portion of revenue from the sale of food and beverages, including both concession and catering sales; the Management Company received \$39,227 for food and beverage sales for the year ending June 30, 2019.

The Management Company is entitled to receive an incentive fee each full or partial operating year equal to 20% of the improvement in the actual net operating profit/loss compared to the net operating loss benchmark of \$994,919. The incentive fee for June 30, 2019 is \$954. For any year other than the first operating year in which the Facility has a net operating loss that is greater than the net operating loss benchmark, the Management Company shall rebate to the City up to 50% of the fixed management fee paid to the Management Company on a dollar to dollar basis to cover the shortfall.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 8. Deferred Inflows and Deferred Outflows

The following table outlines the deferred inflows and outflows of resources for governmental activities, business-type activities, and component units:

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Outflows of Resources				
Pension plan items	\$ 27,344,656	\$ 3,888,745	\$ 31,233,401	\$ -
Other postemployment benefits items	2,807,435	831,774	3,639,209	-
Total deferred outflows of resources	<u>\$ 30,152,091</u>	<u>\$ 4,720,519</u>	<u>\$ 34,872,610</u>	<u>\$ -</u>
Deferred Inflows of Resources				
Pension plan items	\$ 14,539,984	\$ 1,856,922	\$ 16,396,906	\$ -
Other postemployment benefits items	9,957,973	3,048,581	13,006,554	-
Unavailable property tax revenue	4,272,068	-	4,272,068	146,603
Total deferred inflows of resources	<u>\$ 28,770,025</u>	<u>\$ 4,905,503</u>	<u>\$ 33,675,528</u>	<u>\$ 146,603</u>

The following table outlines the deferred inflows and outflows of resources for individual proprietary funds and internal service funds:

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Utilities Fund	Solid Waste Fund	Recreation Fund		
Deferred Outflows of Resources					
Pension plan items	\$ 1,911,582	\$ 1,291,252	\$ 685,911	\$ 3,888,745	\$ 635,638
Other postemployment benefits items	445,085	267,432	119,257	831,774	186,071
Total deferred outflows of resources	<u>\$ 2,356,667</u>	<u>\$ 1,558,684</u>	<u>\$ 805,168</u>	<u>\$ 4,720,519</u>	<u>\$ 821,709</u>
Deferred Inflows of Resources					
Pension plan items	\$ 909,633	\$ 654,866	\$ 292,423	\$ 1,856,922	\$ 284,831
Other postemployment benefits items	1,606,081	997,251	445,249	3,048,581	638,024
Total deferred inflows of resources	<u>\$ 2,515,714</u>	<u>\$ 1,652,117</u>	<u>\$ 737,672</u>	<u>\$ 4,905,503</u>	<u>\$ 922,855</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9. Long-Term Debt

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Restated Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
<i>Governmental activities</i>					
Accrued compensated absences	\$ 1,699,383	\$ 255,739	\$ 231,592	\$ 1,723,530	\$ 55,029
Note payable	364,000	-	50,000	314,000	50,000
Repayment of sales tax due to incorrect distribution	1,701,143	-	912,552	788,591	185,551
Other post-employment benefits payable	8,301,160	-	3,471,076	4,830,084	-
Net pension liability	<u>92,752,835</u>	<u>9,147,570</u>	<u>-</u>	<u>101,900,405</u>	<u>-</u>
Governmental activities total long-term liabilities	<u>\$ 104,818,521</u>	<u>\$ 9,403,309</u>	<u>\$ 4,665,220</u>	<u>\$ 109,556,610</u>	<u>\$ 290,580</u>
<i>Business-type activities</i>					
Accrued compensated absences	\$ 448,647	\$ 52,200	\$ -	\$ 500,847	\$ -
Notes payable	14,848,249	3,589,598	1,263,265	17,174,582	1,288,020
Other post-employment benefits payable	3,113,581	-	1,595,873	1,517,708	-
Net pension liability	7,989,763	2,642,667	-	10,632,430	-
Landfill closure and post closure care	<u>6,201,490</u>	<u>6,902,403</u>	<u>3,514,332</u>	<u>9,589,561</u>	<u>-</u>
Business-type activities total long-term liabilities	<u>\$ 32,601,730</u>	<u>\$ 13,186,868</u>	<u>\$ 6,373,470</u>	<u>\$ 39,415,128</u>	<u>\$ 1,288,020</u>

For governmental activities, the accrued compensated absences are generally liquidated by the general fund; and 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. The sales tax distribution repayment obligation of \$788,591 will be liquidated by the general fund.

Long-Term Debt – Governmental Activities

Long-term debt of the governmental activities of the primary government at June 30, 2019 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 step-up installments of \$15,000 to \$55,000, interest due semiannually at interest rates from 4.57% to 6.01%.	<u>\$ 364,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 314,000</u>	<u>\$ 50,000</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9. Long-Term Debt (Continued)

Long-Term Debt – Governmental Activities (Continued)

The annual requirements to amortize loan principal and interest outstanding at June 30, 2019, are as follows:

Fiscal Year Ending	Principal	Interest
2020	\$ 50,000	\$ 17,065
2021	50,000	14,172
2022	50,000	11,252
2023	55,000	8,157
2024	55,000	4,887
2025-2029	54,000	1,623
	\$ 314,000	\$ 57,156

Repayment of Sales Tax

During the year ending June 30, 2018, the State of Wyoming discovered that sales and use tax in the amount of \$1,701,143 was incorrectly reported and paid to the City. The City agreed to repay the State over 5 years in quarterly payments beginning in fiscal year 2019. The state will not charge interest on the repayment of sales tax. The general and capital projects funds are responsible for payment of this debt. Minimum agreed upon payments are as follows for the years ending June 30,

Repayment of Sales Tax		
	2020	\$ 185,551
	2021	185,551
	2022	185,551
	2023	231,938
		\$ 788,591

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9. Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities

Long-term debt of the business activities of the primary government at June 30, 2019 is comprised of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
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.	\$ 1,726,564	\$ -	\$ 115,962	\$ 1,610,602	\$ 117,087
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.	85,897	-	6,608	79,289	6,099
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.	445,093	-	85,551	359,542	87,232
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.	526,561	-	83,598	442,963	85,147
					(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 9. 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 - \$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.	\$ 689,268	\$ -	\$ 79,036	\$ 610,232	\$ 80,965
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.	764,931	-	77,517	687,414	79,035
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.	289,610	-	29,151	260,459	29,860
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.	841,274	-	75,246	766,028	77,070
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.	643,807	-	58,354	585,453	59,152

(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9. 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 \$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.	\$ 5,870,479	\$ -	\$ 528,391	\$ 5,342,088	\$ 539,992
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.	216,356	-	13,737	202,619	13,737
The following note is for a project currently in construction. Amortization will be finalized one year after completion of construction. The entire amount is considered long-term debt. The terms of the notes will be for 20 years.					
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.	\$ 1,094,619	\$ 327,888	\$ -	\$ 1,422,507	\$ -
Total Utilities Fund	13,194,459	327,888	1,153,151	12,369,196	1,175,376

(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9. Long-Term Debt (Continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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.	\$ 1,222,416	\$ -	\$ 110,114	\$ 1,112,302	\$ 112,644

The following note is for a project currently in construction. Amortization will be finalized one year after completion of construction. The entire amount is considered long-term debt. The terms of the notes will be for 20 years.

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.	431,374	3,261,710	-	3,693,084	-
Total Solid Waste Fund	1,653,790	3,261,710	110,114	4,805,386	112,644
	<u>\$ 14,848,249</u>	<u>\$ 3,589,598</u>	<u>\$ 1,263,265</u>	<u>\$ 17,174,582</u>	<u>\$ 1,288,020</u>

The annual requirements to amortize loans principal and interest outstanding at June 30, 2019, are as follows:

Fiscal Year Ending	Principal	Interest
2020	\$ 1,288,020	\$ 294,428
2021	1,519,854	390,094
2022	1,557,368	352,581
2023	1,593,129	314,129
2024	1,534,350	274,782
2025-2029	6,176,603	821,944
2030-2034	1,697,041	334,039
2035-2039	1,487,891	149,611
2040-2044	320,326	7,176
	<u>\$ 17,174,582</u>	<u>\$ 2,938,784</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9. Long-Term Debt (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, 2019 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 Service Revenues in Current Year
Utilities Fund	\$ 12,369,196	2040	\$ 14,120,303	\$ 1,474,919	6%	\$ 26,648,399
Solid Waste Fund	4,805,386	2040	5,993,063	172,971	1%	14,126,071

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, 2019, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
New construction note	\$ 4,344,580	\$ -	\$ 322,146	\$ 4,022,434
Rehabilitation note	1,387,547	-	102,885	1,284,662
City of Casper note	7,547,519	-	1,362,377	6,185,142
WTP emergency power project loan	2,152,300	434,683	303,142	2,283,841
Zone IIB water improvement project	433,066	-	22,258	410,808
Backwash water supply	1,981,041	218,959	616,171	1,583,829
WTP SCADA improvement project	-	562	-	562
	<u>\$ 17,846,053</u>	<u>\$ 654,204</u>	<u>\$ 2,728,979</u>	<u>\$ 15,771,278</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 9. Long-Term Debt (Continued)

