

City of Casper, Wyoming

FINANCIAL AND COMPLIANCE REPORT

FISCAL YEAR ENDED JUNE 30, 2020



CITY OF CASPER, WYOMING
FINANCIAL AND COMPLIANCE REPORT
FISCAL YEAR ENDED JUNE 30, 2020

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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, 2020, 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 90%, 87%, and 94%, 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 solely 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.



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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, 2020, 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 our report dated March 30, 2021 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 30, 2021

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CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(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, 2020. 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 \$390.01 million (net position). Of this amount, \$36.32 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 \$5.81 million.

The City's total net liabilities increased by \$8.43 million or 5.22%, during the current fiscal year. The increase includes a \$15.63 million increase in other post-employment benefits payables. There was an increase to the notes payable in the amount of \$1.74 million for additional projects in the utility funds that were completed in the fiscal year. The landfill closure and post closure liability decreased by a net \$1.89 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 \$6.53 million for pension liabilities.

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. Governmental accounting standards require the District to record its proportional share of the overall plan's net position. This results in recording a net pension liability of \$106 million for June 30, 2020. All plan components, including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates and plan administration are controlled by the State of Wyoming. Readers should be aware the City is required to record the net position but has no control of the plan elements that affect the net position.

The City participates in the Employee Group Insurance plan with the State of Wyoming. Employees who retire with the City may be eligible for discounted insurance premiums if opting to retain insurance coverage through this plan. Governmental accounting standards require the City to record its proportional share of the net liability for other non-pension, postemployment benefits (OPEB), under which this retiree discount plan qualifies. This requirement results in recording a net OPEB liability as of June 30, 2020 of \$21.97 million. As a participant in the plan, the City is required to record this liability but has no control over the elements of the plan that affect the net position.

Fund Basis

As of June 30, 2020, the General Fund had an unassigned fund balance of \$11.54 million. The City of Casper has committed operating reserves of \$15.10 million as allowed by City Council's Reserve Policy. Inventory of \$91,426, prepaid items of \$123,982, and noncurrent notes receivable from the Central Wyoming Regional Water System and the Casper Housing Authority for \$3.92 million are classified as nonspendable.

For reporting purposes, under GASB 54, the City has combined the Perpetual Care, Revolving Land, Opportunity, and Metro Animal Services into the General Fund. The total fund balance, inclusive of the funds mentioned, was \$72.81 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.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

As of June 30, 2020, all other governmental funds reported combined ending fund balances of \$37.47 million. The majority of this amount, \$33.69 million, consists of balances in the capital projects funds, with special revenue funds of \$1.26 million, primarily committed for specific program expenditures and debt service fund of \$2.52 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.

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 works, health and social services, cultural and recreation, 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, 2020

(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 to 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 fund. 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, 2020

(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 \$5.87 million, or 1.53%, from FY 2019 to FY 2020. Unrestricted net position increased \$7.36 million or 25.43% primarily due to changes in deferred outflows/inflows of resources. Investments in capital assets decreased \$1.48 million, or 0.42%. Restricted net position decreased by \$18,595 or 2.12% of the City's total restricted net position.

Total Net Position

By far the largest portion of the City's net position (90.47%) reflects the net investment of \$352.84 million in capital assets (for example: land, buildings, infrastructure, machinery and equipment, and intangibles), 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, 2020, the City was able to report positive balances in all three categories of net position, for the government as a whole. These categories are: net investment in capital assets, restricted net position, and unrestricted net position.

Governmental Net Position

Total net position of the City's governmental activities decreased by \$3.15 million (in chart on the following page), or 1.61%, during the current fiscal year. This decrease was comprised of an increase in net capital assets of \$94,226 or 0.05%, a decrease in unrestricted net position of \$3.19 million or 26.56%, and a decrease in restricted net position of \$51,095 or 11.29%, for governmental activities. The decrease in unrestricted net position is primarily due to changes in deferred outflows/inflows of resources. 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, 2020

(Unaudited)

Business-type Activities Net Position

Total net position of the City's business-type activities increased \$9.02 million (in chart below), or 4.79%, during the current fiscal year. The increase was mainly due to increases in cash of \$6.91 million and a deferred outflows/inflows of resources change of \$4.68 million. There was also a decrease in net investment in capital assets of \$1.6 million.

**City of Casper
Comparative Statement of Net Position
June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 127,270,846	\$ 127,268,000	\$ 51,556,116	\$ 45,774,897	\$ 178,826,962	\$ 173,042,897
Capital assets	183,634,990	183,540,764	188,169,530	187,947,094	371,804,520	371,487,858
Total assets	<u>310,905,836</u>	<u>310,808,764</u>	<u>239,725,646</u>	<u>233,721,991</u>	<u>550,631,482</u>	<u>544,530,755</u>
Deferred outflows of resources	<u>38,916,121</u>	<u>30,152,091</u>	<u>8,802,648</u>	<u>4,720,519</u>	<u>47,718,769</u>	<u>34,872,610</u>
Liabilities						
Current liabilities	6,412,759	6,614,693	7,779,627	5,994,970	14,192,386	12,609,663
Long-term liabilities	116,518,797	109,556,610	39,299,588	39,415,128	155,818,385	148,971,738
Total liabilities	<u>122,931,556</u>	<u>116,171,303</u>	<u>47,079,215</u>	<u>45,410,098</u>	<u>170,010,771</u>	<u>161,581,401</u>
Deferred inflows of resources	<u>34,015,129</u>	<u>28,770,025</u>	<u>4,309,505</u>	<u>4,905,503</u>	<u>38,324,634</u>	<u>33,675,528</u>
Net Position						
Net investment in capital assets	183,634,990	183,540,764	169,202,933	170,772,512	352,837,923	354,313,276
Restricted	401,465	452,560	457,500	425,000	858,965	877,560
Unrestricted	8,838,817	12,026,203	27,479,141	16,929,397	36,317,958	28,955,600
Total net position	<u>\$ 192,875,272</u>	<u>\$ 196,019,527</u>	<u>\$ 197,139,574</u>	<u>\$ 188,126,909</u>	<u>\$ 390,014,846</u>	<u>\$ 384,146,436</u>

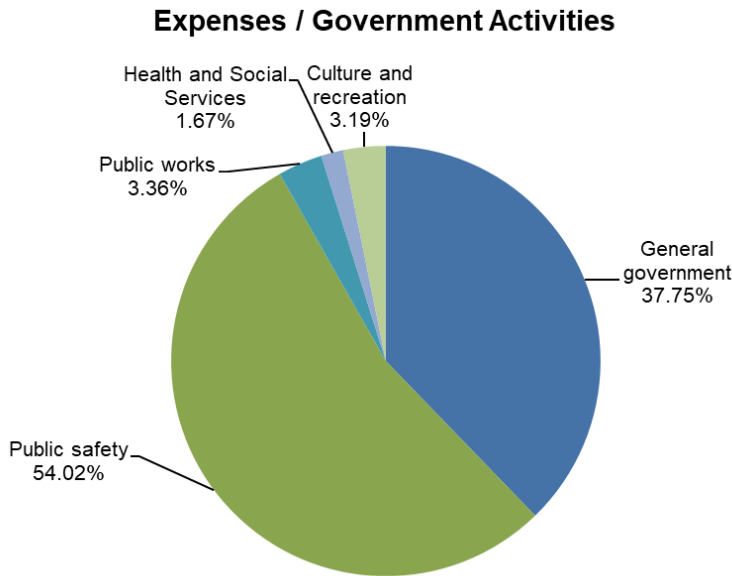
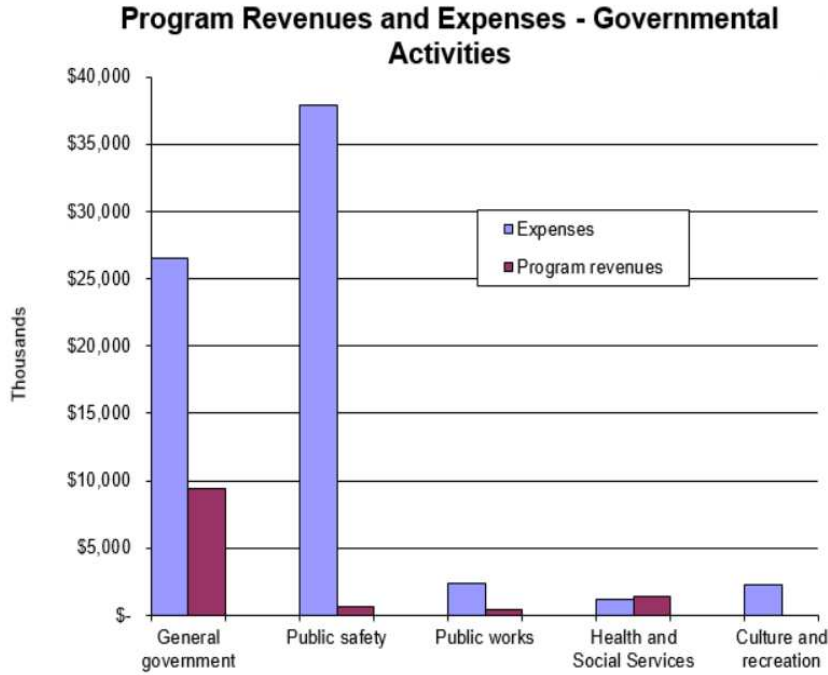
CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

Governmental-type 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 54.02% of total governmental operating expense, followed by General Government at 37.75%, Public Works at 3.36%, Culture and Recreation at 3.19% and Health and Social Services at 1.67%.

CITY OF CASPER, WYOMING

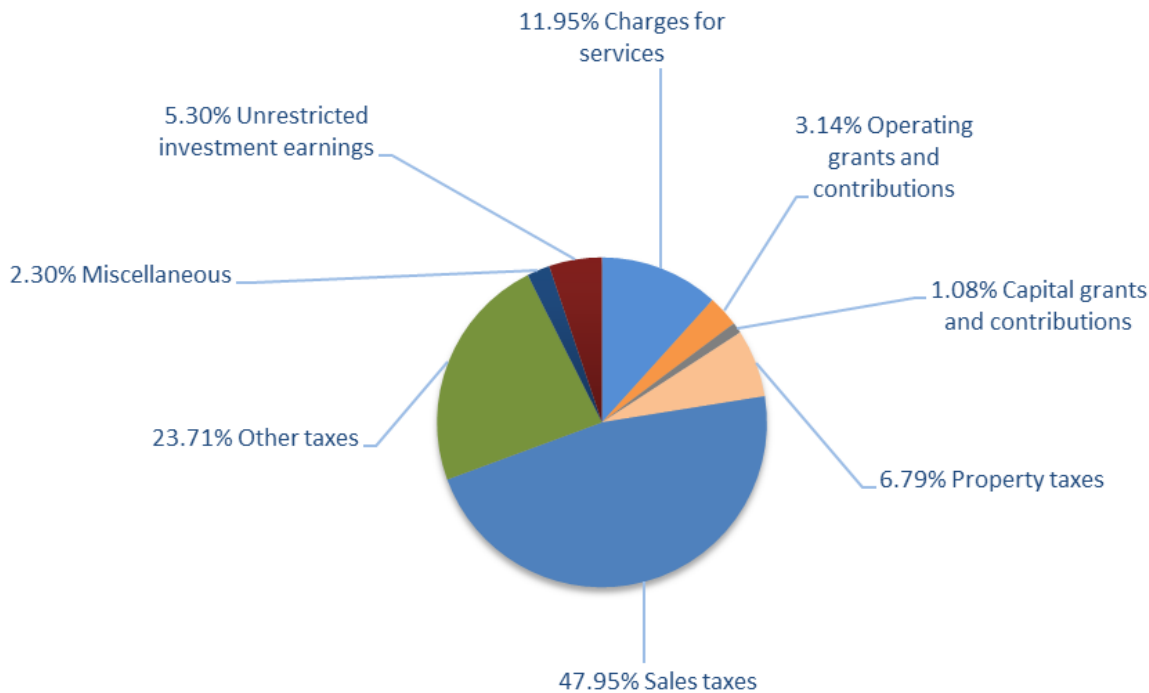
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(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 47.95% of revenues, other taxes 23.71% (including gasoline, franchise, 911, mineral, cigarette, and automobile taxes), capital grants and contributions are 1.08%, charges for services 11.95%, property taxes 6.79%, operating grants and contributions are 3.14%, and unrestricted investment earnings are 5.30% of total revenues.

Revenues By Source - Governmental Activities



Governmental activities, including transfers, decreased the City's net position by \$3.15 million. Key factors of this change in governmental activities include the following based on the government-wide statement of activities:

- Expenses for governmental activities increased by \$6.75 million or 10.63% mainly due to increased expenses in General Government and Public Safety of \$13.16 and \$7.23 million, respectively, while Public Works, Health and Social Services, and Culture and Recreation had decreases of expenses of \$9.31, \$2.53, and \$1.81 million, respectively.
- Operating grants and contributions revenue decreased by \$1.24 million or 35.11%.
- Capital Grants and Contributions decreased by \$1.07 million or 57.49%.
- Property tax revenue also increased by \$610,767 or 14.05%.
- Miscellaneous revenue decreased by \$814,051 or 32.65%.
- Unrestricted interest increased by \$647,211 or 20.07%.

CITY OF CASPER, WYOMING

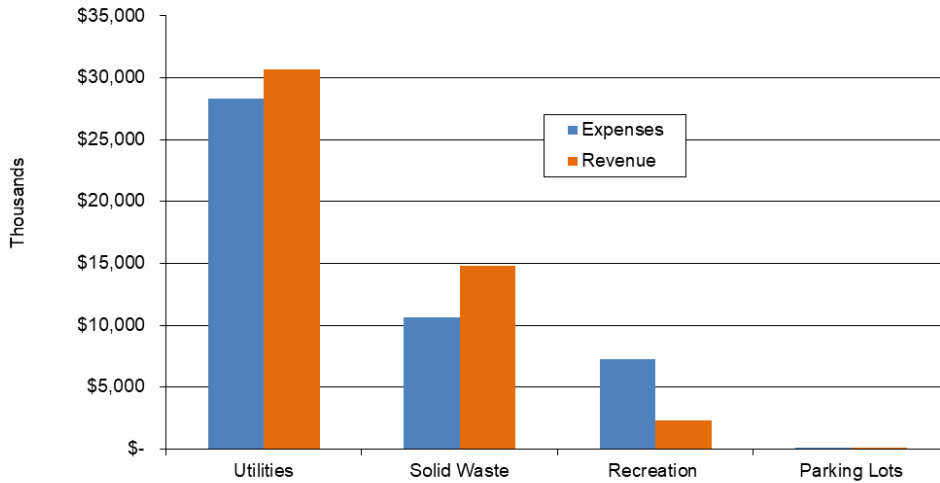
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

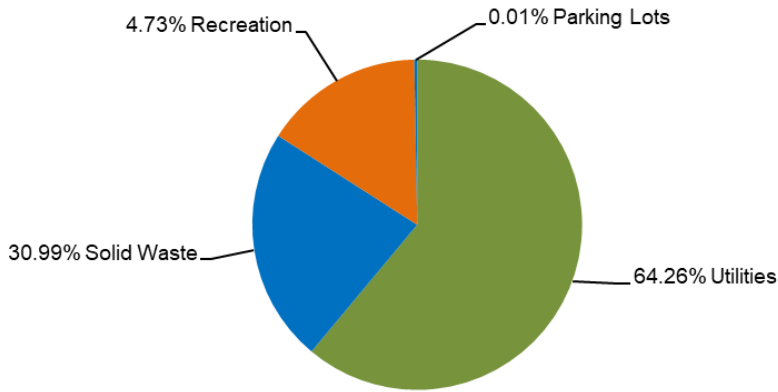
(Unaudited)

Business-type Activities

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



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

Business-type activities increased the City's overall net position by \$8.97 million. The increase in the net position of business-type activities includes a net increase in the Utilities Funds of \$5.52 million primarily due to net contributions and transfers. The Solid Waste Funds had a net increase in net position of \$4.22 million primarily due to decreased post closure costs at the landfill. The Recreation Funds had a net decrease of \$1.36 million due to decreased transfers, grants, contributions, and increased operating expenses.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

City of Casper						
Comparative Statement of Net Position						
Years Ended June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for services	\$ 8,731,585	\$ 8,678,023	\$ 46,106,393	\$ 43,521,662	\$ 54,837,978	\$ 52,199,685
Operating grants and capital contributions	2,297,731	3,541,215	-	746	2,297,731	3,541,961
Capital grants and contributions	787,752	1,853,026	1,640,888	876,789	2,428,640	2,729,815
Taxes						
Property	4,958,522	4,347,755	-	-	4,958,522	4,347,755
Sales	35,038,712	35,322,763	-	-	35,038,712	35,322,763
Other	17,329,872	17,317,758	-	-	17,329,872	17,317,758
Gain on sale of assets	728	-	6,558	-	7,286	-
Miscellaneous	1,679,522	2,493,573	135,484	192,697	1,815,006	2,686,270
Unrestricted interest earnings	3,872,156	3,224,945	1,525,651	1,703,170	5,397,807	4,928,115
Total revenues	74,696,580	76,779,058	49,414,974	46,295,064	124,111,554	123,074,122
Expenses						
General government	26,528,707	13,363,934	-	-	26,528,707	13,363,934
Public safety	37,962,366	30,716,761	-	-	37,962,366	30,716,761
Public works	2,365,882	11,670,890	-	-	2,365,882	11,670,890
Health and social services	1,175,736	3,705,859	-	-	1,175,736	3,705,859
Culture & recreation	2,241,968	4,049,689	-	-	2,241,968	4,049,689
Utilities fund	-	-	28,344,760	28,138,661	28,344,760	28,138,661
Solid waste fund	-	-	10,669,072	16,834,649	10,669,072	16,834,649
Recreation fund	-	-	7,255,596	8,605,373	7,255,596	8,605,373
Parking lot fund	-	-	132,073	207,602	132,073	207,602
Total expenses	70,274,659	63,507,133	46,401,501	53,786,285	116,676,160	117,293,418
Excess (deficiency) of revenues over expenses before transfers	4,421,921	13,271,925	3,013,473	(7,491,221)	7,435,394	5,780,704
Special item, loss on disposal of assets	(1,619,512)	-	-	-	(1,619,512)	-
Transfers	(5,946,664)	(3,677,111)	5,946,664	3,677,111	-	-
Change in net position	(3,144,255)	9,594,814	8,960,137	(3,814,110)	5,815,882	5,780,704
Net position - beginning	196,019,527	188,506,364	188,126,909	192,871,980	384,146,436	381,378,344
Prior period adjustment	-	(2,081,651)	52,528	(930,961)	52,528	(3,012,612)
Net position - restated	196,019,527	186,424,713	188,179,437	191,941,019	384,198,964	378,365,732
Total net position	\$ 192,875,272	\$ 196,019,527	\$ 197,139,574	\$ 188,126,909	\$ 390,014,846	\$ 384,146,436

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(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, 2020, the City's governmental funds reported a combined ending fund balance of \$110.28 million, an increase of \$845,046. The major factors to the net increase are revenues in excess of expenditures in the amount of \$7.02 million. This is primarily due to an improvement in investment earnings. Net transfers decreased the fund balance by \$5.95 million.

The General Fund is the City's main operating fund. For reporting purposes, under GASB 54, the City has consolidated the Perpetual Care Fund, Revolving Land Fund, Opportunity Fund, and Metro Animal Control Fund balances into the General Fund balance. The General Fund committed fund balance is \$57.26 million, \$4.01 million non-spendable, and \$11.54 million unassigned. The total fund balance in the General Fund for FY 2020 is \$72.81 million. General Fund sales tax revenues in FY 2020 were down \$284,051 or 0.80% from those received in FY 2019. Expenditures in the General Fund were less than budgeted by \$2.09 million. Health and social services exceeded the final budget by \$137,804 while all other General Fund areas kept expenditures lower than their final budgets.

The General Fund's \$72.81 million fund balance includes committed balances of \$15.10 million for operating reserves as set by Council's Reserve Policy. The committed balance also includes \$32.29 million GAAP based Perpetual Care corpus to fund Optional One Cent facilities ongoing maintenance, while the amount committed to planned land acquisitions is \$1.14 million for projects utilizing Optional One Cent monies. The City also has Opportunity projects of \$8.36 million, and Animal Control projects of \$373,370 that 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 \$91,426 and the noncurrent notes receivable of \$3.92 million. These receivables are in the form of loans that the City of Casper issued to the Central Wyoming 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, 2020 amounted to \$29.23 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 \$28.12 million, \$2.82 million, and negative \$2.11 million, respectively. The other nonmajor enterprise fund reported unrestricted net assets of \$401,428.

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 2020 unrestricted net position of \$3.24 million. This is an improvement of \$1.10 million from FY 2019. The improvement of the Internal Service Fund's net position was primarily caused by changes in the deferred outflows/inflows of resources for pension and OPEB items and a decrease in liabilities within the Employee Health Insurance Fund.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

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 2020 which increased the originally approved budget expenditures by \$5.65 million. Adjustments by General Fund grouping were: \$2,099,677 increase in the General Fund, \$234,938 increase in the Metro Animal Control Fund, \$1,907,505 increase in the Perpetual Care Fund, \$1,086,137 increase in the Revolving Land Fund, and \$317,428 increase in the Opportunity Fund.

The General Fund reflects a net ending variance from final budget of \$7.68 million, which consists of a positive revenue to budget variance of \$2.64 million, a positive total expenditure to budget variance of \$4.59 million and a net transfers budget variance of \$105,895. General Fund actual revenues are higher than budgeted due to higher investment earnings that was offset slightly by lower anticipated charges for service, fines, and franchise taxes.

On a budgetary basis General Fund expenditures were below budget, primarily due to lower than budgeted expenditures in General Government of \$3.86 million, Public Safety of \$779,662, Public Works of \$3,513, and Culture and Recreation of \$83,960. Health and Social Services exceeded the budget by \$137,804.

Capital Projects Funds

Total Capital Projects Fund appropriation adjustments were \$24.54 million. This adjustment was primarily to record encumbrances for projects started in prior years and not yet completed.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities for the current fiscal year amounts to \$371.80 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and related systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The City has included in capital assets the cost of infrastructure acquired or constructed since 1983 and related depreciation. Compliance to the infrastructure provisions of GASB 34 was completed as of June 30, 2005.

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

Building Improvements	\$	4,381,875
Street Improvements		4,185,496
Utility Improvements		2,849,285
Platte River Restoration		1,440,854

Additional information on the City's capital assets can be found in Note 1 - Summary of Significant Accounting Policies, Note 6 – Capital Assets, Note 17 – Construction Commitments, and Note 20 – Subsequent Events in the Notes to the Financial Statements.

CITY OF CASPER, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

Long-term Debt

At the end of the current fiscal year, the City had total net long-term obligations outstanding of \$158.75 million. Of this amount, \$106 million is for pension liability, \$21.97 million is for other post-employment benefits payable, \$7.70 million for landfill closure/post closure care costs, \$19.23 million for loans payable, \$603,040 for sales tax overpayment, and \$2.30 million is for accrued compensated absences. During the year, \$15.63 million in additional other post-employment benefit accrual was recognized, and pension liability was reduced by \$6.53 million.

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

Economic Factors and Next Year's Budgets and Rates

The City of Casper remains conservative on the approach of budgeting tax revenues with the economic impact of COVID-19. The impact from COVID-19 affected the last four months of fiscal year 2020 when the pandemic began in March 2020. The mineral activity decreased significantly in those months due to a reduction in associated workforces and decreased prices of oil, natural gas, and coal. According to the U.S. Bureau of Labor and Statistics, the State of Wyoming's unemployment rate at fiscal year-end was 7.4% and the City of Casper's unemployment rate at fiscal year-end was 10.9%. In comparison from the previous year, there was an increase of 4.0% and 6.8%, respectively. During the pandemic, oil prices were selling less than \$0 and the slow rebound of prices will have a lasting effect on the City of Casper. The closure of businesses, restaurants, and cancellation of large events contributed to the loss of projected sales tax collections for those months of the pandemic. The FY2021 Adopted Budget represents the anticipated impact from COVID-19 where prior year expenses were reduced to align with budgeted revenues. In addition to COVID-19, the volatility of an energy-based economy continues to emphasize the importance of long term financial planning. The City of Casper was able to secure Federal CARES Act dollars to cover expenses due to COVID-19 and further relief is expected in the next fiscal year. The FY2021 budgeted General Fund revenues have been reduced in accordance with estimates by the Wyoming Association of Municipalities. General Fund reserves were used in the FY2021 budget to cover a deficit in order to continue the operations of the City of Casper.

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 (jjohnson@casperwy.gov).

BASIC FINANCIAL STATEMENTS

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CITY OF CASPER, WYOMING
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 20,315,707	9,151,884	\$ 29,467,591	\$ 6,504,942
Restricted cash	215,872	-	215,872	1,033,998
Investments	81,190,419	39,298,252	120,488,671	203,309
Receivables, net of allowance	13,759,537	5,260,516	19,020,053	323,425
Due from primary government	-	-	-	765,998
Due from other governments	1,627,525	826,450	2,453,975	-
Due from component units	148,640	-	148,640	-
Internal balances	3,736,419	(3,736,419)	-	-
Related party accounts receivable	-	166,182	166,182	-
Inventories	370,282	589,251	959,533	419,090
Prepaid items	123,982	-	123,982	75,912
Notes receivable, current	1,539,206	-	1,539,206	961,179
Notes receivable, noncurrent	4,243,257	-	4,243,257	-
Capital assets, not being depreciated	28,727,737	29,899,486	58,627,223	5,507,869
Capital assets, net of depreciation	154,907,253	158,270,044	313,177,297	44,882,139
Total assets	<u>310,905,836</u>	<u>239,725,646</u>	<u>550,631,482</u>	<u>60,677,861</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	<u>38,916,121</u>	<u>8,802,648</u>	<u>47,718,769</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	4,560,312	3,442,239	8,002,551	366,637
Accrued wages payable	660,512	285,769	946,281	57,194
Accrued interest payable	6,336	541,401	547,737	125,561
Due to component units	-	765,998	765,998	-
Due to primary government	-	-	-	148,640
Related party accounts payable	-	1,004,443	1,004,443	-
Unearned revenue/customer deposits	249,099	120,645	369,744	-
Unearned interest on notes receivable	1,318	-	1,318	-
Noncurrent liabilities	-	-	-	-
Due within one year	935,182	1,619,132	2,554,314	2,082,197
Due in more than one year	116,518,797	39,299,588	155,818,385	12,922,685
Total liabilities	<u>122,931,556</u>	<u>47,079,215</u>	<u>170,010,771</u>	<u>15,702,914</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	<u>34,015,129</u>	<u>4,309,505</u>	<u>38,324,634</u>	<u>156,808</u>
NET POSITION				
Net investment in capital assets	183,634,990	169,202,933	352,837,923	35,385,126
Restricted by contract	-	-	-	-
Construction reserve	-	-	-	1,033,998
Rock Creek Dam rehabilitation	-	100,000	100,000	-
Paradise Valley Pipeline project	-	357,500	357,500	-
Community development projects	30,192	-	30,192	-
Redevelopment loans	371,273	-	371,273	-
Unrestricted	8,838,817	27,479,141	36,317,958	8,399,015
Total net position	<u>\$ 192,875,272</u>	<u>197,139,574</u>	<u>\$ 390,014,846</u>	<u>\$ 44,818,139</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 26,528,707	\$ 8,267,698	\$ 736,011	\$ 377,984
Public safety	37,962,366	463,887	184,740	-
Public works	2,365,882	-	-	409,768
Health and social services	1,175,736	-	1,376,980	-
Culture and recreation	2,241,968	-	-	-
Total governmental activities	<u>70,274,659</u>	<u>8,731,585</u>	<u>2,297,731</u>	<u>787,752</u>
Business-type activities				
Utilities fund	28,344,760	29,152,855	-	1,531,728
Solid waste fund	10,669,072	14,696,514	-	99,410
Recreation fund	7,255,596	2,250,780	-	9,750
Parking lot fund	132,073	6,244	-	-
Total business-type activities	<u>46,401,501</u>	<u>46,106,393</u>	<u>-</u>	<u>1,640,888</u>
Total primary government	<u>\$ 116,676,160</u>	<u>\$ 54,837,978</u>	<u>\$ 2,297,731</u>	<u>\$ 2,428,640</u>
Component units	<u>\$ 7,971,327</u>	<u>\$ 8,349,894</u>	<u>\$ 597,957</u>	<u>\$ -</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
\$ (17,147,014)	\$ -	\$ (17,147,014)	\$ -
(37,313,739)	-	(37,313,739)	-
(1,956,114)	-	(1,956,114)	-
201,244	-	201,244	-
(2,241,968)	-	(2,241,968)	-
(58,457,591)	-	(58,457,591)	-
-	2,339,823	2,339,823	-
-	4,126,852	4,126,852	-
-	(4,995,066)	(4,995,066)	-
-	(125,829)	(125,829)	-
-	1,345,780	1,345,780	-
\$ (58,457,591)	\$ 1,345,780	\$ (57,111,811)	\$ -
\$ -	\$ -	\$ -	\$ 976,524

(Continued)

CITY OF CASPER, WYOMING

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position	\$ (58,457,591)	\$ 1,345,780	\$ (57,111,811)	\$ 976,524
General revenues				
Property taxes	\$ 4,958,522	\$ -	\$ 4,958,522	\$ 145,726
Sales taxes	19,096,535	-	19,096,535	-
Optional 1% sales taxes	15,942,177	-	15,942,177	-
Gas taxes	1,858,874	-	1,858,874	-
Franchise taxes	4,557,646	-	4,557,646	-
911 telecommunication taxes	810,773	-	810,773	-
Mineral taxes	8,264,084	-	8,264,084	-
Cigarette taxes	267,562	-	267,562	-
Motor vehicle taxes	1,570,933	-	1,570,933	-
Gain on sale of capital assets	728	6,558	7,286	-
Miscellaneous	1,679,522	135,484	1,815,006	25,760
Unrestricted investment earnings	3,872,156	1,525,651	5,397,807	174,446
Special item, loss on disposal of capital assets	(1,619,512)	-	(1,619,512)	-
Transfers	(5,946,664)	5,946,664	-	-
Total general revenues, special item and transfers	<u>55,313,336</u>	<u>7,614,357</u>	<u>62,927,693</u>	<u>345,932</u>
Change in net position	(3,144,255)	8,960,137	5,815,882	1,322,456
Net position - beginning of year, as previously stated	196,019,527	188,126,909	384,146,436	43,495,683
Prior period adjustment	-	52,528	52,528	-
Net position - beginning of year, as restated	<u>196,019,527</u>	<u>188,179,437</u>	<u>384,198,964</u>	<u>43,495,683</u>
Net position - end of year	<u>\$ 192,875,272</u>	<u>\$ 197,139,574</u>	<u>\$ 390,014,846</u>	<u>\$ 44,818,139</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,552,751	\$ 3,642,445	\$ 1,852,390	\$ 18,047,586
Restricted cash	-	215,872	-	215,872
Investments	48,484,498	28,407,639	1,579,870	78,472,007
Taxes receivable	9,119,365	2,943,652	-	12,063,017
Other receivables, net of allowance	843,721	-	474,277	1,317,998
Interest receivable	198,009	48,848	43,027	289,884
Inventories	91,426	-	-	91,426
Prepaid items	-	-	123,982	123,982
Due from other governments	-	454,172	1,173,353	1,627,525
Due from other funds	3,085,626	-	-	3,085,626
Due from other component units	-	148,640	-	148,640
Notes receivable, current	1,479,925	9,281	50,000	1,539,206
Notes receivable, noncurrent	3,922,757	106,500	214,000	4,243,257
	<u>\$ 79,778,078</u>	<u>\$ 35,977,049</u>	<u>\$ 5,510,899</u>	<u>\$ 121,266,026</u>
LIABILITIES				
Accounts payable	\$ 1,520,103	\$ 2,070,970	\$ 593,227	\$ 4,184,300
Accrued wages payable	573,513	-	51,078	624,591
Compensated absences	2,270	-	1,735	4,005
Unearned revenue and customer deposits	248,322	-	-	248,322
Unearned development recapture fees	-	215,872	-	215,872
Unearned interest on notes receivable	1,318	-	-	1,318
Due to other funds	-	-	1,087,804	1,087,804
Total liabilities	<u>2,345,526</u>	<u>2,286,842</u>	<u>1,733,844</u>	<u>6,366,212</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	<u>4,623,579</u>	-	-	<u>4,623,579</u>
FUND BALANCES				
Nonspendable	4,014,183	106,500	337,982	4,458,665
Restricted	-	-	187,465	187,465
Unrestricted				
Committed	57,256,409	33,583,707	3,505,414	90,840,116
Unassigned (deficit)	11,538,381	-	(253,806)	11,284,575
Total fund balances	<u>72,808,973</u>	<u>33,690,207</u>	<u>3,777,055</u>	<u>110,276,235</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 79,778,078</u>	<u>\$ 35,977,049</u>	<u>\$ 5,510,899</u>	<u>\$ 121,266,026</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, 2020

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

Total fund balances, governmental funds		\$ 110,276,235
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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	\$ 183,634,990	
Less capital assets, internal service funds	<u>(60,378)</u>	183,574,612

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	4,623,579	
Unavailable property taxes - governmental activities	(4,597,591)	
Unearned development recapture fees - governmental funds	<u>215,872</u>	241,860

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	20,502,941	
Less internal service fund deferred outflows - pension plan items	(467,498)	
Deferred outflows - other postemployment benefits items	18,413,180	
Less internal service fund deferred outflows - other postemployment benefits items	(952,641)	
Deferred inflows - pension plan items	(27,146,975)	
Less internal service fund deferred inflows - pension plan items	518,738	
Deferred inflows - other postemployment benefits items	(2,270,563)	
Less internal service fund deferred inflows - other postemployment benefits items	<u>117,472</u>	8,714,654

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.