Long-Term Debt – Component Unit (Continued)

Central Wyoming Regional Water System Joint Powers Board (Continued)

Notes payable at June 30, 2019 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.	\$ 4,022,434
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.	6,185,142
Office of State Loan and Investment Board for the funding of the Water Treatment Plant Emergency Power Project. Original commitment of \$1,750,000 with an additional commitment of \$850,000 with \$447,700 remaining available. Approximately 83% of the loan amount is federal funding. Interest rate - 2.5%. First payment due 1 year after substantial completion.	2,283,841
Office of State Loan and Investment Board for the funding of the Zone IIB Water Improvements. Original commitment of \$965,250; \$304,954 was relinquished; \$165,074 of the principal was forgiven and the original note was amended resulting in a loan amount of \$473,266. The maturity date is October 15, 2034; quarterly payment \$8,183; 2.5% interest rate. Approximately 83% of the loan amount is federal funding.	410,808
Wyoming Water Development Commission, Rehabilitation, maturing December 1, 2028, 4% interest rate; annual payments of \$158,387; original issue \$2,586,396, secured by mortgage on facilities constructed under the terms of the agreement.	1,284,662
Office of State Loan and Investment Board for the funding of the Backwash Water Supply Project. Original commitment of \$2,200,000 with \$218,959 remaining available. Interest rate 2.5%, with first payment due 1 year after substantial completion.	1,583,829
Office of State Loan and Investment Board for the funding of the Water Treatment Plant SCADA Improvements Project. Original commitment of \$1,600,000 with \$1,599,438 remaining available. Interest rate - 2.5%. First payment due 1 year after substantial completion.	562
Total notes payable	15,771,278
Less current maturities	2,024,607
Long-term portion of notes payable	<u>\$ 13,746,671</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 9. Long-Term Debt (Continued)

Long-Term Debt – Component Unit (Continued)

Central Wyoming Regional Water System Joint Powers Board (Continued)

The annual requirements to amortize the notes payable, principal and interest outstanding at June 30, 2019 are as follows:

Fiscal year ending June 30:	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,024,607	\$ 456,266
2021	2,082,197	398,676
2022	2,141,501	339,372
2023	2,202,572	278,300
2024	1,104,179	225,050
2025-2029	4,015,149	711,661
2030-2034	1,245,181	209,977
2035-2036	955,892	58,720
	<u>\$ 15,771,278</u>	<u>\$ 2,678,022</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 10. 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	\$ 94,660	\$ -	\$ -	\$ 94,660
Non-current notes receivable	5,402,682	115,782	274,416	5,792,880
Restricted for				
Community development projects	-	-	30,192	30,192
Redevelopment loans	-	-	158,368	158,368
Committed to				
Operating reserves	16,171,832	-	-	16,171,832
Perpetual care of one cent projects	31,185,891	-	-	31,185,891
Planned capital projects	-	33,759,687	-	33,759,687
Opportunity projects	8,028,583	-	-	8,028,583
Animal control	316,365	-	-	316,365
Revolving land	660,019	-	-	660,019
Weed and pest activities	-	-	478,247	478,247
Metropolitan planning organization	-	-	56,628	56,628
Police projects	-	-	26,279	26,279
Public safety communications	-	-	901,590	901,590
Local assessment district	-	-	2,428,352	2,428,352
Unassigned	9,587,420	-	(245,804)	9,341,616
Totals	<u>\$ 71,447,452</u>	<u>\$ 33,875,469</u>	<u>\$ 4,108,268</u>	<u>\$ 109,431,189</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 10. 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, 2019.

	<u>Encumbrances</u>
<i>Major funds</i>	
General fund	\$ 118,838
Capital projects fund	6,814,084
Utilities fund	6,420,673
Solid waste fund	4,798,440
Recreation fund	3,434
<i>Aggregate nonmajor funds</i>	219,451

Deficit Fund Balances

The following non-major funds had deficit balances at June 30, 2019:

Transportation Services	\$ (226,668)
General Internal Services	(1,374,814)
Special Events Assistance	(19,136)

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

Note 11. 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 11. Landfill Closure and Post-closure Care Liability (Continued)

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 \$9,589,561 reported as landfill closure and post-closure care liability at June 30, 2019, represents the cumulative amount estimated to date based on the use of 25% 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 \$17.8 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 2019. 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 \$3,388,070.

The City was required by Wyoming Department of Environmental Quality (WDEQ) to complete a significant landfill remediation plan and related monitoring program. The total cost of this project, which included the installation of a gas collection system and corresponding monitoring activity, is approximately \$13.7 million. The WDEQ has agreed to pay 75% of the project costs and the City is responsible for the remaining 25% which equates to approximately \$3.4 million. In 2015, the City of Casper was awarded a credit of \$3.5 million from WDEQ. This credit is being utilized to pay for the City's 25% portion of the remediation costs. The balance of the credit at June 30, 2019 was \$2,680,574.

Note 12. 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, 2019, 2018, or 2017.

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 2019 were \$1,112,488.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12. Risk Management (Continued)

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 2019 and 2018 were as follows for the City's participation in the Unemployment Compensation Act Program:

	2019	2018
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	9,145	45,853
Claim payments	(9,145)	(45,853)
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 \$567,997 for stop loss insurance premiums for the year ended June 30, 2019.

The third-party administrator makes year-end estimates of liabilities incurred but not reported (IBNR), based upon historical trend analysis. At June 30, 2019, 2018 and 2017, the aggregate claims liability, including IBNR, was \$624,796, \$1,200,359, and \$1,224,113, respectively. Changes in the Employee Health Insurance Fund's aggregate claims liability amount, from fiscal years 2019 and 2018, and 2017 were:

	Beginning of Fiscal Year Liability	Changes in Estimates	Claim Payments	At Fiscal Year-End
FY 2019	\$ 1,200,359	\$ 4,621,892	\$ (5,197,455)	\$ 624,796
FY 2018	1,224,113	6,436,924	(6,460,678)	1,200,359
FY 2017	952,401	7,147,272	(6,875,560)	1,224,113

Note 13. Litigation and Other Contingent Liabilities

At any time there may be several lawsuits pending against the City for various reasons. The outcome and eventual liability to the City, if any, in these cases is not known at this time; however, management and legal counsel estimate the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the basic financial statements of the City.

Note 14. Pension Plans

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

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 public employee retirement system 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 8.50% of their annual covered salary and the City is required to contribute 8.62% 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, 2019, 2018 and 2017 were \$1,603,280, \$1,548,950, and \$1,609,381, while the employees' portion was \$1,401,049, \$1,375,536, and \$1,455,152, respectively, equal to the required contributions for each year. As of July 1, 2019, the employer contribution rate will increase by 0.25% from 8.62% to 8.87% and the employee contribution rate will increase by 0.25% from 8.50% to 8.75%.

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 September 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 September 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).

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

Wyoming Law Enforcement Retirement Plan

The City participates in the Wyoming Law Enforcement Retirement Plan (“WLERP”), a state-wide, cost-sharing, multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System Board. The WLERP is a defined benefit, contributory plan covering 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.

The WLERP 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 WLERP 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, 2019, 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, 2019, 2018, and 2017, total contributions for the WLERP were \$1,331,197, \$1,222,515, and \$1,293,408, respectively, equal to the required contributions for each year. The City’s portion of these contributions was \$676,073, \$611,258, and \$655,027, while the employees’ portion was \$655,124, \$611,257, and \$638,381, 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

Paid Firemen's Pension Plans (Continued)

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.

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.

For the years ended June 30, 2019, 2018, and 2017, total contributions for Plan B were \$1,289,033, \$1,193,256, and \$1,155,557, respectively, equal to the required contributions for each year. The City's portions of these contributions were \$739,356, \$673,998, and \$648,240, while the employees' portion was \$549,677, \$519,259, and \$507,317, respectively, equal to the required contributions for each year. As of July 1, 2019, the employer contribution rate will increase by 1.00% from 12.00% to 13.00% and the employee contribution rate will increase by 0.50% from 9.245% to 9.745%.

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

At June 30, 2019, the City reported a total liability of \$112,532,835 for its proportionate share of the net pension liability. The net pension liability for the Public Employee Plan and the Wyoming Law Enforcement Plan is calculated using a discount rate of 7.00% and 5.92%, respectively, which is the expected rate of return on investments reduced by investment expenses. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2016. The net pension liability as of December 31, 2018 is based on the results of an actuarial valuation as of January 1, 2018, rolled forward to a measurement date of December 31, 2018, and taking into consideration information from the recent experience study.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

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

The schedule below shows the City's proportionate share of the net pension liability at June 30, 2019, the proportionate portion at the measurement date of December 31, 2018, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2019	Proportion at December 31, 2018	Increase (decrease) from December 31, 2017
Primary Government			
Public Employees' Pension Plan	\$ 30,121,286	0.989110293%	-0.036857063%
Wyoming Law Enforcement Retirement Plan	11,416,742	4.716253890%	-0.029042041%
Paid Firemen's Retirement Plan A	66,510,699	29.299836889%	0.409315532%
Paid Firemen's Retirement Plan B	4,484,108	21.369977323%	0.422119975%
	<u>\$ 112,532,835</u>		

For the year ended June 30, 2019, the City recognized pension expense of \$8,102,389.