5,042,014
(Continued)

CITY OF CASPER, WYOMING

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

June 30, 2020

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	\$ (6,336)	
Retainage payable	(498,022)	
Less retainage payable recorded in internal service	580	
Note payable	(264,000)	
Repayment of sales tax due to incorrect distribution	(603,040)	
Compensated absences	(1,776,017)	
Less compensated absences recorded in governmental funds	4,005	
Less compensated absences recorded in internal service funds	69,376	
Net pension liability	(97,843,683)	
Less net pension liability in internal service funds	1,560,185	
Other post-employment benefits payable	(16,469,217)	
Less other post-employment benefits payable in internal service funds	852,066	<u>\$ (114,974,103)</u>
Net position of governmental activities		<u><u>\$ 192,875,272</u></u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes and special assessments	\$ 4,383,341	\$ 15,942,177	\$ 637,974	\$ 20,963,492
Licenses and permits	1,377,559	-	-	1,377,559
Intergovernmental	36,483,146	496,231	3,254,446	40,233,823
Charges for services	5,861,210	164,240	463,887	6,489,337
Fines	864,689	-	-	864,689
Investment earnings	2,330,883	1,343,014	109,152	3,783,049
Miscellaneous revenues	1,230,220	113,561	99,320	1,443,101
Total revenues	<u>52,531,048</u>	<u>18,059,223</u>	<u>4,564,779</u>	<u>75,155,050</u>
Expenditures				
Current				
General government	11,462,118	1,723,851	768,959	13,954,928
Public safety	26,113,833	-	2,768,703	28,882,536
Public works	3,899,514	-	458,191	4,357,705
Health and social services	1,131,042	-	2,092,073	3,223,115
Culture and recreation	2,916,526	-	-	2,916,526
Debt service				
Principal	185,551	-	50,000	235,551
Interest	-	-	18,160	18,160
Capital outlay	1,107,817	12,927,160	509,410	14,544,387
Total expenditures	<u>46,816,401</u>	<u>14,651,011</u>	<u>6,665,496</u>	<u>68,132,908</u>
Excess (deficiency) of revenues over expenditures	<u>5,714,647</u>	<u>3,408,212</u>	<u>(2,100,717)</u>	<u>7,022,142</u>
Other financing sources (uses)				
Capital transfers in	342,468	-	-	342,468
Capital transfers out	-	(546,799)	-	(546,799)
Transfers in	1,124,021	700,515	1,795,704	3,620,240
Transfers out	(5,819,615)	(3,747,190)	(26,200)	(9,593,005)
Total other financing sources (uses)	<u>(4,353,126)</u>	<u>(3,593,474)</u>	<u>1,769,504</u>	<u>(6,177,096)</u>
Net change in fund balances	1,361,521	(185,262)	(331,213)	845,046
Fund balances - beginning of year	<u>71,447,452</u>	<u>33,875,469</u>	<u>4,108,268</u>	<u>109,431,189</u>
Fund balances - end of year	<u>\$ 72,808,973</u>	<u>\$ 33,690,207</u>	<u>\$ 3,777,055</u>	<u>\$ 110,276,235</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, 2020

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

Net change in fund balances - total governmental funds		\$ 845,046
<p>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.</p>		
Total additions to capital assets	\$ 12,579,182	
Less transfers to enterprise funds	(69,475)	
Depreciation expense	(8,555,066)	
Less internal service fund depreciation	45,614	4,000,255
<p>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.</p>		
Cost basis of assets disposed	(4,776,149)	
Accumulated depreciation on assets disposed	776,785	(3,999,364)
<p>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.</p>		
Total retainage payable prior year	389,103	
Total retainage payable current year	(498,022)	
Less amounts recorded in internal service funds - current year	580	
Total accrued compensated absences - prior year	1,723,530	
Less amount recorded in governmental funds and internal service funds - prior year	(72,149)	
Total accrued compensated absences - current year	(1,776,017)	
Less amounts recorded in governmental funds and internal service funds - current year	73,381	
Accrued interest on note payable prior year	7,431	
Accrued interest on note payable current year	(6,336)	(158,499)

(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, 2020

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	185,551	\$ 235,551

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	101,900,405	
Less pension liability recorded in internal service funds - prior year	(1,902,246)	
Pension liability - current year	(97,843,683)	
Less pension liability recorded in internal service funds - current year	1,560,185	
Deferred outflows - pension plan items - prior year	(27,344,656)	
Less deferred outflows recorded in internal service funds - prior year	635,638	
Deferred outflows - pension plan items - current year	20,502,941	
Less deferred outflows recorded in internal service funds - current year	(467,498)	
Deferred inflows - pension plan items - prior year	14,539,984	
Less deferred inflows recorded in internal service funds - prior year	(284,831)	
Deferred inflows - pension plan items - current year	(27,146,975)	
Less deferred inflows recorded in internal service funds - current year	518,738	(15,331,998)

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	(10,416)	
Unearned development recapture fees prior year	(162,395)	
Unearned development recapture fees current year	215,872	
Unavailable property taxes in governmental funds prior year	(4,360,849)	
Unavailable property taxes in governmental activities prior year	4,272,068	
Unavailable property taxes in governmental funds current year	4,623,579	
Unavailable property taxes in governmental activities current year	(4,597,591)	(19,732)

(Continued)

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, 2020

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	\$ 4,830,084	
Less other post-employment benefits payable recorded in internal service funds - prior year	(465,482)	
Other post-employment benefits payable - current year	(16,469,217)	
Less other post-employment benefits payable recorded in internal service funds - current year	852,066	
Deferred outflows - other postemployment benefits items - prior year	(2,807,435)	
Less deferred outflows recorded in internal service funds - prior year	186,071	
Deferred outflows - other postemployment benefits items - current year	18,413,180	
Less deferred outflows recorded in internal service funds - current year	(952,641)	
Deferred inflows - other postemployment benefits items - prior year	9,957,973	
Less deferred inflows recorded in internal service funds - prior year	(638,024)	
Deferred inflows - other postemployment benefits items - current year	(2,270,563)	
Less deferred inflows recorded in internal service funds - current year	117,472	\$ 10,753,484

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

The net revenue of certain activities of internal service funds is reported with governmental activities.

Less amounts reported as business-type activities	(662,148)	
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Effect of changes in deferred inflows, outflows, and debt reported in internal service funds.

(134,858)	257,195
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Capital transfers in reported in governmental activities	279,166	
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Capital transfers out reported in governmental activities	(5,359)	273,807
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Change in net position of governmental activities

\$ (3,144,255)

CITY OF CASPER, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2020

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,711,958	\$ 4,051,735	\$ 388,191
Investments	27,028,398	10,900,242	959,701
Interest receivable	116,545	45,838	5,132
Customer receivables, net of allowance	3,735,698	1,351,010	4,461
Other receivables	-	-	-
Due from other governments	785,296	41,154	-
Related party accounts receivable	-	-	166,182
Inventories	589,251	-	-
Total current assets	<u>36,967,146</u>	<u>16,389,979</u>	<u>1,523,667</u>
Capital assets, not being depreciated	19,698,118	9,680,723	520,645
Capital assets, net of depreciation	89,184,444	28,800,142	39,463,213
Net capital assets	<u>108,882,562</u>	<u>38,480,865</u>	<u>39,983,858</u>
Total assets	<u>145,849,708</u>	<u>54,870,844</u>	<u>41,507,525</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	<u>4,295,795</u>	<u>3,033,915</u>	<u>1,472,938</u>
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	1,911,928	1,303,823	226,488
Retainage payable	71,138	-	-
Accrued interest payable	371,345	170,056	-
Notes payable, current	1,204,307	324,352	-
Compensated absences, current portion	3,294	1,789	14,252
Related party accounts payable	-	-	1,004,443
Unearned revenue and refundable customer deposits	120,645	-	-
Accrued wages payable	115,329	85,767	84,673
Claims payable	-	-	-
Due to other funds	94,979	1,283,419	601,135
Due to component units	765,998	-	-
Total current liabilities	<u>4,658,963</u>	<u>3,169,206</u>	<u>1,930,991</u>
Noncurrent liabilities, net of current maturities			
Compensated absences	267,499	185,729	46,555
Landfill closure and post closure	-	7,701,619	-
Other postemployment benefits payable	2,675,987	1,954,734	873,899
Notes payable	11,431,423	6,006,515	-
Net pension liability	4,182,526	2,381,288	1,591,814
Total noncurrent liabilities	<u>18,557,435</u>	<u>18,229,885</u>	<u>2,512,268</u>
Total liabilities	<u>23,216,398</u>	<u>21,399,091</u>	<u>4,443,259</u>

See accompanying notes to the financial statements

Business-type Activities - Enterprise Funds		Governmental
Other Nonmajor		Activities
Enterprise Fund	Totals	Internal
Parking Lot		Service Funds
\$ -	\$ 9,151,884	\$ 2,268,121
409,911	39,298,252	2,718,413
1,832	169,347	4,131
-	5,091,169	27,057
-	-	57,450
-	826,450	-
-	166,182	-
-	589,251	278,856
411,743	55,292,535	5,354,028
-	29,899,486	-
822,245	158,270,044	60,378
822,245	188,169,530	60,378
1,233,988	243,462,065	5,414,406
-	8,802,648	1,420,139
-	3,442,239	328,834
-	71,138	580
-	541,401	-
-	1,528,659	-
-	19,335	5,533
-	1,004,443	-
-	120,645	778
-	285,769	35,921
-	-	47,178
10,315	1,989,848	7,974
-	765,998	-
10,315	9,769,475	426,798
-	499,783	63,843
-	7,701,619	-
-	5,504,620	852,066
-	17,437,938	-
-	8,155,628	1,560,185
-	39,299,588	2,476,094
10,315	49,069,063	2,902,892

(Continued)

CITY OF CASPER, WYOMING

STATEMENT OF NET POSITION (CONTINUED)
 PROPRIETARY FUNDS
 June 30, 2020

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	\$ 2,106,853	\$ 1,535,446	\$ 667,206
NET POSITION			
Net investment in capital assets	96,246,832	32,149,998	39,983,858
Restricted			
Rock Creek Dam rehabilitation	100,000	-	-
Paradise Valley Pipeline project	357,500	-	-
Unrestricted	28,117,920	2,820,224	(2,113,860)
Total net position	\$ 124,822,252	\$ 34,970,222	\$ 37,869,998

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>Totals</u>	<u>Internal</u>
<u>Parking Lot</u>		<u>Service Funds</u>
\$ -	\$ 4,309,505	\$ 636,210
822,245	169,202,933	60,378
-	100,000	-
-	357,500	-
401,428	29,225,712	3,235,065
<u>\$ 1,223,673</u>	<u>\$ 198,886,145</u>	<u>\$ 3,295,443</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, 2020

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

Total net position, proprietary funds		\$ 198,886,145
Internal service fund net assets with business-type activities	\$ (3,295,443)	
Less amounts reported as governmental activities	<u>1,548,872</u>	<u>(1,746,571)</u>
Net position of business-type activities		<u>\$ 197,139,574</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, 2020**

	Business-type Activities - Enterprise Funds		
	Utilities Fund	Solid Waste Fund	Recreation Fund
Operating revenues			
Charges for services	\$ 29,152,855	\$ 14,696,514	\$ 2,250,780
Other revenues	33,408	87,860	14,216
Total operating revenues	<u>29,186,263</u>	<u>14,784,374</u>	<u>2,264,996</u>
Operating expenses			
Personnel expenses	3,968,431	3,174,077	2,268,546
Contractual	9,555,948	5,544,360	2,384,069
Materials and supplies	9,466,614	1,368,758	390,495
Landfill closure and post closure costs recovery	-	(1,887,149)	-
Other expenses	33,679	6,793	8,303
Depreciation expense	5,495,817	2,550,100	2,205,386
Total operating expenses	<u>28,520,489</u>	<u>10,756,939</u>	<u>7,256,799</u>
Operating income (loss)	<u>665,774</u>	<u>4,027,435</u>	<u>(4,991,803)</u>
Nonoperating revenues (expenses)			
Investment earnings	1,043,468	455,824	10,073
Interest	(310,297)	(136,675)	-
Gain (loss) on sale of capital assets	40,000	(38,122)	4,680
Total nonoperating revenues (expenses)	<u>773,171</u>	<u>281,027</u>	<u>14,753</u>
Income (loss) before contributions and transfers	<u>1,438,945</u>	<u>4,308,462</u>	<u>(4,977,050)</u>
Grants and contributions	1,531,728	99,410	9,750
Capital transfers in	-	-	469,408
Capital transfers out	(374,525)	(140,288)	-
Transfers in	3,000,000	-	3,139,355
Transfers out	(75,766)	(47,449)	-
Net contributions and transfers	<u>4,081,437</u>	<u>(88,327)</u>	<u>3,618,513</u>
Change in net position	5,520,382	4,220,135	(1,358,537)
Net position (deficit) - beginning of year as previously stated	119,301,870	30,750,087	39,176,007
Prior period adjustment	-	-	52,528
Net position (deficit) - beginning of year, as restated	<u>119,301,870</u>	<u>30,750,087</u>	<u>39,228,535</u>
Net position - end of year	<u>\$ 124,822,252</u>	<u>\$ 34,970,222</u>	<u>\$ 37,869,998</u>

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>Totals</u>	<u>Internal</u>
<u>Parking Lot</u>		<u>Service Funds</u>
\$ 6,244	\$ 46,106,393	\$ 4,893,737
-	135,484	5,552,990
<u>6,244</u>	<u>46,241,877</u>	<u>10,446,727</u>
-	9,411,054	850,620
33,298	17,517,675	5,327,006
4,784	11,230,651	3,201,058
-	(1,887,149)	-
-	48,775	1,691
68,439	10,319,742	45,614
<u>106,521</u>	<u>46,640,748</u>	<u>9,425,989</u>
<u>(100,277)</u>	<u>(398,871)</u>	<u>1,020,738</u>
16,286	1,525,651	100,909
-	(446,972)	-
-	6,558	-
<u>16,286</u>	<u>1,085,237</u>	<u>100,909</u>
<u>(83,991)</u>	<u>686,366</u>	<u>1,121,647</u>
-	1,640,888	-
-	469,408	-
-	(514,813)	(24,071)
-	6,139,355	1,230,380
-	(123,215)	(1,273,755)
<u>-</u>	<u>7,611,623</u>	<u>(67,446)</u>
<u>(83,991)</u>	<u>8,297,989</u>	<u>1,054,201</u>
1,307,664	190,535,628	2,241,242
-	52,528	-
<u>1,307,664</u>	<u>190,588,156</u>	<u>2,241,242</u>
<u>\$ 1,223,673</u>	<u>\$ 198,886,145</u>	<u>\$ 3,295,443</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, 2020

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

Net change in net position - proprietary funds		\$ 8,297,989
Change in net position - internal service funds	\$ 1,054,201	
Less amounts reported as governmental activities	<u>(392,053)</u>	<u>662,148</u>
Change in net position of business-type activities		<u>\$ 8,960,137</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2020**

	<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	\$ 19,075,070	\$ 15,921,617	\$ 2,259,762
Cash receipts from interfund services provided	8,948,943	-	-
Cash payments to suppliers for goods and services	(10,146,153)	(4,298,790)	(2,196,222)
Cash payments for medical insurance claims	-	-	-
Cash payments for interfund services used	(8,948,943)	(1,481,574)	(514,156)
Cash payments to employees for services	(5,540,133)	(6,657,905)	(2,783,267)
Net cash provided by (used in) operating activities	<u>3,388,784</u>	<u>3,483,348</u>	<u>(3,233,883)</u>
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	3,285,784	1,152,937	4,263,136
Transfers out	(75,766)	(47,449)	-
Net cash provided by noncapital financing activities	<u>3,210,018</u>	<u>1,105,488</u>	<u>4,263,136</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(5,820,211)	(4,578,020)	(130,266)
Capital contributions	1,531,728	99,410	9,750
Proceeds from long-term financing	1,445,779	1,641,122	-
Principal paid	(1,179,245)	(115,641)	-
Interest paid	(263,258)	(24,532)	-
Net cash used in capital and related financing activities	<u>(4,285,207)</u>	<u>(2,977,661)</u>	<u>(120,516)</u>
Cash flows from investing activities			
Purchase of investment securities	(9,762,730)	(4,664,693)	(1,204,701)
Proceeds from the sale of investment securities	11,564,853	5,481,369	245,000
Investment earnings	267,322	150,369	4,941
Net cash provided (used in) by investing activities	<u>2,069,445</u>	<u>967,045</u>	<u>(954,760)</u>
Net increase (decrease) in cash and cash equivalents	4,383,040	2,578,220	(46,023)
Cash and cash equivalents - beginning of year	<u>328,918</u>	<u>1,473,515</u>	<u>434,214</u>
Cash and cash equivalents - end of year	<u>\$ 4,711,958</u>	<u>\$ 4,051,735</u>	<u>\$ 388,191</u>

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>	
\$ 6,244	\$ 37,262,693	\$ 2,465,202	
-	8,948,943	7,997,293	
(14,355)	(16,655,520)	(5,030,283)	
-	-	(3,929,860)	
(29,347)	(10,974,020)	(220,612)	
-	(14,981,305)	(1,671,173)	
<u>(37,458)</u>	<u>3,600,791</u>	<u>(389,433)</u>	
9,224	8,711,081	60,304	
-	(123,215)	-	
<u>9,224</u>	<u>8,587,866</u>	<u>60,304</u>	
-	(10,528,497)	-	
-	1,640,888	-	
-	3,086,901	-	
-	(1,294,886)	-	
-	(287,790)	-	
<u>-</u>	<u>(7,383,384)</u>	<u>-</u>	
(91,831)	(15,723,955)	(4,831,228)	
112,036	17,403,258	5,473,391	
3,553	426,185	83,603	
<u>23,758</u>	<u>2,105,488</u>	<u>725,766</u>	
(4,476)	6,910,761	396,637	
<u>4,476</u>	<u>2,241,123</u>	<u>1,871,484</u>	
<u>\$ -</u>	<u>\$ 9,151,884</u>	<u>\$ 2,268,121</u>	

(Continued)

CITY OF CASPER, WYOMING

**STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 Year Ended June 30, 2020**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Recreation Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 665,774	\$ 4,027,435	\$ (4,991,803)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation expense	5,495,817	2,550,100	2,205,386
Amortization of pension plan items	1,437,216	1,060,318	441,251
Amortization of OPEB plan items	(3,783,915)	(2,645,789)	(1,182,561)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Customer receivables	(1,180,675)	1,137,243	867
Prepaid items			
Due from management company	-	-	(6,101)
Inventories	4,193	-	-
Deferred outflows - pension plan items	(1,290)	(6,431)	3,074
Accounts payable and accrued liabilities	(43,048)	(1,358,688)	72,489
Accrued wages payable	37,513	24,930	16,080
Customer held deposits	-	-	-
Unearned revenues and refundable customer deposits	18,425	-	-
Claims payable	-	-	-
Compensated absences	39,856	(7,716)	(13,869)
Landfill closure and post closure care	-	(1,887,941)	-
Other postemployment benefits payable	1,910,193	1,483,528	593,192
Net pension liability	(1,211,275)	(893,641)	(371,888)
Net cash provided by (used in) operating activities	<u>\$ 3,388,784</u>	<u>\$ 3,483,348</u>	<u>\$ (3,233,883)</u>
Noncash investing, capital and related financing activities			
Change in fair value of investments	\$ 784,645	\$ 308,822	\$ -
Capital assets contributed by governmental funds	6,250	-	469,408
Capital assets contributed to governmental funds	(380,775)	(140,288)	-

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>		
\$ (100,277)	\$ (398,871)	\$ 1,020,738	
68,439	10,319,742	45,614	
-	2,938,785	405,864	
-	(7,612,265)	(1,287,122)	
-	(42,565)	14,990	
-	(6,101)	2,680	
-	4,193	-	
-	(4,647)	59,180	
(5,620)	(1,334,867)	(3,817)	
-	78,523	(135,242)	
-	-	13,600	
-	18,425	778	
-	-	-	
-	18,271	(577,618)	
-	(1,887,941)	6,399	
-	3,986,913	-	
-	(2,476,804)	386,584	
		(342,061)	
<u>\$ (37,458)</u>	<u>\$ 3,600,791</u>	<u>\$ (389,433)</u>	

\$ 12,845	\$ 1,106,312	\$ 18,198
-	475,658	-
-	(521,063)	-

CITY OF CASPER, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - AMOCO REUSE JOINT POWERS BOARD INVESTMENTS
June 30, 2020

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,119,235
Investments	8,573,853
Interest receivable	33,392
Total assets	<u>\$ 9,726,480</u>
LIABILITIES	
Amounts payable to Amoco Reuse Joint Powers Board	9,726,480
Total liabilities	<u>\$ 9,726,480</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS

June 30, 2020

	<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	\$ 4,827,901	\$ 408,705	\$ 1,268,336	\$ 6,504,942
Restricted cash and cash equivalents	1,000,000	33,998	-	1,033,998
Investments	-	-	203,309	203,309
Receivables, net of allowance	154,937	168,488	-	323,425
Due from primary government	765,998	-	-	765,998
Inventories	419,090	-	-	419,090
Prepaid items	23,112	-	52,800	75,912
Notes receivable, noncurrent	-	-	961,179	961,179
Capital assets, not being depreciated	5,507,869	-	-	5,507,869
Capital assets, net of depreciation	39,174,405	5,693,798	13,936	44,882,139
Total assets	<u>51,873,312</u>	<u>6,304,989</u>	<u>2,499,560</u>	<u>60,677,861</u>
LIABILITIES				
Accounts payable and other current liabilities	356,510	9,336	791	366,637
Accrued expenses	55,507	1,687	-	57,194
Accrued interest payable	125,561	-	-	125,561
Noncurrent liabilities				
Due within one year	2,082,197	-	-	2,082,197
Due in more than one year	12,922,685	-	-	12,922,685
Due to primary government	-	148,640	-	148,640
Total liabilities	<u>15,542,460</u>	<u>159,663</u>	<u>791</u>	<u>15,702,914</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	-	156,808	-	156,808
NET POSITION				
Net investment in capital assets	29,677,392	5,693,798	13,936	35,385,126
Restricted				
Construction reserve	1,000,000	33,998	-	1,033,998
Unrestricted	5,653,460	260,722	2,484,833	8,399,015
Total net position	<u>\$ 36,330,852</u>	<u>\$ 5,988,518</u>	<u>\$ 2,498,769</u>	<u>\$ 44,818,139</u>

See accompanying notes to the financial statements

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 Year Ended June 30, 2020

		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	\$ 6,061,824	\$ 7,959,654	\$ -	\$ -
Nonmajor component units				
Downtown Development Authority	1,199,965	390,240	-	-
Economic Development Joint Powers Board	709,538	-	597,957	-
Total nonmajor component units	1,909,503	390,240	597,957	-
Total component units	\$ 7,971,327	\$ 8,349,894	\$ 597,957	\$ -
		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
\$ 1,897,830	\$ -	\$ -	\$ 1,897,830
-	(809,725)	-	(809,725)
-	-	(111,581)	(111,581)
-	(809,725)	(111,581)	976,524
-	145,726	-	145,726
-	25,760	-	25,760
76,972	31,422	66,052	174,446
76,972	202,908	66,052	345,932
1,974,802	(606,817)	(45,529)	1,322,456
34,356,050	6,595,335	2,544,298	43,495,683
\$ 36,330,852	\$ 5,988,518	\$ 2,498,769	\$ 44,818,139

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CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

Related Organizations

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.

The *Casper Area Transportation Coalition, Inc.* (CATC) is a related organization with which the City contracts the operations of the transit system. The City is the designated recipient of federal transit grants in the Casper urbanized area. The City also contributes money from the general fund to support public transportation. While local municipalities (including Casper, Mills, and Evansville) own all of the buses, CATC operates the transit system. All transaction with CATC 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (Continued)

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.

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 sales and use taxes earmarked 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 fleet and maintenance, employee health insurance, buildings and grounds, and property and liability insurance services provided to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

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

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

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

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

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 City's cash activity is accounted for in pooled cash accounts. 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 pooled cash, 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 all cash on hand, demand deposits, and highly liquid investments with an original maturity date of three months or less from when purchased to be 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. Rated AAAM by Standard & Poor's.

The Downtown Development Authority and the Central Wyoming Regional Water System have 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. In addition, there are restrictions for state grant funding received in advance.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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. government agency notes and bonds, U.S government agency mortgage backed securities, government sponsored enterprise securities (GSEs) including mortgage backed securities, commercial paper, participation in WYO-STAR, and participation in WGIF.

WYO-STAR is an authorized government investment pool offered exclusively to Wyoming governmental entities by the Wyoming State Treasurer's office. The value of the City's investments in WYO-STAR equals the value of its WYO-STAR shares. Each participant's position in the WYO-STAR investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date. WYO-STAR investments consist of short-term bonds and cash with a weighted average maturity which does not exceed 90 days, with a benchmark using Bank of America 3 month U.S. T-Bills index.

WGIF is a comprehensive cash management program available to Wyoming public entities. WGIF provides a full range of programs to meet participants' needs. The fund employs a team of professionals to manage the investments which are comprised of governmental securities meeting state statutory requirements. The value of the City's investment in WGIF equals the value of its WGIF shares.

The City reviews statements of investments on a monthly basis to identify significant downturns which might affect the fair value 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."

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

Inventory

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

Capital Assets

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

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

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

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
Intangibles	5

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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

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

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

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

Compensated Absences

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

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Wyoming Employee Group Insurance (EGI) plans and additions to/deductions from EGI's fiduciary net position have been determined on the same basis as they are reported by EGI. For this purpose, EGI recognizes benefit payments when due and payable in accordance with the benefit terms.

Long-Term Obligations

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

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

Claims Payable

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

Fund Balance/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Balance/Net Position (Continued)

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

Property Taxes

The County is permitted by Wyoming Statutes to levy up to 8 mills of the assessed valuation for the City except for the payment of public debt and the interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest of long-term debt for the year ended June 30, 2020 was 8 mills, which means the City has no available tax margin and accordingly, cannot raise any additional taxes.

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

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

Inter-fund Transactions

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

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

Accounting Estimates

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

Budgets

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

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

Special Item

During the year ended June 30, 2020, the City sold land for \$500,000 with selling expenses in the amount of \$1,772. The land was originally purchased for \$2,117,740. The reclassification of these costs are reflected on the government-wide statements as a special item because it is unusual in nature but under the control of management.

Reclassification

Certain balances on the prior year balance sheet have been reclassified for consistency with the presentation of the current year with no effect on fund balance.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 2. Deposits and Investments

Custodial Credit Risk - Deposits

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

Deposits held in the City’s bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution’s trust department or agent, in joint custody of the bank and the City. As of June 30, 2020, the City had bank balances of \$7,976,597 with a carrying amount of \$4,967,339. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

	Carrying Amount of Cash and Cash Equivalents	Bank Balance of Cash and Cash Equivalents
<i>Government-wide Statement of Net Position</i>		
Governmental activities	\$ 1,092,187	*
Business-type activities	3,875,152	*
Total government-wide	\$ 4,967,339	\$ 7,976,597
<i>Fiduciary Fund Statement of Net Position</i>		
Amoco Reuse Joint Powers Board Investments Fund	1,119,235	*
Total fiduciary fund	\$ 1,119,235	\$ 1,119,235

* The City of Casper maintains pooled cash based on the carrying amount of cash and cash equivalents, therefore there will not be an allocation between governmental activities and business-type activities for the bank balance of cash and cash equivalents.

The City also had cash equivalents of \$149,869 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.

The City also had cash equivalents of \$25,672,105 held in other investment accounts, including \$1,119,235 in the Amoco Reuse Joint Powers Board Investments fund. 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 2. Deposits and Investments (Continued)

Custodial Credit Risk - Deposits (Continued)

As of June 30, 2020, the Downtown Development Authority had bank balances of \$442,871 with a carrying amount of \$442,703. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

As of June 30, 2020, the Central Wyoming Regional Water System Joint Powers Board had bank balances of \$5,293,513 with a carrying amount of \$5,293,513. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

The Central Wyoming Regional Water System Joint Powers Board also had cash equivalents of \$534,388 in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Poor's. 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.

As of June 30, 2020, the Economic Development Joint Powers Board had bank balances of \$1,364,679 with a carrying amount of \$1,364,679, which includes cash of \$1,268,389 and a certificate of deposit of \$96,343. 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 deposits were covered by insurance or collateral held in joint custody with the financial institution.

	Carrying Amount of Cash and Cash Equivalents	Bank Balance of Cash and Cash Equivalents
<i>Component Units Statement of Net Position</i>		
Downtown Development Authority	\$ 442,703	\$ 442,871
Central Wyoming Regional Water System Joint Powers Board	5,827,901	5,827,901
Economic Development Joint Powers Board	1,364,679	1,364,679
Total component units	\$ 7,635,283	\$ 7,635,451

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 2. Deposits and Investments (Continued)

Investments

As of June 30, 2020, 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% - 6.25%	\$ 38,427,890	\$ 6,545,687	\$ 31,882,203	\$ -	\$ -	Aaa
GSE notes	0.00% - 3.00%	59,485,827	18,688,595	40,797,232	-	-	Aaa
Government agency mortgage backed securities	6.50%	4,852	-	4,852	-	-	Aaa
GSE mortgage backed securities	2.69% - 6.50%	239,376	-	17,830	-	221,546	Aaa
GSE zero coupon bonds	0.00%	7,996,803	7,996,803	-	-	-	Aaa
WYO-STAR investment pool	2.35% - 15.78%	5,961,063	5,961,063	-	-	-	n/a
WGIF certificates of deposit	1.75% - 2.30%	1,956,000	1,956,000	-	-	-	n/a
Commercial paper	0.00%	14,990,713	14,990,713	-	-	-	Aaa
Total primary government		\$ 129,062,524	\$ 56,138,861	\$ 72,702,117	\$ -	\$ 221,546	

Investments are reported in the following classifications

Governmental activities	\$ 81,190,419
Business-type activities	39,298,252
Fiduciary funds	8,573,853
	<u>\$ 129,062,524</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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. 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, 2020, 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. When interest rates rise, the contractual rates of the underlying mortgages may be less desirable, also diminishing the value of the investment.

Credit Risk

Generally, credit risk is the risk that an issuer or 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. Under the investment agreement with WYO-STAR, the City's interest is based on the ratio of their cash balance as a percentage of the total cash balance of the pool.

The City follows the mandates for allowable investments as prescribed by Wyoming Statute 9-4-831 as their credit policy. The City's investments in U.S. Government securities were also rated Aaa by Moody's and AA+ by Standard and Poor's.

WYO-STAR invests in asset backed securities, the collateral for which is securities issued by GNMA, FNMA, FHLMC or notes fully guaranteed as to principal and interest by the Small Business Administration, and government securities including obligations of the U.S. Treasury and U.S. government agencies.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 to a specified percentage of the City's total investments. At June 30, 2020, the City's portfolio was composed as follows:

Investment Type	Fair Value	Percent of Portfolio
US Treasury notes and bonds	\$ 38,427,890	29.77%
GSE notes	59,485,827	46.09%
Government agency mortgage backed securities	4,852	0.00%
GSE mortgage backed securities	239,376	0.19%
GSE zero coupon bonds	7,996,803	6.20%
Commercial paper	14,990,713	11.62%
WYO-STAR investment pool	5,961,063	4.62%
WGIF certificates of deposit	1,956,000	1.52%
	<u>\$ 129,062,524</u>	<u>100.00%</u>

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, 2020, 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	1.55%	\$ 96,343	\$ 96,343	\$ -	\$ -	\$ -
Money market fund	0.01%	106,966	106,966	-	-	-
		<u>\$ 203,309</u>	<u>\$ 203,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020:

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

U.S. Government Agency mortgage backed securities: Valued using quoted market prices for identical or similar assets in active markets

Government Sponsored Enterprises (GSEs) bonds, notes and mortgage backed securities: Valued using quoted market prices for identical or similar assets in active markets.

WYO-STAR: Valued on level 2 inputs by which each participant's position in the investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date.

WGIF: Valued at the net asset value (NAV) of shares held at year end, based on quoted prices for identical or similar assets in active markets.

The following table sets forth by level, within the fair value hierarchy, the City's investment at fair value as of June 30, 2020:

Primary Government Investments

	Investments at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes and bonds	\$ 38,427,890	\$ -	\$ -	\$ 38,427,890
GSE notes	-	59,485,827	-	59,485,827
U.S. government agency mortgage backed securities	-	4,852	-	4,852
GSE mortgage backed securities	-	239,376	-	239,376
GSE zero coupon bonds	-	7,996,803	-	7,996,803
WYO-STAR investment pool	-	5,961,063	-	5,961,063
WGIF certificates of deposit	-	1,956,000	-	1,956,000
Commercial paper	-	14,990,713	-	14,990,713
	\$ 38,427,890	\$ 90,634,634	\$ -	\$ 129,062,524
Total investments at fair value	\$ 38,427,890	\$ 90,634,634	\$ -	\$ 129,062,524

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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		
	General Fund	Capital Projects	Total
	Taxes receivable	\$ 9,119,365	\$ 2,943,652
Court and parking fines	1,188,218	-	1,188,218
Allowance for bad debts	(665,335)	-	(665,335)
Due from other governments	-	454,172	454,172
Due from component unit	-	148,640	148,640
Interest	198,009	48,848	246,857
Miscellaneous	320,838	-	320,838
	\$ 10,161,095	\$ 3,595,312	\$ 13,756,407

	Business-type Activities - Enterprise Funds			
	Utilities Fund	Solid Waste Fund	Recreation Fund	Total
	Customers - billed service	\$ 2,502,864	\$ 1,167,578	\$ 19,951
Customers - unbilled	1,381,290	301,117	-	1,682,407
Allowance for bad debts	(148,456)	(117,685)	(15,490)	(281,631)
Due from other governments	785,296	41,154	-	826,450
Interest	116,545	45,838	5,132	167,515
Due from management company	-	-	166,182	166,182
	\$ 4,637,539	\$ 1,438,002	\$ 175,775	\$ 6,251,316

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

Individual fund inter-fund receivable and payable balances at June 30, 2020 are as follows:

	Receivable	Payable
Primary Government		
<i>Governmental Funds</i>		
<i>Major Funds</i>		
General Fund	\$ 3,085,626	\$ -
<i>Other Governmental Funds</i>		
Special Revenue Funds		
Weed and Pest	-	17
Transportation Services	-	819,116
Metropolitan Planning Organization	-	210,083
Special Events Assistance	-	7,041
Police Grants	-	51,547
Total governmental funds	3,085,626	1,087,804
<i>Business-type Activities - Enterprise Funds</i>		
<i>Major Funds</i>		
Utilities Fund	-	94,979
Solid Waste Fund	-	1,283,419
Recreation Fund	-	601,135
<i>Other Enterprise Funds</i>		
Parking Lot	-	10,315
Total business-type activities - enterprise funds	-	1,989,848
<i>Governmental Activities - Internal Service Funds</i>		
General Internal Services	-	7,974
Total internal service funds	-	7,974
	\$ 3,085,626	\$ 3,085,626

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, 2020

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, 2020 were as follows:

	Transfer In	Transfer Out
Primary Government		
<i>Governmental Funds</i>		
<i>Major Funds</i>		
General Fund	\$ 1,124,021	\$ 5,819,615
Capital Projects Fund	700,515	3,747,190
<i>Other Governmental Funds</i>		
Special Revenue Funds		
Weed and Pest	-	4,592
Transportation Services	643,000	-
Metropolitan Planning Organization	69,762	4,592
Police Grants	-	17,016
Public Safety Communications	1,082,942	-
Total governmental funds	3,620,240	9,593,005
Other capital asset transfers reported in governmental funds	342,468	546,799
Other capital asset transfers reported in governmental activities	279,166	5,359
Total governmental activities - governmental funds	4,241,874	10,145,163
<i>Business-type Activities - Enterprise Funds</i>		
<i>Major Funds</i>		
Utilities Fund	3,000,000	75,766
Solid Waste Fund	-	47,449
Recreation Fund	3,139,355	-
Other capital asset transfers reported in business-type activities	469,408	514,813
Total business-type activities - enterprise funds	6,608,763	638,028
<i>Governmental Activities - Internal Service Funds</i>		
General Internal Services	315,750	421,000
Health Insurance	914,630	852,755
Total governmental activities - internal service funds	1,230,380	1,273,755
Other capital asset transfers reported in governmental activities - internal service funds	-	24,071
Total governmental activities - internal service funds	\$ 12,081,017	\$ 12,081,017

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 5. Notes Receivable

Notes receivable at June 30, 2020 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	\$ 314,000	\$ -	\$ 50,000	\$ 264,000	\$ 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	124,856	-	9,075	115,781	9,281
<i>Debt service fund notes receivable</i>					
Local assessment districts notes	10,416	-	10,416	-	-
<i>CDBG fund notes receivable</i>					
Community Development Block Grant notes	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	279,551	-	21,243	258,308	22,108
Casper Housing Authority note receivable, 3% interest payable in monthly installments of \$3,000 of principal and interest, collateralized by property, due April 2032	380,966	-	24,906	356,060	25,664
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 October 2023	6,185,143	-	1,396,829	4,788,314	1,432,153
	6,845,660	-	1,442,978	5,402,682	1,479,925
Total notes receivable	\$ 7,295,882	\$ -	\$ 1,513,419	\$ 5,782,463	\$ 1,539,206

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 July 2020 to defer three months of payments which caused an increase in the unamortized discount of \$6,068; received in monthly installments of \$10,200 through November 2029 and a final payment of \$4,150 in March 2030, starting April 2008 based on 266 month amortization	\$ 1,156,500	\$ 662,279	\$ 494,221
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	47,776	-	47,776
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	419,182	-	419,182
Total notes receivable	\$ 1,623,458	\$ 662,279	\$ 961,179