At June 30, 2019, 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	WLERP	Fire A	Fire B	
Net difference between projected and actual earnings on pension plan investments	\$ 7,451,417	\$ 2,980,096	\$ 3,387,875	\$ 3,129,705	\$ 16,949,093
Difference between actual and expected experience rate	-	15,636	-	13,329	28,965
Changes in assumptions	1,561,006	4,880,915	-	4,848,956	11,290,877
Change in employer's proportion	-	10,287	-	133,662	143,949
Amortizing deferred outflows	9,012,423	7,886,934	3,387,875	8,125,652	28,412,884
Contributions subsequent to the measurement date	1,537,110	675,531	-	607,876	2,820,517
Total deferred outflows	<u>\$ 10,549,533</u>	<u>\$ 8,562,465</u>	<u>\$ 3,387,875</u>	<u>\$ 8,733,528</u>	<u>\$ 31,233,401</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

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

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources				Total (Inflows)
	PEPP	WLERP	Fire A	Fire B	
Net difference between projected and actual earnings on pension plan investments	\$ (2,861,943)	\$ (1,111,577)	\$ (1,337,299)	\$ (1,117,358)	\$ (6,428,177)
Difference between actual and expected experience rate	(776,421)	(517,748)	-	(1,548,493)	(2,842,662)
Changes in assumptions	-	-	-	(5,699,387)	(5,699,387)
Change in employer's proportion	(1,381,157)	(31,089)	-	(14,434)	(1,426,680)
Amortizing deferred inflows	<u>\$ (5,019,521)</u>	<u>\$ (1,660,414)</u>	<u>\$ (1,337,299)</u>	<u>\$ (8,379,672)</u>	<u>\$ (16,396,906)</u>

The City reported \$2,820,517 as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date; these deferred outflows will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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)	
2020	\$ 9,660,082	\$ (4,490,557)
2021	6,811,298	(4,204,910)
2022	5,920,332	(3,826,822)
2023	4,966,129	(1,210,948)
2024	663,969	(1,149,661)
Thereafter	391,074	(1,514,008)
	<u>\$ 28,412,884</u>	<u>\$ (16,396,906)</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

Actuarial Assumptions

The total pension liability at the December 31, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Public Employee Pension Plan and Wyoming Law Enforcement Retirement Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.75% to 8.75%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment net rate of return	7.00%, net of pension plan investment expense
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 88%
Pre-retirement mortality	RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

Paid Fire A Pension Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.50% including inflation
Cost of living increase	3.00%
Investment net rate of return	7.00%, net of pension plan investment expense
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 88%
Pre-retirement mortality	RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Paid Fire B Pension Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.50% to 7.50%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment net rate of return	7.00%, net of pension plan investment expense
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 88%
Pre-retirement mortality	RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2018. In addition, an experience study was completed as of December 31, 2016 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 7.00% (composed of an assumed 2.25% inflation rate and a 4.75% real rate of return) falls within a reasonable range of the long-term expected rate of return.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 14. 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 expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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 for the fiscal year 2018. These best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.00%	0.30%	0.30%
Fixed income	20.00%	1.50%	2.00%
Equity	49.00%	6.00%	7.40%
Marketable alternatives	19.00%	3.10%	3.50%
Private markets	12.00%	5.20%	7.00%
Total	<u>100.00%</u>	<u>4.40%</u>	<u>5.50%</u>

Discount Rate

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 7.00 percent and 5.92 percent, respectively. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). However, for the Paid Firemen's Retirement Fund Plan B, the discount rate was changed from 6.59% in the prior valuation to 5.65% for the current valuation. The discount rate for the Paid Fireman's Retirement Fund Plan A was changed from 4.38% to 3.75%.

For purposes of this valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from the Federal Reserve statistical release (H.15); and the resulting single discount rates listed above. Fire A and Fire B calculations resulted in the use of a blended rate that is less than the assumed rate of investment return.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 14. 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 unfunded pension liability for each plan calculated using the discount rate applicable, 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 or 1-percentage-point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Primary government pension plans	(6.00%)	(7.00%)	(8.00%)
Public Employees' Pension Plan	\$ 41,774,163	\$ 30,121,286	\$ 20,397,068
Paid Firemen's Retirement Plan B	9,341,492	4,484,108	454,965
	(4.92%)	(5.92%)	(6.92%)
Wyoming Law Enforcement Retirement Plan	17,188,943	11,416,742	6,737,194
	(3.01%)	(4.01%)	(5.01%)
Paid Firemen's Retirement Plan A	\$ 66,927,093	\$ 66,510,699	\$ 43,721,023

Payables to the pension plan – At June 30, 2019, the City and its component units reported \$466,959 as payable to the pension plans.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 15. Prior Period Adjustments

During the fiscal year ended June 30, 2019, the City discovered it had improperly recorded amounts in various accounts in the wrong period. To correct these errors and recognize the amounts correctly for the current year, the City had to adjust its net assets and fund balances.

The table below illustrates the prior period adjustments for governmental activities, business-type activities, component units, governmental funds and enterprise and internal service funds as originally stated and restated:

	Adjustment
<i>Governmental activities</i>	
Transfer adjustment	\$ 875,000
Cash allocation adjustment	(58,974)
Retainage adjustment	38,984
Construction in progress adjustment	(3,423,261)
Deferred revenue adjustment	486,600
Total prior period adjustment	(2,081,651)
Net position - beginning of year, as previously stated	188,506,364
Net position - beginning of year, as restated	186,424,713
<i>Business-type activities</i>	
Transfer adjustment	(875,000)
Construction in progress adjustment	(21,942)
Capital asset disposal adjustment	(45,840)
Retainage payable adjustment	11,821
Total prior period adjustment	(930,961)
Net position - beginning of year, as previously stated	192,871,980
Net position - beginning of year, as restated	191,941,019
<i>Enterprise and internal service funds</i>	
<i>Utilities fund</i>	
Transfer adjustment	(875,000)
Retainage payable adjustment	11,821
Total prior period adjustment	(863,179)
Net position - beginning of year, as previously stated	120,017,300
Net position - beginning of year, as restated	119,154,121
<i>Solid waste fund</i>	
Construction in progress adjustment	(20,585)
Capital asset disposal	(45,840)
Total prior period adjustment	(66,425)
Net position - beginning of year, as previously stated	32,219,006
Net position - beginning of year, as restated	32,152,581

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 16. 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 as follows: 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 2019, the City contributed \$0 to the plan. Members receiving benefits contributed \$402,424 through their required monthly contribution rates as follows:

<u>Plan /Tier</u>	<u>Buy-Down</u>	<u>Mid-Option</u>
Retiree	\$ 705	\$ 766
Retiree + Spouse	1,596	1,735

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

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 16. 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	194
	<u>225</u>

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 \$6,347,792 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 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
Inflation	2.5% per year
Salary increases	3% per year
Investment rate of return	N/A

The discount rate was based on 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-2014 Combined Healthy Mortality Table for Males and Females, as appropriate, with adjustments to 2006 using Generational Projection with Scale MP-2018.

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 THE FINANCIAL STATEMENTS

June 30, 2019

Note 16. Postemployment Healthcare Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 11,414,741
Changes for the year:	
Service cost	462,818
Interest	349,326
Differences between expected and actual experience	(3,579,360)
Changes in plan provisions	(1,847,377)
Changes in assumptions	(141,968)
Benefit payments	(310,388)
Net changes	(5,066,949)
Total OPEB obligation - end of year	\$ 6,347,792

Changes in assumptions or other inputs reflect changes in the discount rate updated from 2.98% to 3.50%, mortality table changes, salary scale updated from 2.50% to 3.00%, mortality table scale was updated from Scale MP-2017 to Scale MP-2018, and rates of retirement, rates of withdrawal and rates of disability were based on the 2019 State of Wyoming Retirement System Actuarial Valuation Report.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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 (2.50 percent) or a 1-percentage-point higher (4.50 percent) than the current discount rate:

Sensitivity of the total OPEB liability to changes in the discount rate			
	1% Decrease 2.50%	Current 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 6,979,393	\$ 6,347,792	\$ 5,777,314

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

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 or 1-percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate			
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 5,620,812	\$ 6,347,792	\$ 7,194,881

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 16. Postemployment Healthcare Plan (Continued)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized a recapture of prior year OPEB expense of \$2,879,299. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (12,032,654)
Changes in assumptions or other inputs	3,639,209	(973,900)
	\$ 3,639,209	\$ (13,006,554)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Year ended June 30,		
2020	\$ 784,313	\$ (2,720,415)
2021	784,313	(2,720,415)
2022	784,313	(2,720,415)
2023	784,313	(2,720,413)
2024	501,957	(1,409,438)
Thereafter	-	(715,458)
	\$ 3,639,209	\$ (13,006,554)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 17. Construction Commitments