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 6. Capital Assets

Primary Government

Capital asset activity for governmental activities for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Transfers	Balance June 30, 2020
<i>Governmental activities</i>					
Capital assets					
not being depreciated					
Land, artwork, water					
rights and easements	\$ 12,963,938	\$ 66,137	\$ 2,117,740	\$ -	\$ 10,912,335
Construction in progress	11,622,445	8,056,695	1,817,013	(46,725)	17,815,402
Total capital assets					
not being depreciated	24,586,383	8,122,832	3,934,753	(46,725)	28,727,737
Capital assets					
being depreciated					
Buildings	35,874,778	-	-	358,475	36,233,253
Improvements	38,957,229	186,008	-	260,557	39,403,794
Equipment	38,970,187	2,397,078	841,396	(194,859)	40,331,010
Infrastructure	150,336,586	1,873,264	-	103,110	152,312,960
Total capital assets					
being depreciated	264,138,780	4,456,350	841,396	527,283	268,281,017
Less accumulated					
depreciation for					
Buildings	12,269,773	702,405	-	332,792	13,304,970
Improvements	16,991,989	1,633,743	-	26,065	18,651,797
Equipment	32,262,104	1,861,674	776,785	52,226	33,399,219
Infrastructure	43,660,534	4,357,244	-	-	48,017,778
Total accumulated					
depreciation	105,184,400	8,555,066	776,785	411,083	113,373,764
Total capital assets					
being depreciated, net	158,954,380	(4,098,716)	64,611	116,200	154,907,253
Governmental					
activities capital					
assets, net	\$ 183,540,763	\$ 4,024,116	\$ 3,999,364	\$ 69,475	\$ 183,634,990

As of June 30, 2020, the City had \$497,442 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, 2020

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	\$ 1,229,464
Public safety	1,186,558
Public works	4,616,790
Health and social services	450,369
Culture and recreation	1,071,885
	1,071,885
Total depreciation expense - governmental activities	\$ 8,555,066

Capital asset activity for business-type activities for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Transfers	Balance June 30, 2020
<i>Business-type activities</i>					
Capital assets not being depreciated					
Land, artwork, water rights and easements	\$ 8,188,577	\$ 5,145	\$ -	\$ -	\$ 8,193,722
Construction in progress	14,734,329	7,824,711	536,715	(316,561)	21,705,764
Total capital assets not being depreciated	22,922,906	7,829,856	536,715	(316,561)	29,899,486
Capital assets being depreciated					
Buildings	70,305,389	-	-	-	70,305,389
Improvements	218,193,365	764,178	-	60,213	219,017,756
Equipment	31,511,443	2,606,485	680,001	186,873	33,624,800
Intangibles	-	27,121	-	-	27,121
Total capital assets being depreciated	320,010,197	3,397,784	680,001	247,086	322,975,066
Less accumulated depreciation for					
Buildings	34,770,666	1,388,619	-	-	36,159,285
Improvements	96,830,368	6,981,281	-	-	103,811,649
Equipment	23,384,976	1,949,223	600,729	-	24,733,470
Intangibles	-	618	-	-	618
Total accumulated depreciation	154,986,010	10,319,741	600,729	-	164,705,022
Total capital assets being depreciated, net	165,024,187	(6,921,957)	79,272	247,086	158,270,044
Business-type activities capital assets, net	\$ 187,947,093	\$ 907,899	\$ 615,987	\$ (69,475)	\$ 188,169,530

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 6. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Transfers and Deletions	Balance June 30, 2020
<i>Downtown Development Authority</i>				
Capital assets not being depreciated				
Construction in progress	\$ 5,877,726	\$ -	\$ 5,877,726	\$ -
Total capital assets, not being depreciated	<u>5,877,726</u>	<u>-</u>	<u>5,877,726</u>	<u>-</u>
Capital assets being depreciated				
Equipment	119,129	21,277	-	140,406
Buildings and improvements	-	5,877,726	-	5,877,726
Total capital assets being depreciated	<u>119,129</u>	<u>5,899,003</u>	<u>-</u>	<u>6,018,132</u>
Less accumulated depreciation for				
Equipments	16,079	14,369	-	30,448
Buildings and improvements	-	293,886	-	293,886
Total accumulated depreciation	<u>16,079</u>	<u>308,255</u>	<u>-</u>	<u>324,334</u>
Total capital assets being depreciated, net	<u>103,050</u>	<u>5,590,748</u>	<u>-</u>	<u>5,693,798</u>
Total capital assets, net	<u>\$ 5,980,776</u>	<u>\$ 5,590,748</u>	<u>\$ 5,877,726</u>	<u>\$ 5,693,798</u>
<i>Economic Development Joint Powers Board</i>				
Capital assets being depreciated				
Equipment	\$ 124,048	\$ 4,725	\$ 67,627	\$ 61,146
Total capital assets being depreciated	<u>124,048</u>	<u>4,725</u>	<u>67,627</u>	<u>61,146</u>
Less accumulated depreciation for				
Equipment	108,077	6,760	67,627	47,210
Total accumulated depreciation	<u>108,077</u>	<u>6,760</u>	<u>67,627</u>	<u>47,210</u>
Total capital assets, net	<u>\$ 15,971</u>	<u>\$ (2,035)</u>	<u>\$ -</u>	<u>\$ 13,936</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 6. Capital Assets (Continued)

Discretely Presented Component Units (Continued)

	Balance July 1, 2019	Additions	Transfers and Deletions	Balance June 30, 2020
Central Wyoming Regional Water System Joint Powers Board				
Capital assets not being depreciated				
Land	\$ 580,874	\$ -	\$ -	\$ 580,874
Construction in progress	3,259,107	2,585,262	(917,374)	4,926,995
Total capital assets, not being depreciated	3,839,981	2,585,262	(917,374)	5,507,869
Capital assets being depreciated				
Buildings	48,058,417	-	-	48,058,417
Improvements	36,940,119	65,423	917,374	37,922,916
Machinery and equipment	931,373	95,928	-	1,027,301
Total capital assets being depreciated	85,929,909	161,351	917,374	87,008,634
Less accumulated depreciation for				
Buildings	35,985,607	953,391	-	36,938,998
Improvements	9,229,047	923,149	-	10,152,196
Machinery and equipment	592,872	150,163	-	743,035
Total accumulated depreciation	45,807,526	2,026,703	-	47,834,229
Total capital assets being depreciated, net	40,122,383	(1,865,352)	917,374	39,174,405
Total capital assets, net	\$ 43,962,364	\$ 719,910	\$ -	\$ 44,682,274

Note 7. Transactions with Component Units and Related Parties

The City provided \$428,729 in revenues to the Economic Development Joint Powers Board, a component unit of the City, during the fiscal year ended June 30, 2020. There were no receivables or payables with this component unit at June 30, 2020.

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 \$3,235,946 for operating costs and billed the City \$6,912,208 for water sales during the fiscal year ended June 30, 2020. At June 30, 2020, the City owed the CWRWS \$1,145,328 and CWRWS owed the City \$379,330 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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 7. Transactions with Component Units and Related Parties (Continued)

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, 2020.

As of June 30, 2020, the Management Company had receivables from the City of \$1,004,444 for presold tickets. In addition, the Management Company had amounts payable to the City of \$1,411 as of June 30, 2020.

Under the terms of the management contract, the Management Company received a management fee of \$11,720 per month, or \$140,640 during the year ending June 30, 2020. 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, 2020. The Management Company received \$57,479 for the commercial rights for the year ending June 30, 2020. 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 \$23,009 for food and beverage sales for the year ending June 30, 2020.

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, 2020 is \$5,437. 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, 2020

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	\$ 20,502,941	\$ 2,648,283	\$ 23,151,224	\$ -
Other postemployment benefits items	18,413,180	6,154,365	24,567,545	-
Total deferred outflows of resources	<u>\$ 38,916,121</u>	<u>\$ 8,802,648</u>	<u>\$ 47,718,769</u>	<u>\$ -</u>
Deferred Inflows of Resources				
Pension plan items	\$ 27,146,975	\$ 3,550,598	\$ 30,697,573	\$ -
Other postemployment benefits items	2,270,563	758,907	3,029,470	-
Unavailable property tax revenue	4,597,591	-	4,597,591	156,808
Total deferred inflows of resources	<u>\$ 34,015,129</u>	<u>\$ 4,309,505</u>	<u>\$ 38,324,634</u>	<u>\$ 156,808</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				Governmental Activities
	Utilities Fund	Solid Waste Fund	Recreation Fund	Totals	Internal Service Funds
Deferred Outflows of Resources					
Pension plan items	\$ 1,303,945	\$ 848,451	\$ 495,887	\$ 2,648,283	\$ 467,498
Other postemployment benefits items	2,991,850	2,185,464	977,051	6,154,365	952,641
Total deferred outflows of resources	<u>\$ 4,295,795</u>	<u>\$ 3,033,915</u>	<u>\$ 1,472,938</u>	<u>\$ 8,802,648</u>	<u>\$ 1,420,139</u>
Deferred Inflows of Resources					
Pension plan items	\$ 1,737,922	\$ 1,265,952	\$ 546,724	\$ 3,550,598	\$ 518,738
Other postemployment benefits items	368,931	269,494	120,482	758,907	117,472
Total deferred inflows of resources	<u>\$ 2,106,853</u>	<u>\$ 1,535,446</u>	<u>\$ 667,206</u>	<u>\$ 4,309,505</u>	<u>\$ 636,210</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 9. Long-Term Debt

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
<i>Governmental activities</i>					
Accrued compensated absences	\$ 1,723,530	\$ 52,487	\$ -	\$ 1,776,017	\$ 201,609
Note payable	314,000	-	50,000	264,000	50,000
Repayment of sales tax					
due to incorrect distribution	788,591	-	185,551	603,040	185,551
Retainage payable	389,103	495,984	387,065	498,022	498,022
Other post-employment					
benefits payable	4,830,084	16,469,217	4,830,084	16,469,217	-
Net pension liability	101,900,405	-	4,056,722	97,843,683	-
Governmental activities total long-term liabilities	<u>\$ 109,945,713</u>	<u>\$ 17,017,688</u>	<u>\$ 9,509,422</u>	<u>\$ 117,453,979</u>	<u>\$ 935,182</u>
<i>Business-type activities</i>					
Accrued compensated absences	\$ 500,847	\$ 18,271	\$ -	\$ 519,118	\$ 19,335
Notes payable	17,174,582	3,086,901	1,294,886	18,966,597	1,528,659
Retainage payable	470,727	230,102	629,691	71,138	71,138
Other post-employment					
benefits payable	1,517,708	5,504,620	1,517,708	5,504,620	-
Net pension liability	10,632,430	-	2,476,802	8,155,628	-
Landfill closure and					
post closure care	9,589,561	188,807	2,076,749	7,701,619	-
Business-type activities total long-term liabilities	<u>\$ 39,885,855</u>	<u>\$ 9,028,701</u>	<u>\$ 7,995,836</u>	<u>\$ 40,918,720</u>	<u>\$ 1,619,132</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 \$603,040 will be liquidated by the general fund.

For the year ended June 30, 2020, the internal service funds recognized retainage payable in the amount of \$580.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 9. Long-Term Debt (Continued)

Long-Term Debt – Governmental Activities

Long-term debt of the governmental activities of the primary government at June 30, 2020 includes the following note payable:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Redevelopment Loan Fund					
Section 108 HUD Loan - \$634,000 loan payable in annual step-up installments of \$15,000 to \$55,000, interest due semiannually at interest rates from 4.57% to 6.01% and is due August 2024.	\$ 314,000	\$ -	\$ 50,000	\$ 264,000	\$ 50,000
	\$ 314,000	\$ -	\$ 50,000	\$ 264,000	\$ 50,000

The annual requirements to amortize loan principal and interest outstanding at June 30, 2020, are as follows:

Fiscal Year Ending	Principal	Interest
2021	\$ 50,000	\$ 14,172
2022	50,000	11,252
2023	55,000	8,157
2024	55,000	4,887
2025	54,000	1,623
	\$ 264,000	\$ 40,091

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		
	2021	\$ 185,551
	2022	185,551
	2023	185,551
	2024	46,387
		\$ 603,040

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 9. Long-Term Debt (Continued)

Long-Term Debt – Business-type Activities

Long-term debt of the business-type activities of the primary government at June 30, 2020 includes the following notes payable:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Utilities Fund					
Wyoming State Loan and Investment Board Loan - \$2,356,956 loan for the replacement of the City's area wide water main, payable 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 and is due September 2030.	\$ 1,610,602	\$ -	\$ 118,742	\$ 1,491,860	\$ 120,055
Wyoming State Loan and Investment Board Loan - \$125,543 loan for the replacement of the City's area wide water main, payable in annual installments 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 and is due September 2030.	79,289	-	6,608	72,681	6,057
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan 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 and is due October 2022.	359,542	-	87,601	271,941	89,422
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan 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 and is due June 2024.	442,963	-	83,812	359,151	87,242

(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 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. and is due April 2025.	\$ 610,232	\$ -	\$ 81,174	\$ 529,058	\$ 82,994
Wyoming State Loan and Investment Board Loan - \$1,500,000 loan 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 and is due September 2026.	687,414	-	79,082	608,332	81,012
Wyoming State Loan and Investment Board Loan - \$567,005 loan 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 and is due August 2026.	260,459	-	29,949	230,510	30,609
Wyoming State Loan and Investment Board \$1,500,000 loan 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 and is due August 2027.	766,028	-	77,332	688,696	79,003
Wyoming State Loan and Investment Board \$1,150,292 loan 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 and is due October 2027.	585,453	-	59,753	525,700	60,645

(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 payable in annual installments of \$673,545, including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of revenues from the City's wastewater revenues and is due December 2027.	\$ 5,342,088	\$ -	\$ 541,456	\$ 4,800,632	\$ 553,529
Wyoming State Loan and Investment Board \$500,000 loan 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 and is due April 2034.	202,619	-	13,737	188,882	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.	1,422,507	1,445,778	-	2,868,285	-
Total Utilities Fund	12,369,196	1,445,778	1,179,246	12,635,728	1,204,305

(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 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 and is due April 2028.	\$ 1,112,302	\$ -	\$ 115,640	\$ 996,662	\$ 115,535
Wyoming State Loan and Investment Board \$6,126,000 loan payable in annual installments of \$392,965 including principal and interest at 2.5%. The loan is collateralized by a pledge and assignment of Solid Waste Division disposal fees and is due April 2040.	3,693,084	1,641,123	-	5,334,207	208,819
Total Solid Waste Fund	4,805,386	1,641,123	115,640	6,330,869	324,354
	<u>\$ 17,174,582</u>	<u>\$ 3,086,901</u>	<u>\$ 1,294,886</u>	<u>\$ 18,966,597</u>	<u>\$ 1,528,659</u>

The annual requirements to amortize loans principal and interest outstanding at June 30, 2020, are as follows:

Fiscal Year Ending	Principal	Interest
2021	\$ 1,528,659	\$ 395,919
2022	1,678,402	428,860
2023	1,716,806	387,368
2024	1,663,004	344,916
2025	1,611,012	303,808
2026-2030	5,811,402	954,001
2031-2035	2,352,721	485,691
2036-2040	2,424,729	199,552
2041-2045	179,862	2,819
	<u>\$ 18,966,597</u>	<u>\$ 3,502,934</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, 2020 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	\$ 12,635,730	2040	\$ 14,515,103	\$ 1,489,543	5%	\$ 29,152,855
Solid Waste Fund	6,330,867	2040	7,954,428	252,315	2%	14,696,514

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, 2020, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
New construction note	\$ 4,022,434	\$ -	\$ 335,033	\$ 3,687,401
Rehabilitation note	1,284,662	-	107,001	1,177,661
City of Casper note	6,185,142	-	1,396,829	4,788,313
WTP emergency power project loan	2,283,841	-	96,210	2,187,631
Zone IIB water improvement project	410,808	-	22,812	387,996
Backwash water supply	1,583,829	-	66,722	1,517,107
WTP SCADA improvement project	562	1,258,211	-	1,258,773
	<u>\$ 15,771,278</u>	<u>\$ 1,258,211</u>	<u>\$ 2,024,607</u>	<u>\$ 15,004,882</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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, 2020 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.	\$ 3,687,401
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.	4,788,313
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.	2,187,631
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.	387,996
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.	1,177,661
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.	1,517,107
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.	1,258,773
Total notes payable	15,004,882
Less current maturities	2,082,197
Long-term portion of notes payable	<u>\$ 12,922,685</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, 2020 are as follows:

Fiscal year ending June 30:	Principal	Interest
2021	\$ 2,082,197	\$ 398,676
2022	2,141,501	339,372
2023	2,202,573	278,300
2024	1,104,179	225,050
2025	747,632	197,717
2026-2030	3,504,558	567,935
2031-2035	1,245,024	179,503
2036-2038	718,445	35,203
Undetermined	1,258,773	-
	<u>\$ 15,004,882</u>	<u>\$ 2,221,756</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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	\$ 91,426	\$ -	\$ -	\$ 91,426
Prepaid items	-	-	123,982	123,982
Noncurrent notes receivable	3,922,757	106,500	214,000	4,243,257
Restricted for				
Community development projects	-	-	30,192	30,192
Redevelopment loans	-	-	157,273	157,273
Committed to				
Operating reserves	15,096,897	-	-	15,096,897
Perpetual care of one cent projects	32,285,910	-	-	32,285,910
Planned capital projects	-	33,583,707	-	33,583,707
Opportunity projects	8,362,911	-	-	8,362,911
Metropolitan animal control	373,370	-	-	373,370
Revolving land	1,137,321	-	-	1,137,321
Weed and pest activities	-	-	609,990	609,990
Metropolitan planning organization	-	-	36,891	36,891
Public safety communication	-	-	342,443	342,443
Local assessment district	-	-	2,516,090	2,516,090
Unassigned	11,538,381	-	(253,806)	11,284,575
Totals	<u>\$ 72,808,973</u>	<u>\$ 33,690,207</u>	<u>\$ 3,777,055</u>	<u>\$ 110,276,235</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 10. Fund Equity (Continued)

Lapsing Appropriations

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The table below summarizes the encumbrances by major fund as of June 30, 2020.

	Encumbrances
<i>Major funds</i>	
General fund	\$ 487,962
Capital projects fund	14,258,794
Utilities fund	8,668,200
Solid waste fund	3,030,974
Recreation fund	11,843
<i>Aggregate nonmajor funds</i>	396,379
	\$ 26,854,152

Deficit Fund Balances

The following non-major funds had deficit balances at June 30, 2020:

General Internal Services Fund	\$ (677,383)
Transportation Services Fund	(228,904)
Special Fire Assistance Fund	(7,041)
Police Grants Fund	(17,861)

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 Postclosure and Monitoring Costs

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, 2020

Note 11. Landfill Postclosure and Monitoring Costs (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 \$7,701,619 reported as landfill closure and post-closure care liability at June 30, 2020, 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 \$10.2 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 2020. 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 recovery of previously recorded expenses for landfill closure and post-closure requirements reflected in the Solid Waste Fund was \$1,887,149.

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, 2020 was \$2,654,353. This credit has not been recorded in the City's accounts.

It is anticipated that future inflation costs will be financed in part from earnings on cash and grant awards. The remaining portion of anticipated future inflation costs and additional costs that may arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users.

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, 2020, 2019, or 2018.

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 12. Risk Management (Continued)

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 2020 were \$735,653.

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 2020 and 2019 were as follows for the City's participation in the Unemployment Compensation Act Program:

	2020	2019
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	51,442	9,145
Claim payments	(51,442)	(9,145)
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 \$296,277 for stop loss insurance premiums for the year ended June 30, 2020.

The third-party administrator makes year-end estimates of liabilities incurred but not reported (IBNR), based upon historical trend analysis. At June 30, 2020, 2019 and 2018, the aggregate claims liability, including IBNR, was \$47,178, \$624,796, and \$1,200,359, respectively. As of January 1, 2020 the City switched to the State of Wyoming Plan, therefore the 2019 balance is the final payout amount due for claims in the prior plan. Changes in the Employee Health Insurance Fund's aggregate claims liability amount, from fiscal years 2020 and 2019, and 2018 were:

	Beginning of Fiscal Year Liability	Changes in Estimates	Claim Payments	At Fiscal Year-End
FY 2020	\$ 624,796	\$ 1,917,666	(2,495,284)	\$ 47,178
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

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.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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>.

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

Public Employees' Pension Plan

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

PEPP members are required to contribute 8.75% of their annual covered salary and the City is required to contribute 8.87% 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 for regular employees to the PEPP for the years ended June 30, 2020, 2019 and 2018 were \$1,567,590, \$1,603,280, and \$1,548,950, while the employees' portion was \$1,546,078, \$1,401,049, and \$1,375,536, respectively, equal to the required contributions for each year. As of July 1, 2020, the employer contribution rate will increase by 0.25% from 8.87% to 9.12% and the employee contribution rate will increase by 0.25% from 8.75% to 9.00%.

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, 2020

Note 14. Pension Plans (Continued)

Law Enforcement Pension Plan

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

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

The LEPP is funded by amounts withheld from participating employees’ salaries and by contributions from the City. These contributions are determined by state statutes and as of June 30, 2020, 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, 2020, 2019, and 2018, total contributions for the LEPP were \$1,388,655, \$1,331,197, and \$1,222,515, respectively, equal to the required contributions for each year. The City’s portion of these contributions was \$694,328, \$676,073, and \$611,257, respectively while the employees’ contributions were \$694,328, \$655,124, and \$611,257, respectively 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 who elected to participate and Plan B relates to members hired after July 1, 1981.

Plan A statutorily required participants to contribute 8% of their salary to a maximum not to exceed the salary of a Firemen First Class. Employers were required to contribute 21% of their salary. Effective April 1, 1997, required contributions were suspended as the Plan 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, 2020

Note 14. Pension Plans (Continued)

Paid Firemen's Pension Plans (Continued)

Plan B provides retirement, disability and death benefits according to predetermined formulas. The State Legislature grants any cost of living adjustment provided to retirees. 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 9.745% of their gross monthly salary and the City contributes 13% 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, 2020, 2019, and 2018, total contributions for Plan B were \$1,271,233, \$1,289,033, and \$1,193,256, respectively, equal to the required contributions for each year. The City's portions of these contributions were \$722,496, \$739,356, and \$673,998, while the employees' portion was \$548,736, \$549,677, and \$519,259, respectively, equal to the required contributions for each year. As of July 1, 2020, the employer contribution rate will increase by 1% from 13% to 14% and the employee contribution rate will increase by 0.5% from 9.745% to 10.245%.

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

At June 30, 2020, the City reported a total liability of \$105,999,311 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2019, applied to all prior periods included in the measurement. 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, 2019 is based on the results of an actuarial valuation as of January 1, 2019, rolled forward to a measurement date of December 31, 2019, and taking into consideration information from the recent experience study.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, 2020, the proportionate portion at the measurement date of December 31, 2019, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2020	Proportion at December 31, 2019	Increase (decrease) from December 31, 2018
Primary Government			
Public Employees' Pension Plan	\$ 23,676,971	1.007562278%	0.018451985%
Wyoming Law Enforcement Retirement Plan	4,318,057	5.009421539%	0.293167649%
Paid Firemen's Retirement Plan A	76,552,381	29.378208065%	0.078371176%
Paid Firemen's Retirement Plan B	1,451,902	20.427865250%	-0.942112072%
	<u>\$ 105,999,311</u>		

For the year ended June 30, 2020, the City recognized pension expense of \$18,921,730.

At June 30, 2020, the City reported deferred outflows 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	\$ 4,576,669	\$ 1,893,581	\$ 2,019,601	\$ 2,006,904	\$ 10,496,755
Difference between actual and expected experience rate	-	768,230	-	83,771	852,001
Changes in assumptions	849,744	3,390,810	-	3,889,975	8,130,529
Change in employer's proportion	346,398	252,814	-	110,459	709,671
Amortizing deferred outflows	5,772,811	6,305,435	2,019,601	6,091,109	20,188,956
Contributions subsequent to the measurement date	1,581,121	725,602	-	655,545	2,962,268
Total deferred outflows	<u>\$ 7,353,932</u>	<u>\$ 7,031,037</u>	<u>\$ 2,019,601</u>	<u>\$ 6,746,654</u>	<u>\$ 23,151,224</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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, 2020, the City reported 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	\$ (8,222,405)	\$ (3,512,976)	\$ (3,400,420)	\$ (3,394,347)	\$ (18,530,148)
Difference between actual and expected experience rate	(465,273)	(340,455)	-	(1,300,683)	(2,106,411)
Changes in assumptions	-	(4,311,179)	-	(4,800,394)	(9,111,573)
Change in employer's proportion	(738,569)	(16,986)	-	(193,886)	(949,441)
Amortizing deferred inflows	<u>\$ (9,426,247)</u>	<u>\$ (8,181,596)</u>	<u>\$ (3,400,420)</u>	<u>\$ (9,689,310)</u>	<u>\$ (30,697,573)</u>

The City reported \$23,151,224 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows related to pension will be recognized in pension expense as follows:

Year ended June 30,	Primary Government	
	Deferred Outflows (Inflows)	
2021	\$ 7,240,654	\$ (9,139,574)
2022	6,349,688	(8,666,549)
2023	5,390,364	(6,081,392)
2024	792,682	(5,237,155)
2025	399,094	(1,127,015)
Thereafter	16,474	(445,888)
	<u>\$ 20,188,956</u>	<u>\$ (30,697,573)</u>

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 14. Pension Plans (Continued)

Actuarial Assumptions

The total pension liability at the December 31, 2019 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Public Employee Pension Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	5 year smoothed market
Inflation	2.25%
Salary increases	2.5% to 6.5%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	7.00%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2012 - 2016.
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 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, 2020

Note 14. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Wyoming Law Enforcement Retirement Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Asset Valuation Method	5 year smoothed market
Inflation	2.25%
Salary increases	4.75% to 8.75%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	7.00%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2012 - 2016.
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected 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 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, 2020

Note 14. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Paid Fire A Pension Plan

	Actuarial Assumptions and Methods
Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	10 years
Asset Valuation Method	5 year smoothed market
Inflation	2.25%
Salary increases	4.50% including inflation
Cost of living increase	3.00%
Investment rate of return	7.00%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2012 - 2016.
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale 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 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, 2020

Note 14. Pension Plans (Continued)

Actuarial Assumptions (Continued)

Paid Fire B Pension Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	5 year smoothed market
Inflation	2.25%
Salary increases	4.50% to 7.50%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	7.00%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2012 - 2016.
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, 2020

Note 14. Pension Plans (Continued)

Actuarial Assumptions (Continued)

The plan’s trustees adopted the assumed rate of investment return 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, 2019. In addition, a five year 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% (real return net of inflation of 4.75%) falls within a reasonable range of the long-term expected rate of return.

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 2019. 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	2.00%	-0.20%	-0.20%
Fixed income	21.00%	1.32%	1.67%
Equity	48.50%	5.43%	7.42%
Marketable alternatives	19.00%	3.46%	4.33%
Private markets	9.50%	4.46%	5.58%
Total	<u>100.00%</u>	<u>3.99%</u>	<u>5.30%</u>

Discount Rate

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 7.00%. 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 Fireman’s Retirement Fund Plan B, the discount rate was changed from 5.65% in the prior valuation to 7.00% for the current valuation. For the Paid Firemen’s Retirement Fund Plan A, the discount rate was changed from 3.75% in the prior valuation to 3.09% for the current valuation.

For purposes of this valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 2.75% (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, 2020

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	\$ 35,771,909	\$ 23,676,971	\$ 13,582,633
Paid Firemen's Retirement Plan B	6,426,596	1,451,902	(2,673,832)
Wyoming Law Enforcement Retirement Plan	9,626,415	4,318,057	(21,427)
	2.09%	3.09%	4.09%
Paid Firemen's Retirement Plan A	\$ 92,771,591	\$ 76,552,381	\$ 63,550,446

Payables to the pension plan – At June 30, 2020, the City reported the following payables to the pension plans:

PEPP	\$ 246,233
Law enforcement	116,150
Fire B	89,481
	\$ 451,864

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 15. Postemployment Benefits other than Pensions (OPEB)

Plan Description

The City participates in a multi-employer defined benefit postemployment healthcare plan, the State of Wyoming Group Insurance Retiree Health Insurance Plan (Plan), authorized by Wyoming Statute 9-3-202. The State of Wyoming Legislature has the authority to establish and amend the benefit terms of the Plan. This plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming's Employee Group Insurance (EGI) at (307)-777-6835.

Any employee of a participating agency is eligible for retiree coverage under the group insurance plan at premium rates established by EGI, provided that:

1. The employee has coverage in effect under the Plan for at least one year just prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the Wyoming Retirement System; and either:
 - a. Has attained age 50 with at least 4 years of service credit as an employee of one of the employing entities participating in the Plan.
 - b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Benefits Provided

The Plan provides medical and prescription drug benefits for retirees and their dependents through payment of insurance premiums for life. Surviving spouses are allowed to continue coverage after the retiree's death provided they were covered at the time of death.

Funding Policy

EGI finances this program on a "pay-as-you-go" basis and there are no assets held in trust for prefunding the obligations of the Plan. The State of Wyoming Legislature has the authority for establishing and amending the funding policy. For fiscal year 2020 the City's post-retirement plan is considered an unfunded plan. While the Legislature has established a fund to account for retiree health insurance contributions, to pay explicit subsidies, for purposes of this latest actuarial evaluation the plan is considered unfunded and these dollars are not treated as an asset for this analysis.

Total OPEB Liability

The City's total OPEB liability of \$21,973,837 as of June 30, 2020 was measured as of July 1, 2019 and was determined by actuarial valuations as of that date. The City's proportion of the collective total OPEB liability was based on a projection of the City's expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2020 the City's estimated proportion was 2.32%.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 15. Postemployment Benefits other than Pensions (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 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 Methods	
Measurement Date	July 1, 2019 (based on July 1, 2019 census data)
Inflation	2.25%
Salary increases	2.5% - 6.5%
Discount rate	Based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index: - Measurement Date 6/30/2019: 3.51% - Measurement Date 6/30/2018: 3.87%
Healthcare cost trend rates	7.20% for pre-Medicare medical and 7.60% for post-65 medical; both decreasing 0.20% - 0.40% per year until reaching the Ultimate trend rate of 4.50%
Mortality	RP-2014 Generational Mortality Tab projected using Scale MP-2017 applied on a gender-specific basis
Participation rate	65% will elect coverage and 30% will cover a spouse
Spouse age differential	Males are assumed to be 3 years older than females
Cost method	Entry Age Normal
Benefits excluded	Benefits related to retiree dental and life insurance have been excluded from this valuation

The health care trend rate assumption was based on a national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on provisions of the benefits offered by EGI.

Significant assumptions are based on an experience study that covered a five-year period ending December 30, 2016. Significant assumptions varied within the various retirement Plans within the Wyoming Retirement Systems.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 15. Postemployment Benefits other than Pensions (OPEB) (Continued)

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 (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

	1% Decrease 2.51%	Current 3.51%	1% Increase 4.51%
Total OPEB Liability	\$ 18,292,407	\$ 21,973,837	\$ 26,751,109

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost 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 is 1-percentage-point lower (6.2% decreasing to 3.5%) or 1-percentage-point higher (8.2% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.2% decreasing to 3.5% over 10 years)	Healthcare Cost Trend Rate (7.2% decreasing to 4.5% over 10 years)	1% Increase (8.2% decreasing to 5.5% over 10 years)
Total OPEB Liability	\$ 18,445,938	\$ 21,973,837	\$ 26,724,345

OPEB Expense and Deferred Inflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recaptured prior OPEB expenses of (\$10,334,785). This was the effect of changes to prior OPEB deferred inflows and outflows, as well as liabilities. At June 30, 2020, 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	\$ -	\$ (3,029,470)
Changes in assumptions	170,055	-
Change in proportionate share of expected payments	19,452,902	-
Amortizing deferred outflows and deferred inflows	19,622,957	(3,029,470)
City's contributions subsequent to the measurement date	4,944,588	-
	\$ 24,567,545	\$ (3,029,470)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 15. Postemployment Benefits other than Pensions (OPEB) (Continued)

OPEB Expense and Deferred Inflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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,		
2021	\$ 2,422,587	\$ (374,009)
2022	2,422,587	(374,009)
2023	2,422,587	(374,009)
2024	2,422,587	(374,009)
2025	2,422,587	(374,009)
Thereafter	7,510,022	(1,159,425)
	\$ 19,622,957	\$ (3,029,470)

Note 16. Prior Period Adjustments

During the fiscal year ended June 30, 2020, 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 business-type activities and enterprise funds as originally stated and restated:

	Adjustment
<i>Business-type activities</i>	
Capital asset transfer	\$ 52,528
Total prior period adjustment	52,528
Net position - beginning of year, as previously stated	188,126,909
Net position - beginning of year, as restated	\$ 188,179,437
<i>Enterprise and internal service funds</i>	
Golf fund	
Capital asset transfer	\$ 52,528
Total prior period adjustment	52,528
Net position - beginning of year, as previously stated	39,176,007
Net position - beginning of year, as restated	\$ 39,228,535

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 17. Construction Commitments

At June 30, 2020, 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, 2020:

Project	Contract Amount	Completed	Outstanding
Midwest Avenue - Elm to Walnut	\$ 3,473,253	\$ 6,056	\$ 3,467,197
North Platte First Street Reach	2,976,104	1,553,574	1,422,530
Casper Ice Arena Chiller Replacement	2,573,314	1,228,070	1,345,245
CY Booster Station	2,265,595	961,961	1,303,634
WWTP Secondary Treatment	2,243,742	-	2,243,742
Midwest Reconstruction - Elm to David	1,863,006	1,754,387	108,619
K Street Phase 2A	1,783,304	414,053	1,369,251
WWTP Emergency Generator	1,770,102	1,391,668	378,435
Poplar & 1st St Intersection	1,676,895	26,265	1,650,630
North Beverly Improvements	1,001,867	558,933	442,933
East 21st Street	853,416	272,092	581,325
2.6M Gallon Tank Re-Coating	715,584	244,338	471,246
2.6M Gallon Tank Roof Replacement	679,000	-	679,000
2020 Roof Replacements	599,310	-	599,310
New HVAC units at Aquatics and Rec Centers	588,748	-	588,748
Wardwell Tank Repairs	512,822	430,583	82,239
2020 Lighting Replacements	404,450	314,750	89,700
Ridgecrest Zone 2-3 Waterline	397,300	75,235	322,065
North Platte Water Line	380,789	343,987	36,802
New fencing at Solid Waste	324,190	-	324,190
CEC Fire Alarm Replacement	308,690	21,400	287,290
Hogadon Parking Lot	306,643	-	306,643
2020 Platte River Trails Replacements	304,900	-	304,900
Architectural design for City Hall Renovations	297,060	-	297,060
Wilson Street Sewer Replacement	231,687	209,285	22,402
N Park Tank Exterior Painting	220,000	110,000	110,000
WWTP 2ndary Treatment Rehab 19-007	213,711	154,631	59,080
Life Steps Parking Lot Improvements	212,930	-	212,930
Robertson Rd Reconstruction	173,271	-	173,271

(Continued)

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

Note 17. Construction Commitments (Continued)

Project	Contract Amount	Completed	Outstanding
Architect for Public Safety Building	\$ 165,930	\$ 113,349	\$ 52,581
CIA Chiller Replacement	165,500	59,998	105,502
Paradise Valley to Robertson Road Trail	150,320	45,495	104,825
MRF/Baler Design	137,932	54,523	83,409
Center Street Railing Replacement	126,950	109,800	17,150
Reroofing 2.6M Gallon Tank	114,500	65,605	48,895
Mike Lansing - Poplar Storm Sewer	114,378	70,150	44,228
WTP Emergency Power Project	114,089	-	114,089
Liner for PV & MK Pools	112,338	56,902	55,436
Center and 2nd Street Inlaid Pavement Markings	109,970	-	109,970
CRL Sewer Improvements	107,645	94,984	12,661
Highland Park Cemetery Ph 2	103,794	35,736	68,058
	<u>\$ 30,875,027</u>	<u>\$ 10,777,808</u>	<u>\$ 20,097,219</u>

Note 18. Risk and Uncertainty

During 2020, the world-wide coronavirus pandemic impacted national and global economies. The City is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the City is not known.