At June 30, 2019, the City of Casper had several outstanding construction contracts. The City has engaged construction companies to resurface, improve, or reconstruct streets, bridges, and drainage. The engagements also include remodel of buildings, remodel of pools and landfill remediation. The following projects are currently in construction with outstanding commitments as of June 30, 2019:

Project	Contract Amount	Completed	Outstanding
West Casper Zone II Water System	\$ 1,401,235	\$ -	\$ 1,401,235
Landfill GPS Equipment	170,000	-	170,000
Highland Park Cemetary	514,591	116,803	397,788
Midwest Ave - David to Elm	1,957,041	-	1,957,041
1st and Poplar	178,395	-	178,395
2018 Arterials and Collectors	684,718	26,435	658,283
Verda James Pedestrian Overpass	387,509	-	387,509
2018 Solid Waste Baler	219,520	-	219,520
Bryan Stock Trail/Metro Road	714,693	29,602	685,091
North Beverly Street Improvements	982,250	-	982,250
Residential Street Improvements	597,657	-	597,657
George Tani Parking	110,708	-	110,708
13th Street Improvements	950,000	-	950,000
29th and Coffman Street Improvements	510,000	-	510,000
2019 Roof Replacements	154,000	-	154,000
Wilson Street Sanitary Sewer Replacement	251,307	-	251,307
WWTP Secondary Treatment	243,742	30,031	213,711
Jackson and 8th Street Sewer Repairs	103,000	-	103,000
2018 CPU Asphalt Repair	705,543	275,335	430,208
5-Year Closed Balefill	303,437	-	303,437
Baler Building Expansion Project	2,832,202	-	2,832,202
Closed Unlined Balefill	225,235	-	225,235
CY Booster Station Professional	132,433	-	132,433
East Casper Zone III Water System Improvements	116,915	-	116,915
Emergency Generator	1,810,102	-	1,810,102
EPA Brownfields Hazardous	184,822	-	184,822
Fire EMS Station #5	107,146	-	107,146
Marion Kreiner Pool Splash Pad	378,796	-	378,796
MOP 18-02 Long Range	182,992	-	182,992
Recycle Depot Improvements	285,190	-	285,190
Robertson Road Reconstruction	173,271	-	173,271
WWTP Emergency Power Project	114,089	-	114,089
Total	<u>\$ 17,682,539</u>	<u>\$ 478,206</u>	<u>\$ 17,204,333</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 18. Accounting Standards Issued, But Not Implemented

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of the Statement are effective for reporting periods beginning after December 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

GASB 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.

Note 19. Subsequent Events

After June 30, 2019, the City purchased several large pieces of property and equipment subsequent to year end. The most material purchases are as follows:

Purchases	Amount
CATC Buses	\$ 149,182
Zoll Autopulse	109,665
GPS CRL Equipment	168,700
Police Vehicles	522,240
Refuse Sideloader	325,000
Tandem Axle Dump Trucks	559,422
Police Portable Radios	105,000
Haul Truck	150,000
Snow Groomer	340,000
	\$ 2,429,209

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

Note 19. Subsequent Events (Continued)

After June 30, 2019, the City entered into several construction contracts subsequent to year end. The most material contracts are as follows:

Construction Projects	Amount
1% #16 funding Casper Housing Authority	\$ 500,000
1% #16 funding Natrona County Public Library Foundation	300,815
1% #16 funding Nicolaysen Art Museum	400,000
1% #16 funding Self Help Center	220,556
1% #16 funding The Science Zone	334,444
2019 solid waste asphalt improvements project 18-02	248,307
911 and dispatch services	1,696,073
Animal control enforcement services	529,122
Annual building rent	125,592
Annual maintenance	295,720
Architect for public safety building	126,489
1st street reach project	149,743
G-Tac equipment	330,000
G-Tac installs	111,034
Highland park cemetery irrigation improvements 19-003	111,245
HOJ/Detention center contract for maintenance	100,000
Maintenance from August 2019 to August 2020	125,265
NPRR first street reach construction	2,455,959
Procurement of baler bags	189,840
Tyler software maintenance	119,300
Casper Event Center LED Lights	112,253
Ash Street HVAC	158,313
Police Building Design	106,451
CEC Fire Protection System	321,847
Aquatics HVAC	230,000
Wayfinding Study	120,000
	\$ 9,518,368

On August 20, 2019, the City sold a building in the amount of \$500,000.

On January 1, 2020, the City joined the State of Wyoming health insurance plan. The State of Wyoming will also be responsible for the City's other post-employment benefit plan administration starting January 1, 2020.

On January 21, 2020, a loan was executed with Wyoming SLIB for \$8,000,000 for the North Platte Sanitary Sewer Interceptor Rehabilitation Project. The loan is for 20 years and is eligible for 25% principal forgiveness with revenues pledged from the Wastewater Treatment Plant Fund.

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2019
(Unaudited)**

	Budgeted Amount		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 4,179,866	\$ 4,179,866	\$ 4,349,310	\$ 169,444
Franchise taxes	4,795,927	4,795,927	4,679,025	(116,902)
Automobile taxes	1,392,568	1,392,568	1,479,312	86,744
Sales taxes	16,959,827	16,959,827	18,933,572	1,973,745
Gasoline taxes	1,848,741	1,848,741	2,070,670	221,929
Cigarette taxes	287,128	287,128	273,243	(13,885)
Mineral taxes	8,026,356	8,026,356	8,124,453	98,097
Total taxes	<u>37,490,413</u>	<u>37,490,413</u>	<u>39,909,585</u>	<u>2,419,172</u>
Licenses and permits	1,082,918	1,080,918	1,131,336	50,418
Intergovernmental	108,000	108,000	78,078	(29,922)
Fines	1,251,972	1,251,972	918,911	(333,061)
Charges for services	5,336,915	5,592,227	5,995,915	403,688
Miscellaneous revenues	2,808,800	2,847,800	1,098,694	(1,749,106)
Investment earnings	943,542	943,542	1,267,678	324,136
Total other revenues	<u>11,532,147</u>	<u>11,824,459</u>	<u>10,490,612</u>	<u>(1,333,847)</u>
Total revenues	<u>49,022,560</u>	<u>49,314,872</u>	<u>50,400,197</u>	<u>1,085,325</u>
General government	10,035,792	10,311,057	9,118,083	1,192,974
Public safety	25,193,133	25,671,082	24,793,762	877,320
Public works	4,258,734	4,281,353	4,270,581	10,772
Health and social services	1,113,408	1,161,773	1,113,330	48,443
Culture and recreation	2,905,857	2,806,737	2,703,194	103,543
Total expenditures	<u>43,506,924</u>	<u>44,232,002</u>	<u>41,998,950</u>	<u>2,233,052</u>
Excess of revenues over expenditures	<u>5,515,636</u>	<u>5,082,870</u>	<u>8,401,247</u>	<u>3,318,377</u>
Other financing sources (uses)				
Transfers in	3,856,716	3,861,716	3,856,716	(5,000)
Transfers out	(7,257,607)	(7,261,412)	(6,992,865)	268,547
Total other financing sources (uses)	<u>(3,400,891)</u>	<u>(3,399,696)</u>	<u>(3,136,149)</u>	<u>263,547</u>
Net change in fund balance	<u>\$ 2,114,745</u>	<u>\$ 1,683,174</u>	5,265,098	<u>\$ 3,581,924</u>
Fund balance - beginning of year			<u>61,966,102</u>	
Fund balance - end of year			<u>\$ 67,231,200</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)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Primary Government			
Public Employees Pension Plan			
Proportion of the net pension liability (asset)	0.989110293%	1.025967355%	1.081854300%
Proportionate share of the net pension liability (asset)	\$ 30,121,286	\$ 23,385,288	\$ 26,153,831
Covered payroll	\$ 17,223,918	\$ 18,225,054	\$ 19,288,437
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	174.88%	128.31%	135.59%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%
Wyoming Law Enforcement Retirement Plan			
Proportion of the net pension liability (asset)	4.716253900%	4.745295931%	4.792676900%
Proportionate share of the net pension liability (asset)	\$ 11,416,742	\$ 4,083,063	\$ 3,618,084
Covered payroll	\$ 7,163,928	\$ 7,286,263	\$ 7,418,067
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	159.36%	56.04%	48.77%
Plan fiduciary net position as a percentage of the total pension liability	71.22%	87.99%	88.11%
Paid Firemen's Pension Plan A			
Proportion of the net pension liability (asset)	29.299836889%	28.890521358%	29.476750700%
Proportionate share of the net pension liability (asset)	\$ 66,510,699	\$ 64,636,435	\$ 54,081,810
Covered payroll	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	169,207.64%	102,602.87%	93,982.30%
Plan fiduciary net position as a percentage of the total pension liability	29.99%	34.28%	38.91%
Paid Firemen's Pension Plan B			
Proportion of the net pension liability (asset)	21.369977323%	20.947857347%	21.236544081%
Proportionate share of the net pension liability (asset)	\$ 4,484,108	\$ 8,637,811	\$ 6,702,535
Covered payroll	\$ 5,729,523	\$ 5,909,325	\$ 5,604,426
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	78.26%	146.17%	119.59%
Plan fiduciary net position as a percentage of the total pension liability	87.07%	77.98%	80.16%

* 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.

2016	2015	2014	2013	2012	2011	2010
1.123981249%	1.149125718%	*	*	*	*	*
\$ 26,181,433	\$ 20,278,532	*	*	*	*	*
\$ 19,603,063	\$ 19,643,298	*	*	*	*	*
133.56%	103.23%	*	*	*	*	*
73.40%	79.08%	*	*	*	*	*
4.695990211%	4.873140330%	*	*	*	*	*
\$ 3,527,625	\$ 1,435,806	*	*	*	*	*
\$ 7,062,757	\$ 7,202,055	*	*	*	*	*
49.95%	19.94%	*	*	*	*	*
87.49%	94.76%	*	*	*	*	*
29.082090280%	29.588242406%	*	*	*	*	*
\$ 53,934,024	\$ 48,698,591	*	*	*	*	*
\$ -	\$ -	*	*	*	*	*
103,325.47%	82,955.64%	*	*	*	*	*
40.05%	45.95%	*	*	*	*	*
21.236544081%	22.436921582%	*	*	*	*	*
\$ 6,492,989	\$ (252,329)	*	*	*	*	*
\$ 5,518,622	\$ 5,508,838	*	*	*	*	*
117.66%	-4.58%	*	*	*	*	*
79.33%	100.98%	*	*	*	*	*

CITY OF CASPER, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years
(Unaudited)

	2019	2018	2017	2016
Primary Government				
Public Employees Pension Plan				
Contractually required contribution	\$ 3,004,329	\$ 2,924,486	\$ 3,064,533	\$ 3,500,576
Contributions in relation to the contractually required contribution	(3,004,329)	(2,924,486)	(3,064,533)	(3,500,576)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,548,651	\$ 17,596,185	\$ 18,438,827	\$ 21,062,431
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%
Wyoming Law Enforcement Retirement				
Contractually required contribution	\$ 1,331,197	\$ 1,222,515	\$ 1,293,408	\$ 1,293,317
Contributions in relation to the contractually required contribution	(1,331,197)	(1,222,515)	(1,293,408)	(1,293,317)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,739,517	\$ 7,107,645	\$ 7,519,814	\$ 7,519,285
Contributions as a percentage of covered payroll	17.20%	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%	0.00%
Paid Firemen's Pension Plan B				
Contractually required contribution	\$ 1,289,033	\$ 1,193,256	\$ 1,155,557	\$ 1,267,976
Contributions in relation to the contractually required contribution	(1,289,033)	(1,193,256)	(1,155,557)	(1,267,976)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,667,325	\$ 5,616,644	\$ 5,439,195	\$ 5,968,350
Contributions as a percentage of covered payroll	22.75%	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.

2015	2014	2013	2012	2011	2010
\$ 3,077,511	*	*	*	*	*
\$ (3,077,511)	*	*	*	*	*
\$ -	*	*	*	*	*
\$ 19,392,004	*	*	*	*	*
15.87%	*	*	*	*	*
\$ 1,250,738	*	*	*	*	*
(1,250,738)	*	*	*	*	*
\$ -	*	*	*	*	*
\$ 7,271,733	*	*	*	*	*
17.20%	*	*	*	*	*
\$ -	*	*	*	*	*
-	*	*	*	*	*
\$ -	*	*	*	*	*
\$ -	*	*	*	*	*
0.00%	*	*	*	*	*
\$ 1,230,482	*	*	*	*	*
(1,230,482)	*	*	*	*	*
\$ -	*	*	*	*	*
\$ 5,791,866	*	*	*	*	*
21.25%	*	*	*	*	*

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 fiscal years *

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 462,818	\$ 862,167	\$ 836,000
Interest	349,326	486,264	523,000
Changes in benefit terms	(1,847,377)	-	-
Differences between expected and actual experience	(3,579,360)	(10,452,731)	(2,690,000)
Employee contributions	-	547,484	-
Changes in assumptions and other inputs	(141,968)	5,207,836	(1,241,000)
Benefit payments	(310,388)	(996,279)	(418,000)
Net change in OPEB liability	<u>(5,066,949)</u>	<u>(4,345,259)</u>	<u>(2,990,000)</u>
Total OPEB liability - beginning	11,414,741	15,760,000	18,750,000
Total OPEB liability - ending	<u>\$ 6,347,792</u>	<u>\$ 11,414,741</u>	<u>\$ 15,760,000</u>
Covered employee payroll	\$ 16,450,419	\$ 17,934,378	\$ 22,187,034
Total liability as a percentage of covered employee payroll	38.59%	63.65%	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.

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CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

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:

Revenues

Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 50,400,197
---	---------------

Difference - Budgetary Basis to GAAP

Accrual of accounts receivable	1,123,786
Accrual of taxes receivable	223,273
Accrual of grants receivable	7,500
Record unrealized gain/loss on investments	<u>1,080,138</u>

Total revenue as reported on the Statement of Revenues,

Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 52,834,894</u></u>
---	-----------------------------

Expenditures

Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 41,998,950
---	---------------

Difference - Budgetary Basis to GAAP

Accrual of accounts payable	1,497,836
Accrual of wages payable	(349,317)
Accrual of bad debt	186,423
Adjust sales tax liability	139,164
Record interdepartmental activity	<u>(21,798)</u>

Total expenditures as reported on the Statement of Revenues,

Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 43,451,258</u></u>
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CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2019

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).

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Note 1. Basis of Budgeting (Continued)

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2019, the following funds/departments/cost centers of the City had expenditures in excess of budget appropriations.

	Expenditures	Budget	Excess Expenditures
Public Safety Communication Expenditures	\$ 3,052,452	\$ 2,812,661	\$ 239,791
LAD Revolving Debt Service Expenditures	129,343	4,581	124,762
Opportunity Fund Expenditures	9,412	8,534	878
Ice Arena Expenses	603,793	596,202	7,591
Garage Fund Expenses	2,484,166	2,389,767	94,399
Property and Liability Insurance Expense	2,925,013	2,811,819	113,194

Budget Amendments

During the 2019 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

General Fund	\$ 584,984
Perpetual Care Fund	150,184
City Hall	(13,168)
Metropolitan Animal Control	6,886
	728,886

Special Revenue Funds

Weed and Pest	34,227
Community Development Block Grant	32,609
Police Grants	120,072
Special Events Assistance	71,308
Transportation Services	245,392
Metropolitan Planning Organization	221,599
Public Safety Communication	111,638
	836,845

Capital Projects Fund

Capital outlay	4,914,971
	4,914,971

(Continued)

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Note 1. Basis of Budgeting (Continued)

Budget Amendments (Continued)

Solid Waste Fund

Refund Collection	\$	262,951
Balefill		283,354
		<u>546,305</u>

Internal Service Fund

Garage		4,472
Buildings and Ground		15,000
Health Insurance		3,150
		<u>22,622</u>

Utilities Fund

Water Fund		811,147
Sewer Fund		15,746
Wastewater Fund		91,363
Water Treatment		40,295
		<u>958,551</u>

Recreation Fund

Aquatics		9,445
Golf Course		768
Ice Arena		7,151
Hogadon		2,864
Casper Events Center		130,000
Casper Recreation Center		134,559
Achieve Program		1,081
		<u>285,868</u>

\$ 8,294,048

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

Note 2. Explanation of Changes to Pension Plans

Changes of assumptions – There were no changes in assumptions between the December 31, 2017 measurement date and the December 31, 2018 measurement date for the Public Employee Pension Plan or the Paid Firemen’s Pension Plan A. However, there was a change in the assumed discount rate from 7.00% to 5.92% for the Law Enforcement Pension Plan and from 5.65% to 7.00% for the Paid Fireman’s Pension Plan B between the December 31, 2017 measurement date and the December 31, 2018 measurement date.

Changes in benefit terms - 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 assumptions – The 2019 valuation reflects changes in the discount rate updated from 2.98% to 3.50%, mortality table changes, salary scale updated from 2.5% to 3.00%, trend rate updated to 7.00% trending down to 4.00% in fiscal 2039, disability, withdrawal and retirement rate updates.

Changes of benefit terms – Effective January 1, 2019, the Buy-Up plan was eliminated and current and future post-Medicare retirees and their spouses lost eligibility for benefits.

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OTHER SUPPLEMENTARY INFORMATION

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NONMAJOR OTHER 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.