Note 19. 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 this Statement are now effective for reporting periods beginning after December 15, 2019. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postpones the effective dates for GASB Statement No. 84 for one year from the original effective date to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

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. The requirements of this Statement are now effective for reporting periods beginning after June 15, 2021. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postpones the effective date for GASB Statement No. 87 for one year from the original effective date to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

CITY OF CASPER, WYOMING

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

Note 19. Accounting Standards Issued, But Not Implemented (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for subscription-based information technology arrangements. The requirements of the Statement are effective for reporting periods beginning after June 15, 2021.

Management has not completed its assessment of the effects of implementing these standards.

Note 20. Subsequent Events

The City has applied for funding made available under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) administered through the State of Wyoming State Loan and Investment Board. Reimbursements totaling \$13,012,696 have been received between July 1, 2020, and the date of this report.

After June 30, 2020, the City purchased a material piece of equipment for \$592,216.

After June 30, 2020, the City entered into several construction contracts subsequent to year end. The most material contracts are as follows:

Construction Projects	Amount
North Platte Sanitary Sewer Rehab 20-015	\$ 1,267,687
Ridgecrest Zone 2-3	1,963,786
Goodstein Parking Lot Improvements	1,004,954
	<u>\$ 4,236,427</u>

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, 2020
(Unaudited)**

	Budgeted Amount		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 4,160,683	\$ 4,160,683	\$ 4,305,974	\$ 145,291
Franchise taxes	4,810,644	4,810,644	4,590,901	(219,743)
Automobile taxes	1,531,088	1,531,088	1,570,933	39,845
Sales taxes	18,672,852	18,672,852	19,006,787	333,935
Gasoline taxes	1,752,803	1,752,803	1,852,309	99,506
Cigarette taxes	291,567	291,567	267,562	(24,005)
Mineral taxes	8,281,507	8,281,507	8,264,084	(17,423)
Total taxes	39,501,144	39,501,144	39,858,550	357,406
Licenses and permits	1,434,354	1,434,354	1,413,123	(21,231)
Intergovernmental	4,180,595	4,300,595	4,972,400	671,805
Fines	1,129,117	1,129,117	754,178	(374,939)
Charges for services	1,504,252	1,504,252	1,091,760	(412,492)
Miscellaneous revenues	2,241,717	2,241,717	1,595,257	(646,460)
Investment earnings	921,704	921,704	4,335,144	3,413,440
Total other revenues	11,411,739	11,531,739	14,161,862	2,630,123
Total revenues	50,912,883	51,032,883	54,020,412	2,987,529
General government	9,243,116	10,417,812	9,060,365	1,357,447
Public safety	26,858,608	28,429,115	27,649,453	779,662
Public works	4,684,180	4,918,343	4,914,830	3,513
Health and social services	1,139,094	1,142,215	1,280,019	(137,804)
Culture and recreation	2,909,416	2,977,430	2,893,470	83,960
Total expenditures	44,834,414	47,884,915	45,798,137	2,086,778
Excess (deficiency) of revenues over expenditures	6,078,469	3,147,968	8,222,275	5,074,307
Other financing sources (uses)				
Transfers in	570,000	1,107,005	1,107,005	-
Transfers out	(5,269,940)	(5,222,748)	(5,817,368)	(594,620)
Total other financing sources (uses)	(4,699,940)	(4,115,743)	(4,710,363)	(594,620)
Net change in fund balance	\$ 1,378,529	\$ (967,775)	3,511,912	\$ 4,479,687
Fund balance - beginning of year			61,966,102	
Fund balance - end of year			<u>\$ 65,478,014</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)

	2020	2019	2018
Primary Government			
Public Employees Pension Plan			
Proportion of the net pension liability (asset)	1.007562278%	0.989110293%	1.025967355%
Proportionate share of the net pension liability (asset)	\$ 23,676,971	\$ 30,121,286	\$ 23,385,290
Covered payroll	\$ 17,513,576	\$ 17,223,918	\$ 18,225,054
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	135.19%	174.88%	128.31%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	69.17%	76.35%
Wyoming Law Enforcement Retirement Plan			
Proportion of the net pension liability (asset)	5.009421539%	4.716253890%	4.745295931%
Proportionate share of the net pension liability (asset)	\$ 4,318,057	\$ 11,416,742	\$ 4,083,063
Covered payroll	\$ 7,807,257	\$ 7,163,928	\$ 7,286,263
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	55.31%	159.36%	56.04%
Plan fiduciary net position as a percentage of the total pension liability	89.05%	71.22%	87.99%
Paid Firemen's Pension Plan A			
Proportion of the net pension liability (asset)	29.378208065%	29.299836889%	28.890521358%
Proportionate share of the net pension liability (asset)	\$ 76,552,381	\$ 66,510,699	\$ 64,636,435
Covered payroll	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	397,094.13%	169,207.64%	102,602.87%
Plan fiduciary net position as a percentage of the total pension liability	27.32%	29.99%	34.28%
Paid Firemen's Pension Plan B			
Proportion of the net pension liability (asset)	20.427865250%	21.369977323%	20.947857347%
Proportionate share of the net pension liability (asset)	\$ 1,451,902	\$ 4,484,108	\$ 8,637,811
Covered payroll	\$ 5,725,600	\$ 5,729,523	\$ 5,909,325
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.36%	78.26%	146.17%
Plan fiduciary net position as a percentage of the total pension liability	95.93%	87.07%	77.98%

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

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

See accompanying notes to required supplementary information.

2017	2016	2015	2014	2013	2012	2011
1.0818543000%	1.1239812490%	1.149125718%	*	*	*	*
\$ 26,153,830	\$ 26,181,433	\$ 20,278,532	*	*	*	*
\$ 19,288,437	\$ 19,603,063	\$ 19,643,298	*	*	*	*
135.59%	133.56%	103.23%	*	*	*	*
73.42%	73.40%	79.08%	*	*	*	*
4.792676900%	4.695990211%	4.873140330%	*	*	*	*
\$ 3,618,084	\$ 3,527,625	\$ 1,435,806	*	*	*	*
\$ 7,418,067	\$ 7,062,757	\$ 7,202,055	*	*	*	*
48.77%	49.95%	19.94%	*	*	*	*
88.11%	87.49%	94.76%	*	*	*	*
29.476750700%	29.082090280%	29.588242406%	*	*	*	*
\$ 54,081,810	\$ 53,934,024	\$ 48,698,590	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
93,982.30%	103,325.47%	82,955.64%	*	*	*	*
38.91%	40.05%	45.95%	*	*	*	*
21.236544081%	21.236544081%	22.436921582%	*	*	*	*
\$ 6,702,535	\$ 6,492,989	\$ (252,329)	*	*	*	*
\$ 5,604,426	\$ 5,518,622	\$ 5,508,838	*	*	*	*
119.59%	117.66%	-4.58%	*	*	*	*
80.16%	79.33%	100.98%	*	*	*	*

CITY OF CASPER, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years
(Unaudited)

	2020	2019	2018	2017
Primary Government				
Public Employees Pension Plan				
Contractually required contribution	\$ 3,113,668	\$ 3,004,329	\$ 2,924,486	\$ 3,064,533
Contributions in relation to the contractually required contribution	(3,113,668)	(3,004,329)	(2,924,486)	(3,064,533)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 17,671,215	\$ 17,548,651	\$ 17,596,185	\$ 18,438,827
Contributions as a percentage of covered payroll	17.62%	17.12%	16.62%	16.62%
Wyoming Law Enforcement Retirement Plan				
Contractually required contribution	\$ 1,388,655	\$ 1,331,197	\$ 1,222,515	\$ 1,293,408
Contributions in relation to the contractually required contribution	(1,388,655)	(1,331,197)	(1,222,515)	(1,293,408)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,073,576	\$ 7,739,517	\$ 7,107,645	\$ 7,519,814
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)	\$ -	\$ -	\$ -	\$ -
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	\$ 1,271,233	\$ 1,289,033	\$ 1,193,256	\$ 1,155,557
Contributions in relation to the contractually required contribution	(1,271,233)	(1,289,033)	(1,193,256)	(1,155,557)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,589,066	\$ 6,067,465	\$ 5,616,644	\$ 5,439,195
Contributions as a percentage of covered payroll	22.745%	21.245%	21.245%	21.245%

* 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.

2016	2015	2014	2013	2012	2011
\$ 3,500,576	\$ 3,077,511	*	*	*	*
\$ (3,500,576)	\$ (3,077,511)	*	*	*	*
\$ -	\$ -	*	*	*	*
\$ 21,062,431	\$ 19,392,004	*	*	*	*
16.62%	15.87%	*	*	*	*
\$ 1,293,317	\$ 1,250,738	*	*	*	*
(1,293,317)	(1,250,738)	*	*	*	*
\$ -	\$ -	*	*	*	*
\$ 7,519,285	\$ 7,271,733	*	*	*	*
17.20%	17.20%	*	*	*	*
\$ -	\$ -	*	*	*	*
-	-	*	*	*	*
\$ -	\$ -	*	*	*	*
\$ -	\$ -	*	*	*	*
0.00%	0.00%	*	*	*	*
\$ 1,267,976	\$ 1,230,482	*	*	*	*
(1,267,976)	(1,230,482)	*	*	*	*
\$ -	\$ -	*	*	*	*
\$ 5,968,350	\$ 5,791,866	*	*	*	*
21.245%	21.245%	*	*	*	*

CITY OF CASPER

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Last 10 fiscal years *
(Unaudited)

	2020	2019	2018	2017
Wyoming Employee Group Insurance Plan				
City's proportion of the net OPEB liability	2.322800%	*	*	*
City's proportionate share of the net OPEB liability (asset)	\$ 21,973,837	*	*	*
City's covered payroll	18,573,621	*	*	*
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	118.31%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	*	*	*

* Information for years prior to 2020 is not available; the schedule will be completed as information becomes available.

See accompanying notes to required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

CITY OF CASPER, WYOMING

SCHEDULE OF CITY CONTRIBUTIONS

Last 10 fiscal years *
(Unaudited)

	2020	2019	2018	2017
Wyoming Employee Group Insurance Plan				
Contractually required contribution	\$ 4,944,588	*	*	*
Contributions in relation to the contractually required contribution	(4,944,588)	*	*	*
Contribution deficiency (excess)	\$ -	*	*	*
City's covered payroll	\$ 18,871,129	*	*	*
Contributions as a percentage of covered payroll	26.20%	*	*	*

* Information for years prior to 2020 is not available; the schedule will be completed as information becomes available.

See accompanying notes to required supplementary information.

2016	2015	2014	2013	2012	2011	2010
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

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CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

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	\$ 54,020,412
--	---------------

Difference - Budgetary Basis to GAAP

Accrual of accounts receivable	148,017
Accrual of taxes receivable	100,995
Accrual of grants receivable	(234,589)
Record gain/loss on sale of assets	498,228
Record unrealized gain/loss on investments	(2,004,262)
Transfers out	<u>2,247</u>

Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 52,531,048</u></u>
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Expenditures

Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	\$ 45,798,137
--	---------------

Difference - Budgetary Basis to GAAP

Accrual of accounts payable	420,098
Accrual of wages payable	389,234
Accrual of bad debt	147,363
Reclassification of prepaids	(123,982)
Adjust sales tax liability	<u>185,551</u>

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 46,816,401</u></u>
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CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2020

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, 2020

Note 1. Basis of Budgeting (Continued)

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2020, the following funds/departments/cost centers of the City had expenditures in excess of budget appropriations.

	Expenditures	Budget	Excess Expenditures
Health and Social Services	\$ 1,280,019	\$ 1,142,215	\$ 137,804
Transportation Services Fund	2,288,719	2,186,812	101,907
Redevelopment Loan Fund	67,065	67,000	65
Fleet and Maintenance Fund	4,681,154	2,710,784	1,970,370
Buildings and Ground Fund	1,022,302	979,870	42,432
Aquatics Fund	1,268,843	1,175,064	93,779
Golf Course Fund	905,149	876,048	29,101
Ice Arena Fund	710,363	643,199	67,164
Casper Events Center Fund	2,080,932	1,109,535	971,397
Casper Recreation Center Fund	1,633,128	1,438,882	194,246
Parking Lot Fund	106,521	65,223	41,298
	<u>\$ 16,044,195</u>	<u>\$ 12,394,632</u>	<u>\$ 3,649,563</u>

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Note 1. Basis of Budgeting (Continued)

Budget Amendments

During the 2020 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	
General Government	\$ 458,810
Public Safety	1,335,569
Public Works	234,163
Culture and Recreation	68,014
Health and Social Services	3,121
Transfers Out	(47,192)
Opportunity Fund	317,428
Perpetual Care Fund	1,907,505
Metro Animal Control Fund	234,938
Revolving Land Fund	1,086,137
	5,598,493

Special Revenue Funds

Weed and Pest	55,000
Community Development Block Grant	76,139
Police Grants	200,674
Transportation Services	156,846
Metropolitan Planning Organization	716,731
Public Safety Communication	614,456
	1,819,846

Capital Projects Fund

Capital Projects	24,536,998
	24,536,998

(Continued)

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Note 1. Basis of Budgeting (Continued)

Budget Amendments (Continued)

<i>Solid Waste Fund</i>	
Refuse Collection	\$ 2,194,068
Balefill	3,573,666
	5,767,734
<i>Internal Service Fund</i>	
Fleet and Maintenance	250,000
Buildings and Ground	14,810
Health Insurance	854,560
Property and Liability Insurance	250,000
	1,369,370
<i>Debt Service Fund</i>	
Local Assessment District	1,742,306
	1,742,306
<i>Utilities Fund</i>	
Water Fund	9,409,236
Sewer Fund	749,588
Wastewater Fund	4,461,313
Water Treatment	13,392
	14,633,529
<i>Recreation Fund</i>	
Golf Course	125,000
Hogadon	(67,005)
Casper Recreation Center	20,814
	78,809
<i>Other non-major enterprise funds</i>	
Parking Lot Fund	29,805
	29,805
	\$ 55,576,890

Note 2. Explanation of Changes to Pension Plans

Changes of assumptions – There were no changes in assumptions between the December 31, 2018 measurement date and the December 31, 2019 measurement date for the Public Employee Pension Plan, Law Enforcement Pension Plan, Paid Firemen’s Pension Plan A, or the Paid Firemen’s Pension Plan B.

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

CITY OF CASPER, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Note 3. Explanation of Changes to OPEB Plan

Changes of assumptions – In the June 30, 2019 actuarial valuation, there was a change in the discount rate from 3.87% as of the June 30, 2018 measurement date to 3.51% as of the June 30, 2019 measurement date for the Wyoming Employee Group Insurance Plan.

Changes of benefit terms – There has been no changes in benefit provisions in the Wyoming Employee Group Insurance Plan since the prior valuation.

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, 2020

	Special Revenue Funds	Debt Service Fund	Other Governmental Funds Total
ASSETS			
Cash and cash equivalents	\$ 770,816	\$ 1,081,574	\$ 1,852,390
Investments	275,329	1,304,541	1,579,870
Other receivables, net of allowance	379,707	94,570	474,277
Interest receivable	7,622	35,405	43,027
Prepaid items	123,982	-	123,982
Due from other governments	1,173,353	-	1,173,353
Notes receivable, current	50,000	-	50,000
Notes receivable, noncurrent	214,000	-	214,000
	\$ 2,994,809	\$ 2,516,090	\$ 5,510,899
LIABILITIES			
Accounts payable	\$ 593,227	\$ -	\$ 593,227
Accrued wages payable	51,078	-	51,078
Accrued compensated absences	1,735	-	1,735
Due to other funds	1,087,804	-	1,087,804
	1,733,844	-	1,733,844
FUND BALANCES			
Nonspendable	337,982	-	337,982
Restricted	187,465	-	187,465
Committed	989,324	2,516,090	3,505,414
Unassigned (deficit)	(253,806)	-	(253,806)
	1,260,965	2,516,090	3,777,055
Total fund balances	\$ 1,260,965	\$ 2,516,090	\$ 3,777,055
Total liabilities and fund balances	\$ 2,994,809	\$ 2,516,090	\$ 5,510,899

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - OTHER GOVERNMENTAL FUNDS
Year Ended June 30, 2020**

	Special Revenue Funds	Debt Service Fund	Other Governmental Funds Total
Revenues			
Intergovernmental	\$ 3,892,420	\$ -	\$ 3,892,420
Charges for services	463,887	-	463,887
Investment earnings	27,367	81,785	109,152
Miscellaneous revenues	80,779	18,541	99,320
Total revenues	4,464,453	100,326	4,564,779
Expenditures			
General government	745,955	23,004	768,959
Public safety	2,768,703	-	2,768,703
Public works	458,191	-	458,191
Health and social services	2,092,073	-	2,092,073
Debt service			
Principal	50,000	-	50,000
Interest	18,160	-	18,160
Capital outlay	509,410	-	509,410
Total expenditures	6,642,492	23,004	6,665,496
Excess (deficiency) of revenues over expenditures	(2,178,039)	77,322	(2,100,717)
Other financing sources (uses)			
Transfers in	1,795,704	-	1,795,704
Transfers out	(26,200)	-	(26,200)
Total other financing sources (uses)	1,769,504	-	1,769,504
Net change in fund balances	(408,535)	77,322	(331,213)
Fund balances - beginning of year	1,669,500	2,438,768	4,108,268
Fund balances - end of year	<u>\$ 1,260,965</u>	<u>\$ 2,516,090</u>	<u>\$ 3,777,055</u>

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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 Fire 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, 2020