CITY OF CASPER, WYOMING
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds	Debt Service Fund	Other Governmental Funds Total
ASSETS			
Cash and cash equivalents	\$ 996,866	\$ 401,889	\$ 1,398,755
Investments	277,842	1,904,057	2,181,899
Other receivables, net of allowance	493,249	95,795	589,044
Interest receivable	8,844	37,027	45,871
Due from other governments	463,425	-	463,425
Notes receivable, current	50,950	-	50,950
Notes receivable, noncurrent	264,000	10,416	274,416
	<u>2,555,176</u>	<u>2,449,184</u>	<u>5,004,360</u>
Total assets	<u>\$ 2,555,176</u>	<u>\$ 2,449,184</u>	<u>\$ 5,004,360</u>
LIABILITIES			
Accounts payable	\$ 364,022	\$ -	\$ 364,022
Accrued wages payable	33,444	-	33,444
Unearned special assessments	-	10,416	10,416
Due to other funds	488,210	-	488,210
	<u>885,676</u>	<u>10,416</u>	<u>896,092</u>
Total liabilities	<u>885,676</u>	<u>10,416</u>	<u>896,092</u>
FUND BALANCES			
Nonspendable	264,000	10,416	274,416
Restricted	188,560	-	188,560
Committed	1,462,744	2,428,352	3,891,096
Unassigned (deficit)	(245,804)	-	(245,804)
	<u>1,669,500</u>	<u>2,438,768</u>	<u>4,108,268</u>
Total fund balances	<u>1,669,500</u>	<u>2,438,768</u>	<u>4,108,268</u>
Total liabilities and fund balances	<u>\$ 2,555,176</u>	<u>\$ 2,449,184</u>	<u>\$ 5,004,360</u>

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - OTHER GOVERNMENTAL FUNDS
Year Ended June 30, 2019**

	Special Revenue Funds	Debt Service Fund	Other Governmental Funds Total
Revenues			
Intergovernmental	\$ 3,718,813	\$ -	\$ 3,718,813
Charges for services	787,514	-	787,514
Investment earnings	10,848	49,793	60,641
Miscellaneous revenues	709,081	25,287	734,368
Total revenues	5,226,256	75,080	5,301,336
Expenditures			
General government	566,164	143,559	709,723
Public safety	2,775,239	-	2,775,239
Public works	507,286	-	507,286
Health and social services	2,109,236	-	2,109,236
Debt service			
Principal	50,000	-	50,000
Interest	19,925	-	19,925
Capital outlay	496,270	-	496,270
Total expenditures	6,524,120	143,559	6,667,679
Deficiencies of revenues over expenditures	(1,297,864)	(68,479)	(1,366,343)
Other financing sources			
Transfers in	1,780,861	-	1,780,861
Transfers out	(12,800)	-	(12,800)
Total other financing sources	1,768,061	-	1,768,061
Net change in fund balances	470,197	(68,479)	401,718
Fund balances - beginning of year, as previously stated	1,137,316	2,507,247	3,644,563
Prior period adjustment	61,987	-	61,987
Fund balances - beginning of year, as restated	1,199,303	2,507,247	3,706,550
Fund balances - end of year	\$ 1,669,500	\$ 2,438,768	\$ 4,108,268

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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.

CITY OF CASPER, WYOMING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2019

	CDBG Fund	Weed and Pest Fund	Transportation Services Fund	Metropolitan Planning Organization Fund
ASSETS				
Cash and cash equivalents	\$ 4,856	\$ 101,639	\$ -	\$ -
Investments	-	277,842	-	-
Other receivables, net of allowance	24,386	128,071	165,388	2,745
Interest receivable	-	1,413	-	-
Due from other governments	13,344	-	164,439	174,109
Notes receivable, current	950	-	-	-
Notes receivable, noncurrent	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 43,536</u>	<u>\$ 508,965</u>	<u>\$ 329,827</u>	<u>\$ 176,854</u>
LIABILITIES				
Accounts payable	\$ 13,344	\$ 13,797	\$ 215,847	\$ 48,705
Accrued wages payable	-	3,916	-	3,631
Due to other funds	-	13,005	340,648	67,890
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>13,344</u>	<u>30,718</u>	<u>556,495</u>	<u>120,226</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	30,192	-	-	-
Committed	-	478,247	-	56,628
Unassigned deficit	-	-	(226,668)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>30,192</u>	<u>478,247</u>	<u>(226,668)</u>	<u>56,628</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 43,536</u>	<u>\$ 508,965</u>	<u>\$ 329,827</u>	<u>\$ 176,854</u>

Special Events Assistance Fund	Police Grants Fund	Public Safety Communications Fund	Redevelopment Loan Fund	Total
\$ -	\$ -	\$ 789,434	\$ 100,937	\$ 996,866
-	-	-	-	277,842
-	-	172,659	-	493,249
-	-	-	7,431	8,844
-	111,533	-	-	463,425
-	-	-	50,000	50,950
-	-	-	264,000	264,000
<u>\$ -</u>	<u>\$ 111,533</u>	<u>\$ 962,093</u>	<u>\$ 422,368</u>	<u>\$ 2,555,176</u>
\$ -	\$ 45,991	\$ 26,338	\$ -	\$ 364,022
-	1,422	24,475	-	33,444
<u>19,136</u>	<u>37,841</u>	<u>9,690</u>	<u>-</u>	<u>488,210</u>
<u>19,136</u>	<u>85,254</u>	<u>60,503</u>	<u>-</u>	<u>885,676</u>
-	-	-	264,000	264,000
-	-	-	158,368	188,560
-	26,279	901,590	-	1,462,744
<u>(19,136)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(245,804)</u>
<u>(19,136)</u>	<u>26,279</u>	<u>901,590</u>	<u>422,368</u>	<u>1,669,500</u>
<u>\$ -</u>	<u>\$ 111,533</u>	<u>\$ 962,093</u>	<u>\$ 422,368</u>	<u>\$ 2,555,176</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, 2019

	CDBG Fund	Weed and Pest Fund	Transportation Services Fund	Metropolitan Planning Organization Fund
Revenues				
Intergovernmental	\$ 322,200	\$ 612,780	\$ 974,500	\$ 525,638
Charges for services	-	-	-	-
Investment earnings	-	10,848	-	-
Miscellaneous revenues	44	-	475,585	-
Total revenues	<u>322,244</u>	<u>623,628</u>	<u>1,450,085</u>	<u>525,638</u>
Expenditures				
General government	-	-	-	566,164
Public safety	-	-	-	-
Public works	-	507,286	-	-
Health and social services	321,522	-	1,787,714	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	1,595	143,689	3,433
Total expenditures	<u>321,522</u>	<u>508,881</u>	<u>1,931,403</u>	<u>569,597</u>
Excess (deficiency) of revenues over expenditures	<u>722</u>	<u>114,747</u>	<u>(481,318)</u>	<u>(43,959)</u>
Other financing sources				
Transfers in	-	-	513,000	61,383
Transfers out	-	(12,800)	-	-
Total other financing sources	<u>-</u>	<u>(12,800)</u>	<u>513,000</u>	<u>61,383</u>
Net change in fund balances	722	101,947	31,682	17,424
Fund balances (deficit) - beginning of year, as previously stated	29,470	376,300	(258,350)	39,204
Prior period adjustments	-	-	-	-
Fund balances (deficit) - beginning of year, as restated	<u>29,470</u>	<u>376,300</u>	<u>(258,350)</u>	<u>39,204</u>
Fund balances (deficit) - end of year	<u>\$ 30,192</u>	<u>\$ 478,247</u>	<u>\$ (226,668)</u>	<u>\$ 56,628</u>

Special Events Assistance Fund	Police Grants Fund	Public Safety Communications Fund	Redevelopment Loan Fund	Total
\$ 154,829	\$ 356,368	\$ 772,498	\$ -	\$ 3,718,813
-	-	787,514	-	787,514
-	-	-	-	10,848
153,198	54,092	7,700	18,462	709,081
<u>308,027</u>	<u>410,460</u>	<u>1,567,712</u>	<u>18,462</u>	<u>5,226,256</u>
-	-	-	-	566,164
161,095	385,775	2,228,369	-	2,775,239
-	-	-	-	507,286
-	-	-	-	2,109,236
-	-	-	50,000	50,000
-	-	-	19,925	19,925
196,450	4,302	146,801	-	496,270
<u>357,545</u>	<u>390,077</u>	<u>2,375,170</u>	<u>69,925</u>	<u>6,524,120</u>
<u>(49,518)</u>	<u>20,383</u>	<u>(807,458)</u>	<u>(51,463)</u>	<u>(1,297,864)</u>
-	-	1,206,478	-	1,780,861
-	-	-	-	(12,800)
-	-	1,206,478	-	1,768,061
(49,518)	20,383	399,020	(51,463)	470,197
30,382	5,896	440,583	473,831	1,137,316
-	-	61,987	-	61,987
<u>30,382</u>	<u>5,896</u>	<u>502,570</u>	<u>473,831</u>	<u>1,199,303</u>
<u>\$ (19,136)</u>	<u>\$ 26,279</u>	<u>\$ 901,590</u>	<u>\$ 422,368</u>	<u>\$ 1,669,500</u>

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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.

In fiscal year 2019, the City decided to transfer the city hall and management information services funds to the general fund. All current year activity for these funds are reported in the general fund and a transfer of capital is reported in the internal service funds.

CITY OF CASPER, WYOMING

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

June 30, 2019

	General Internal Services Fund	Employee Health Insurance Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 194,988	\$ 2,298,424	\$ 2,493,412
Investments	651,387	2,069,063	2,720,450
Interest receivable	3,309	1,714	5,023
Customer receivables, net of allowance	31,695	25,181	56,876
Due from other funds	187,664	-	187,664
Other receivables	42,621	-	42,621
Prepaid	2,680	-	2,680
Inventories	338,036	-	338,036
Total current assets	<u>1,452,380</u>	<u>4,394,382</u>	<u>5,846,762</u>
Capital assets being depreciated, net of accumulated depreciation	<u>105,992</u>	<u>-</u>	<u>105,992</u>
Total assets	<u>1,558,372</u>	<u>4,394,382</u>	<u>5,952,754</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	635,638	-	635,638
Other postemployment benefit items	186,071	-	186,071
Total deferred inflows of resources	<u>821,709</u>	<u>-</u>	<u>821,709</u>
LIABILITIES			
Current liabilities			
Accounts payable	321,764	142,892	464,656
Claims payable	-	624,796	624,796
Accrued wages payable	20,566	1,755	22,321
Due to other funds	59,005	8,883	67,888
Total current liabilities	<u>401,335</u>	<u>778,326</u>	<u>1,179,661</u>
Noncurrent liabilities, net of current portion			
Compensated absences	62,977	-	62,977
Other postemployment benefits payable	465,482	-	465,482
Net pension liability	1,902,246	-	1,902,246
Total noncurrent liabilities	<u>2,430,705</u>	<u>-</u>	<u>2,430,705</u>
Total liabilities	<u>2,832,040</u>	<u>778,326</u>	<u>3,610,366</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	284,831	-	284,831
Other postemployment benefit items	638,024	-	638,024
Total deferred inflows of resources	<u>922,855</u>	<u>-</u>	<u>922,855</u>
NET POSITION			
Invested in capital assets, net of related debt	105,992	-	105,992
Unrestricted (deficit)	<u>(1,480,806)</u>	<u>3,616,056</u>	<u>2,135,250</u>
Total net position (deficit)	<u>\$ (1,374,814)</u>	<u>\$ 3,616,056</u>	<u>\$ 2,241,242</u>

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION - INTERNAL SERVICE FUNDS
Year Ended June 30, 2019

	General Internal Services Fund	Employee Health Insurance Fund	Total
Operating revenues			
Charges for services	\$ 5,592,255	\$ -	\$ 5,592,255
Other revenues	456,791	6,654,083	7,110,874
Total operating revenues	<u>6,049,046</u>	<u>6,654,083</u>	<u>12,703,129</u>
Operating expenses			
Personnel expenses	2,532,856	-	2,532,856
Contractual	2,392,697	6,531,847	8,924,544
Materials and supplies	1,554,034	-	1,554,034
Depreciation	56,938	-	56,938
Total operating expenses	<u>6,536,525</u>	<u>6,531,847</u>	<u>13,068,372</u>
Operating income (loss)	<u>(487,479)</u>	<u>122,236</u>	<u>(365,243)</u>
Nonoperating revenues			
Investment earnings and change in fair value	<u>28,104</u>	<u>29,968</u>	<u>58,072</u>
Total nonoperating revenues	<u>28,104</u>	<u>29,968</u>	<u>58,072</u>
Loss before transfers	<u>(459,375)</u>	<u>152,204</u>	<u>(307,171)</u>
Capital transfers	1,620,986	-	1,620,986
Transfers in	439,953	2,263,607	2,703,560
Transfers out	<u>(93,258)</u>	<u>-</u>	<u>(93,258)</u>
Total transfers	<u>1,967,681</u>	<u>2,263,607</u>	<u>4,231,288</u>
Change in net position	1,508,306	2,415,811	3,924,117
Net position (deficit) - beginning of year	<u>(2,883,120)</u>	<u>1,200,245</u>	<u>(1,682,875)</u>
Net position (deficit) - end of year	<u>\$ (1,374,814)</u>	<u>\$ 3,616,056</u>	<u>\$ 2,241,242</u>

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2019**

	General Internal Services	Employee Health Insurance	Total
Cash flows from operating activities			
Cash received from customers	\$ 698,528	\$ 247,990	\$ 946,518
Receipts from interfund services provided	5,287,254	6,423,808	11,711,062
Cash payments to suppliers for goods and services	(3,224,131)	-	(3,224,131)
Claims paid	-	(6,949,628)	(6,949,628)
Cash payments for interfund services provided	(434,381)	(115,478)	(549,859)
Cash payments to employees for services	(4,331,365)	213	(4,331,152)
Net cash used in operating activities	<u>(2,004,095)</u>	<u>(393,095)</u>	<u>(2,397,190)</u>
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	1,805,277	2,272,490	4,077,767
Transfers out	145,864	-	145,864
Net cash provided by noncapital financing activities	<u>1,951,141</u>	<u>2,272,490</u>	<u>4,223,631</u>
Cash flows from investing activities			
Purchase of investment securities	(11,319)	(1,825,232)	(1,836,551)
Proceeds from sale of investments	47,843	16,118	63,961
Interest on investments	11,344	18,973	30,317
Net cash provided by (used in) investing activities	<u>47,868</u>	<u>(1,790,141)</u>	<u>(1,742,273)</u>
Net increase (decrease) in cash and cash equivalents	(5,086)	89,254	84,168
Cash and cash equivalents - beginning of year	<u>200,074</u>	<u>2,209,170</u>	<u>2,409,244</u>
Cash and cash equivalents - end of year	<u>\$ 194,988</u>	<u>\$ 2,298,424</u>	<u>\$ 2,493,412</u>

(Continued)

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
Year Ended June 30, 2019

	General Internal Services	Employee Health Insurance	Total
Reconciliation of operating income (loss) to net cash used by operating activities			
Operating income (loss)	\$ (487,479)	\$ 122,236	\$ (365,243)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	56,938	-	56,938
Amortization of pension plan items	(262,095)	-	(262,095)
Amortization of OPEB plan items	(169,433)	-	(169,433)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Customer receivables, net of allowance	(63,264)	17,715	(45,549)
Prepays	(2,680)	-	(2,680)
Inventories	212,838	-	212,838
Deferred outflows - pension plan items	62,363	-	62,363
Accounts payable	78,061	42,304	120,365
Accrued wages payable	(17,451)	213	(17,238)
Claims payable	-	(575,563)	(575,563)
Compensated absences	(51,335)	-	(51,335)
Other post employment benefits payable	(589,041)	-	(589,041)
Net pension liability	(771,517)	-	(771,517)
Net cash used in operating activities	\$ (2,004,095)	\$ (393,095)	\$ (2,397,190)
Noncash investing, capital and related financing activities			
Change in fair value of investments	\$ 16,132	\$ 14,694	\$ 30,826
Capital assets transferred to governmental funds	\$ 145,864	\$ -	\$ 145,864

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COMPLIANCE SECTION

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CITY OF CASPER, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019**

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-MC560001	\$ -	\$ 64,483
Community Development Block Grants/Entitlement Grants	14.218	B16-MC560001	-	51,041
Community Development Block Grants/Entitlement Grants	14.218	B17-MC560001	-	206,677
<i>Total CDBG Entitlement Grants Cluster</i>			<u>-</u>	<u>322,201</u>
 Community Development Block Grants - Section 108 Loan Guarantees	 14.248	 Unknown	 -	 69,925
 Total U.S. Department of Housing and Urban Development			 <u>-</u>	 <u>392,126</u>
<u>U.S. Department of Interior</u>				
Passed through the Wyoming State Historic Preservation Office				
Historic Preservation Fund Grants-In-Aid	15.904	56-18-06	-	7,500
 Total U.S. Department of Interior			 <u>-</u>	 <u>7,500</u>
<u>U.S. Department of Justice</u>				
Passed through the Wyoming Division of Victim Services - Attorney General's Office Crime Victim Assistance				
	16.575	2017-VA-GX-0075	-	48,692
Direct				
Crime Victim Assistance/Discretionary Grants	16.582	2014-VF-GX-K011	-	63,119
Passed through the Wyoming Division of Victim Services - Attorney General's Office Violence Against Women Formula Grants	16.588	2017-WF-AX-0011	-	15,816
Direct				
Bulletproof Vest Partnership Program	16.607	Unknown	-	12,344
Passed through the Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0440	-	29,476
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0198	-	27,941
 Total U.S. Department of Justice			 <u>-</u>	 <u>197,388</u>

(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, 2019

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</u>				
<i>Highway Planning and Construction Cluster</i>				
Passed through the Wyoming				
Department of Transportation				
Highway Planning and Construction	20.205	CD16205	\$ -	\$ 112,317
Highway Planning and Construction	20.205	Unknown	-	342,017
Highway Planning and Construction	20.205	Unknown	-	164,720
Highway Planning and Construction	20.205	CD17203	-	311,467
<i>Total Highway Planning and Construction Cluster</i>			-	930,521
Passed through the Wyoming				
Department of Transportation				
<i>Federal Transit Cluster</i>				
Federal Transit Formula Grants	20.507	WY-2018-003-00	-	974,500
<i>Total Federal Transit Cluster</i>			-	974,500
Passed through the Wyoming				
Department of Transportation				
Alcohol Open Container Requirements	20.607	DUI 154AL	-	7,054
			-	7,054
Passed through Wyoming Association of				
Sheriffs and Chiefs of Police				
National Priority Safety Programs	20.616	FY 16 OP HVE 405B	-	5,864
National Priority Safety Programs	20.616	Unknown	-	8,532
National Priority Safety Programs	20.616	FY 19 DUI 405D	-	17,021
National Priority Safety Programs	20.616	FY 19 OP HVE 405B	-	16,956
<i>Total Highway Safety Cluster</i>			-	48,373
 Total U. S. Department of Transportation			-	1,960,448
<u>U. S. Environmental Protection Agency</u>				
Direct				
Brownfields Assessment and Cleanup				
Cooperative Agreements	66.818	96849701	-	69,678
 Total U. S. Environmental Protection Agency			-	69,678
<u>U. S. Department of Health and Human Services</u>				
Passed through Wyoming Association of				
Sheriffs and Chiefs of Police				
Substance Abuse and Mental Health Services				
Projects of Regional and National Significance	93.243	Unknown	-	1,041
				(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, 2019

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 Health and Human Services (Continued)</u>				
Passed through National Recreation and Park Association Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	Unknown	\$ -	\$ 746
Total U.S. Department of Health and Human Services			<u>-</u>	<u>1,787</u>
<u>U. S. Department of Homeland Security</u>				
Passed through Wyoming Office of Homeland Security				
Homeland Security Grant Program	97.067	17-GPD-RRD-RR-HRT17	-	73,110
Homeland Security Grant Program	97.067	17-GPD-CAS-LP-HLE17	-	16,580
Homeland Security Grant Program	97.067	18-SHSP-2018-SS-00065	-	10,041
Homeland Security Grant Program	97.067	16-GPD-RRE-RR-HRT16	<u>-</u>	<u>81,719</u>
Total U.S. Department of Homeland Security			<u>-</u>	<u>181,450</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,810,377</u>

See accompanying notes to schedule of expenditures of federal awards

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CITY OF CASPER, WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

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, 2019. 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, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on 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, 2019:

Program Title	Federal CFDA Number	Amount
U. S. Department of Housing and Urban Development Community Development Block Grants - Section 108 Loan Guarantees	14.248	\$ 314,000

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

CITY OF CASPER, WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

Note 5. Metropolitan Planning Organization Funding

The Wyoming Department of Transportation provides funding for the City's Metropolitan Planning Organization (MPO), under 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 \$930,521 expenditures reported under CFDA 20.205 in the schedule, \$506,737 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, 2019, 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 March 25, 2020. 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.

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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses.



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180

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PMCH.COM   



LOCATION: 600 East 1st Street
Casper, WY 82601

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003 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 dated March 25, 2020.

City of Casper, Wyoming's Responses to Findings

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

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
March 25, 2020

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, 2019. 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 \$4,305,819 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 federal statutes, regulations, and the terms and conditions of its federal awards 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.



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

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, 2019.

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, material weaknesses may exist that have not been identified.

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
March 25, 2020

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

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? No

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)? No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
14.218	<i>CDBG Entitlement Grants Cluster</i> Community Development Block Grants/Entitlement Grants	\$ 322,201
20.507	<i>Federal Transit Cluster</i> Federal Transit Formula Grants	974,500
		<u>\$ 1,296,701</u>

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

Auditee qualified as low-risk auditee? No

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2019

Section II – Financial Statement Findings

Material Weakness in Internal Control over Financial Reporting

2019-001 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 the capability to prepare GAAP basis financial statements.

Cause

In our judgement, 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 prepares 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 have the skills to prepare non-GAAP financial reports, we recommend accounting personnel attend training to improve their skill in preparing GAAP-basis financial reports, specifically courses geared toward reporting requirements 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 utilizing the services of another accounting firm to assist in compiling the financial statements.

Identification of a Repeat Finding

This is a repeat finding from June 30, 2018 audit, 2018-001.

Views of Responsible Officials

See Corrective Action Plan.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

Material Weakness in Internal Control over Financial Reporting (Continued)

2019-002 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:

- Payables and receivables (subsequent receipts and receivables related to grants)
- Fixed assets (construction in progress, contributed assets, depreciation and gain/loss on sales of assets)
- Other post-employment benefits
- Investments
- Internal service fund eliminations for government-wide presentation
- Equity

In total, these journal entries were for more than \$710,000,000. These journal entries were required to correct the balances for the 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 commitments, liabilities and balances that are significant to the City's decision makers and complete financial information.

Identification of a Repeat Finding

This is a repeat finding from June 30, 2018 audit, 2018-002.

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.

Views of Responsible Officials

See Corrective Action Plan.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2019

Section II – Financial Statement Findings (Continued)

Material Weakness in Internal Control over Financial Reporting (Continued)

2019-003 Journal Entries

Criteria

Organizations develop strong internal controls to ensure financial transactions initially post correctly. 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

Consistently when testing, it was evident that the reviewer did not fully understand why the journal entry was being posted and what the journal entry was correcting. The City records journal entries directly 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. This increases the probability of an inaccurate entry not being identified in a timely manner. 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 reversals 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

Personnel reviewing journal entries in some cases lacked the knowledge or expertise to review the journal entry. This led to a cursory and ineffectual review of the journal entries. Additional reversing and correcting entries were needed, making it difficult to follow the trail of the activity.

Identification of a Repeat Finding

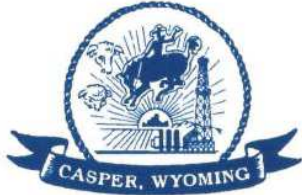
This is a repeat finding from June 30, 2018 audit, 2018-003.

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 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. 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.

Views of Responsible Officials

See Corrective Action Plan.



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

City of Casper, Wyoming
Summary Schedule of Prior Audit Findings
June 30, 2019

Finding – 2018-001 – Preparation of Financial Statements

Name of Contact Person – Tom Pitlick, Finance Director

Condition

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

Status

This finding has been repeated.

Finding – 2018-002 – Material Audit Adjustments

Name of Contact Person – Tom Pitlick, Finance Director

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).

Status

This finding has been repeated.

Finding – 2018-003 – Journal Entries

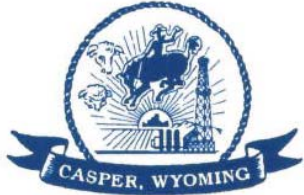
Name of Contact Person – Tom Pitlick, Finance Director

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.

Status

This finding has been repeated.



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

City of Casper, Wyoming
Summary Schedule of Prior Audit Findings (Continued)
June 30, 2019

Finding – 2018-004 – Equipment and Real Property Management

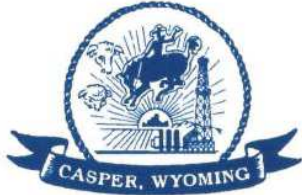
Name of Contact Person – Tom Pitlick, Finance Director

Condition

The City did not have a process to ensure inclusion in all aspects of capital projects involving MPO assets.

Status

This condition has been corrected.



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 – 2019-001 – Preparation of Financial Statements

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

The positions within the City of Casper that were vacant have since been filled as of February and March of 2019. The City has implemented training to staff in these roles as well as the other supporting roles through the University of Georgia. These trainings consist of three courses covering basic governmental accounting, basic fund financial statements, GAAP for state and local governments, and financial reporting. These are required trainings that require a passing score on a final exam in order to receive credit. The Supervisory role that has been filled is currently in the process of obtaining credentials of Certified Public Accountant through the Wyoming Board of CPAs in order to fulfill the lack of knowledge and experience within the department.

In addition to the training of staff members, the City has implemented a module of the software that will aid in the preparation of GAAP Financial Statements and will increase the reporting capabilities that were previously limited. The City will continue to train finance staff on the utilization of the software as the tentative live date is scheduled for May 1, 2020. The combined actions taken and currently in progress should greatly aid in the benefit of alleviating future findings of this nature.

Proposed Completion Date: June 30, 2020

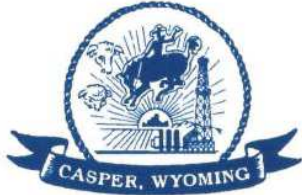
Finding – 2019-002– Material Audit Adjustments

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

The City of Casper will utilize the new software implemented on July 1, 2019 and the new module for financial statement preparation on May 1, 2020 to correctly identify entries that are needed at the time of audit. The procedures for the department have changed due to the software implementation which also include changes to the review process, the timeliness of closing entries, and discussions of GAAP entries that are posted to the software. In addition to those items, the trainings of staff members should aid in the production of the transactions that should be posted in order to comply with GAAP requirements.

Proposed Completion Date: June 30, 2020



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 – 2019-003 – Journal Entries

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

The existing staff and new staff have developed a procedure for competency and effects of journal entry posts. Staff are tasked with understanding the effects of a journal entry and are utilizing educational knowledge from their training to comprehend the effects of those entries. This includes reviewing the affected accounts, funds, and trial balance after a journal entry is posted. The staff will continue to refine the procedures in order to standardize the process for all future users of the software. The staff will finalize these procedures after the final implementation of the software has been complete which has anticipated completion of July 27, 2020. In continued efforts, the supervisors are reviewing all journal entries to verify documentation and ensure the reasoning and effects are appropriate.

Proposed Completion Date: August 1, 2020