	CDBG Fund	Weed and Pest Fund	Transportation Services Fund	Metropolitan Planning Organization Fund
ASSETS				
Cash and cash equivalents	\$ 5,806	\$ 231,150	\$ -	\$ -
Investments	-	275,329	-	-
Other receivables, net of allowance	24,386	125,136	119,371	2,745
Interest receivable	-	1,286	-	-
Prepaid items	-	-	-	-
Due from other governments	-	-	835,204	297,236
Notes receivable, current	-	-	-	-
Notes receivable, noncurrent	-	-	-	-
	<u>30,192</u>	<u>632,901</u>	<u>954,575</u>	<u>299,981</u>
Total assets	<u>\$ 30,192</u>	<u>\$ 632,901</u>	<u>\$ 954,575</u>	<u>\$ 299,981</u>
LIABILITIES				
Accounts payable	\$ -	\$ 15,278	\$ 364,363	\$ 43,218
Accrued wages payable	-	7,616	-	9,789
Accrued compensated absences	-	-	-	-
Due to other funds	-	17	819,116	210,083
	<u>-</u>	<u>22,911</u>	<u>1,183,479</u>	<u>263,090</u>
Total liabilities	<u>-</u>	<u>22,911</u>	<u>1,183,479</u>	<u>263,090</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	30,192	-	-	-
Committed	-	609,990	-	36,891
Unassigned (deficit)	-	-	(228,904)	-
	<u>30,192</u>	<u>609,990</u>	<u>(228,904)</u>	<u>36,891</u>
Total fund balances (deficit)	<u>30,192</u>	<u>609,990</u>	<u>(228,904)</u>	<u>36,891</u>
Total liabilities and fund balances	<u>\$ 30,192</u>	<u>\$ 632,901</u>	<u>\$ 954,575</u>	<u>\$ 299,981</u>

Special Fire Assistance Fund	Police Grants Fund	Public Safety Communications Fund	Redevelopment Loan Fund	Total
\$ -	\$ -	\$ 432,923	\$ 100,937	\$ 770,816
-	-	-	-	275,329
-	-	108,069	-	379,707
-	-	-	6,336	7,622
-	-	123,982	-	123,982
-	40,913	-	-	1,173,353
-	-	-	50,000	50,000
-	-	-	214,000	214,000
<u>\$ -</u>	<u>\$ 40,913</u>	<u>\$ 664,974</u>	<u>\$ 371,273</u>	<u>\$ 2,994,809</u>
\$ -	\$ 5,620	\$ 164,748	\$ -	\$ 593,227
-	1,607	32,066	-	51,078
-	-	1,735	-	1,735
7,041	51,547	-	-	1,087,804
<u>7,041</u>	<u>58,774</u>	<u>198,549</u>	<u>-</u>	<u>1,733,844</u>
-	-	123,982	214,000	337,982
-	-	-	157,273	187,465
-	-	342,443	-	989,324
(7,041)	(17,861)	-	-	(253,806)
<u>(7,041)</u>	<u>(17,861)</u>	<u>466,425</u>	<u>371,273</u>	<u>1,260,965</u>
<u>\$ -</u>	<u>\$ 40,913</u>	<u>\$ 664,974</u>	<u>\$ 371,273</u>	<u>\$ 2,994,809</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, 2020

	CDBG Fund	Weed and Pest Fund	Transportation Services Fund	Metropolitan Planning Organization Fund
Revenues				
Intergovernmental	\$ 20,608	\$ 637,974	\$ 1,575,513	\$ 662,812
Charges for services	-	-	-	-
Investment earnings	-	10,302	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>20,608</u>	<u>648,276</u>	<u>1,575,513</u>	<u>662,812</u>
Expenditures				
General government	-	-	-	745,955
Public safety	-	-	-	-
Public works	-	458,191	-	-
Health and social services	20,608	-	2,071,465	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	53,750	149,284	1,764
Total expenditures	<u>20,608</u>	<u>511,941</u>	<u>2,220,749</u>	<u>747,719</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>136,335</u>	<u>(645,236)</u>	<u>(84,907)</u>
Other financing sources (uses)				
Transfers in	-	-	643,000	69,762
Transfers out	-	(4,592)	-	(4,592)
Total other financing sources (uses)	<u>-</u>	<u>(4,592)</u>	<u>643,000</u>	<u>65,170</u>
Net change in fund balances	-	131,743	(2,236)	(19,737)
Fund balances (deficit) - beginning of year	<u>30,192</u>	<u>478,247</u>	<u>(226,668)</u>	<u>56,628</u>
Fund balances (deficit) - end of year	<u>\$ 30,192</u>	<u>\$ 609,990</u>	<u>\$ (228,904)</u>	<u>\$ 36,891</u>

Special Fire Assistance Fund	Police Grants Fund	Public Safety Communications Fund	Redevelopment Loan Fund	Total
\$ 18,333	\$ 166,407	\$ 810,773	\$ -	\$ 3,892,420
-	-	463,887	-	463,887
-	-	-	17,065	27,367
64,361	16,267	151	-	80,779
<u>82,694</u>	<u>182,674</u>	<u>1,274,811</u>	<u>17,065</u>	<u>4,464,453</u>
-	-	-	-	745,955
70,599	207,472	2,490,632	-	2,768,703
-	-	-	-	458,191
-	-	-	-	2,092,073
-	-	-	50,000	50,000
-	-	-	18,160	18,160
-	2,326	302,286	-	509,410
<u>70,599</u>	<u>209,798</u>	<u>2,792,918</u>	<u>68,160</u>	<u>6,642,492</u>
<u>12,095</u>	<u>(27,124)</u>	<u>(1,518,107)</u>	<u>(51,095)</u>	<u>(2,178,039)</u>
-	-	1,082,942	-	1,795,704
-	(17,016)	-	-	(26,200)
-	(17,016)	1,082,942	-	1,769,504
12,095	(44,140)	(435,165)	(51,095)	(408,535)
<u>(19,136)</u>	<u>26,279</u>	<u>901,590</u>	<u>422,368</u>	<u>1,669,500</u>
<u>\$ (7,041)</u>	<u>\$ (17,861)</u>	<u>\$ 466,425</u>	<u>\$ 371,273</u>	<u>\$ 1,260,965</u>

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 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.

CITY OF CASPER, WYOMING

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

June 30, 2020

	General Internal Services Fund	Employee Health Insurance Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 332,113	\$ 1,936,008	\$ 2,268,121
Investments	635,798	2,082,615	2,718,413
Interest receivable	2,962	1,169	4,131
Customer receivables, net of allowance	25,935	1,122	27,057
Other receivables	57,450	-	57,450
Inventories	278,856	-	278,856
Total current assets	<u>1,333,114</u>	<u>4,020,914</u>	<u>5,354,028</u>
Capital assets being depreciated, net of depreciation	<u>60,378</u>	<u>-</u>	<u>60,378</u>
	<u>60,378</u>	<u>-</u>	<u>60,378</u>
Total assets	<u>1,393,492</u>	<u>4,020,914</u>	<u>5,414,406</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	467,498	-	467,498
Other postemployment benefit items	952,641	-	952,641
Total deferred inflows of resources	<u>1,420,139</u>	<u>-</u>	<u>1,420,139</u>
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	328,702	132	328,834
Retainage payable	580	-	580
Compensated absences, current portion	5,533	-	5,533
Customer held deposits	-	778	778
Accrued wages payable	35,921	-	35,921
Claims payable	-	47,178	47,178
Due to other funds	7,974	-	7,974
Total current liabilities	<u>378,710</u>	<u>48,088</u>	<u>426,798</u>
Noncurrent liabilities, net of current portion			
Compensated absences	63,843	-	63,843
Other postemployment benefits payable	852,066	-	852,066
Net pension liability	1,560,185	-	1,560,185
Total noncurrent liabilities	<u>2,476,094</u>	<u>-</u>	<u>2,476,094</u>
Total liabilities	<u>2,854,804</u>	<u>48,088</u>	<u>2,902,892</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	518,738	-	518,738
Other postemployment benefit items	117,472	-	117,472
Total deferred inflows of resources	<u>636,210</u>	<u>-</u>	<u>636,210</u>
NET POSITION			
Invested in capital assets, net of related debt	60,378	-	60,378
Unrestricted (deficit)	(737,761)	3,972,826	3,235,065
Total net position (deficit)	<u>\$ (677,383)</u>	<u>\$ 3,972,826</u>	<u>\$ 3,295,443</u>

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION - INTERNAL SERVICE FUNDS
Year Ended June 30, 2020

	General Internal Services Fund	Employee Health Insurance Fund	Total
Operating revenues			
Charges for services	\$ 4,893,737	\$ -	\$ 4,893,737
Other revenues	2,123,467	3,429,523	5,552,990
Total operating revenues	<u>7,017,204</u>	<u>3,429,523</u>	<u>10,446,727</u>
Operating expenses			
Personnel expenses	850,620	-	850,620
Contractual	2,117,524	3,209,482	5,327,006
Materials and supplies	3,201,058	-	3,201,058
Other expenses	1,691	-	1,691
Depreciation expense	45,614	-	45,614
Total operating expenses	<u>6,216,507</u>	<u>3,209,482</u>	<u>9,425,989</u>
Operating income	<u>800,697</u>	<u>220,041</u>	<u>1,020,738</u>
Nonoperating revenues			
Investment earnings	26,055	74,854	100,909
Total nonoperating revenues	<u>26,055</u>	<u>74,854</u>	<u>100,909</u>
Income before transfers	<u>826,752</u>	<u>294,895</u>	<u>1,121,647</u>
Capital transfers out	(24,071)	-	(24,071)
Transfers in	315,750	914,630	1,230,380
Transfers out	(421,000)	(852,755)	(1,273,755)
Total transfers	<u>(129,321)</u>	<u>61,875</u>	<u>(67,446)</u>
Change in net position	697,431	356,770	1,054,201
Net position (deficit) - beginning of year	<u>(1,374,814)</u>	<u>3,616,056</u>	<u>2,241,242</u>
Net position (deficit) - end of year	<u>\$ (677,383)</u>	<u>\$ 3,972,826</u>	<u>\$ 3,295,443</u>

CITY OF CASPER, WYOMING

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2020**

	General Internal Services	Employee Health Insurance	Total
Cash flows from operating activities			
Cash received from customers	\$ 2,360,025	\$ 105,177	\$ 2,465,202
Cash receipts from interfund services provided	4,648,110	3,349,183	7,997,293
Cash payments to suppliers for goods and services	(5,030,283)	-	(5,030,283)
Cash payments for medical insurance claims	-	(3,929,860)	(3,929,860)
Cash payments for interfund services used	(220,612)	-	(220,612)
Cash payments to employees for services	(1,669,418)	(1,755)	(1,671,173)
Net cash provided by (used in) operating activities	87,822	(477,255)	(389,433)
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	7,312	52,992	60,304
Net cash provided by noncapital financing activities	7,312	52,992	60,304
Cash flows from investing activities			
Purchase of investment securities	(164,230)	(4,666,998)	(4,831,228)
Proceeds from sale of investment securities	197,002	5,276,389	5,473,391
Investment earnings	9,219	74,384	83,603
Net cash provided by investing activities	41,991	683,775	725,766
Net increase in cash and cash equivalents	137,125	259,512	396,637
Cash and cash equivalents - beginning of year	194,988	1,676,496	1,871,484
Cash and cash equivalents - end of year	\$ 332,113	\$ 1,936,008	\$ 2,268,121

(Continued)

CITY OF CASPER, WYOMING

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
 Year Ended June 30, 2020

	General Internal Services	Employee Health Insurance	Total
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income	\$ 800,697	\$ 220,041	\$ 1,020,738
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	45,614	-	45,614
Amortization of pension plan items	405,864	-	405,864
Amortization of OPEB plan items	(1,287,122)	-	(1,287,122)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred outflows, liabilities, and deferred inflows			
Customer receivables	(9,069)	24,059	14,990
Prepaid items	2,680	-	2,680
Inventories	59,180	-	59,180
Deferred outflows - pension plan items	(3,817)	-	(3,817)
Accounts payable and accrued liabilities	7,518	(142,760)	(135,242)
Accrued wages payable	15,355	(1,755)	13,600
Customer held deposits	-	778	778
Claims payable	-	(577,618)	(577,618)
Compensated absences	6,399	-	6,399
Other post-employment benefits payable	386,584	-	386,584
Net pension liability	(342,061)	-	(342,061)
Net cash provided by (used in) operating activities	<u>\$ 87,822</u>	<u>\$ (477,255)</u>	<u>\$ (389,433)</u>
Noncash investing, capital and related financing activities			
Change in fair value of investments	\$ 17,183	\$ 1,015	\$ 18,198

COMPLIANCE SECTION

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CITY OF CASPER, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided 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	B-17-MC-56-0001	\$ -	\$ 20,608
<i>Total CDBG Entitlement Grants Cluster</i>			<u>-</u>	<u>20,608</u>
 Community Development Block Grants - Section 108 Loan Guarantees	 14.248	 Unknown	 <u>-</u>	 <u>67,065</u>
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>87,673</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	2018-V2-GX-0016	-	23,146
Direct				
Crime Victim Assistance/Discretionary Grants	16.582	2014-VF-GX-K011	-	9,566
Passed through the Wyoming Division of Victim Services - Attorney General's Office				
Violence Against Women Formula Grants	16.588	2018-WF-AX-0036	-	20,416
Passed through the Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0198	-	232
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0911	<u>-</u>	<u>4,999</u>
Total U.S. Department of Justice			<u>-</u>	<u>58,359</u>
<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	CD19201	-	28,758
Highway Planning and Construction	20.205	FT18047	-	246,728
Highway Planning and Construction	20.205	FT19047	-	59,316
Highway Planning and Construction	20.205	FT20047	<u>-</u>	<u>340,069</u>
<i>Total Highway Planning and Construction Cluster</i>			<u>-</u>	<u>674,871</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, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>U. S. Department of Transportation</u>				
<i>Federal Transit Cluster</i>				
Direct				
Federal Transit Formula Grants	20.507	WY-2019-004-00	\$ -	\$ 662,024
COVID-19 CARES Act Transit Grant	20.507	WY-2020-003-00	-	694,320
<i>Total Federal Transit Cluster</i>			-	1,356,344
Passed through the Wyoming				
Department of Transportation				
Alcohol Open Container Requirements	20.607	FY20 DUI-450D	-	10,660
			-	10,660
<i>Highway Safety Cluster</i>				
Passed through Wyoming Association of				
Sheriffs and Chiefs of Police				
National Priority Safety Programs	20.616	FY19 OP HVE 405B	-	4,382
National Priority Safety Programs	20.616	FY19 DUI-450D	-	11,603
National Priority Safety Programs	20.616	FY20 OP HVE 405B	-	17,085
<i>Total Highway Safety Cluster</i>			-	33,070
Total U. S. Department of Transportation			-	2,074,945
<u>U. S. Environmental Protection Agency</u>				
Direct				
Brownfields Assessment and Cleanup				
Cooperative Agreements	66.818	Unknown	-	110,226
Total U. S. Environmental Protection				
Agency			-	110,226
<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	-	1,979
Projects of Regional and National				
Significance	93.243	Unknown	-	2,326
Total U.S. Department of Health				
and Human Services			-	4,305
<u>U. S. Department of Homeland Security</u>				
Passed through Wyoming Office of				
Homeland Security				
Homeland Security Grant Program	97.067	18-SHSP-RR2-RR-HRT18	-	18,333
Total U.S. Department of Homeland Security			-	18,333
Total Expenditures of Federal Awards			\$ -	\$ 2,353,841

See accompanying notes to schedule of expenditures of federal awards

CITY OF CASPER, WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

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, 2020. 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, 2020:

Program Title	Federal CFDA Number	Amount
U. S. Department of Housing and Urban Development Community Development Block Grants - Section 108 Loan Guarantees	14.248	\$ 264,000

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, 2020

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 \$674,871 expenditures reported under CFDA 20.205 in the schedule, \$646,113 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, 2020, 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 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the Central Wyoming Regional Water System Joint Powers Board and the Economic Development Joint Powers Board, as described in our report on the City of Casper, Wyoming's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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



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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control as described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003 and 2020-004 that we consider to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters we reported to the management of the City of Casper in a separate letter dated March 30, 2021.

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 30, 2021

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, 2020. 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, which expended \$1,037,521 and \$0, respectively, in federal awards which is not included the City of Casper, Wyoming's schedule of expenditures of federal awards during the year ended June 30, 2020. 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.

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.



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An audit includes examining, on a test basis, evidence about the City of Casper, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Casper, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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 30, 2021

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

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:

CFDA Numbers	Name of Federal Program or Cluster	Amount
20.507	<i>Federal Transit Cluster</i> Federal Transit Formula Grants	\$ 1,356,344
		<u>\$ 1,356,344</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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness in Internal Control over Financial Reporting

2020-001 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 or potential 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, 2019 audit, 2019-001.

Views of Responsible Officials

See Corrective Action Plan.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Material Weakness in Internal Control over Financial Reporting (Continued)

2020-002 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 or potential 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

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, 2019 audit, 2019-002.

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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Material Weakness in Internal Control over Financial Reporting (Continued)

2020-003 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 or potential 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, 2019 audit, 2019-003.

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.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Material Weakness in Internal Control over Financial Reporting

2020-004 Schedule of Expenditures of Federal Awards Presentation

Criteria

Per Uniform Guidance 2 CFR 200.510(b), auditees receiving federal funds must prepare an annual Schedule of Expenditure of Federal Awards (SEFA) detailing the federal awards expended each year. At a minimum the schedule must include the following items:

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

Condition

The City does not have adequate internal controls to ensure the SEFA accurately reports all federal assistance the City receives. While major program amounts were properly identified and reported, other amounts were missed or reported incorrectly.

Effect or potential effect

Errors in the SEFA effect the accuracy of information reported to the federal government in the City's data collection form. In addition, appropriate major program determination by the auditor is dependent upon the accuracy and completeness of the information included in the SEFA.

Cause

The report used to prepare the SEFA did not properly capture all projects classified as federal. In addition, the information included in the City's grant management system did not contain the correct information to properly classify the awards as to federal, state or local funding.

CITY OF CASPER, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENTS FINDINGS (CONTINUED)

Material Weakness in Internal Control over Financial Reporting (Continued)

2020-004 Schedule of Expenditures of Federal Awards Presentation (Continued)

Recommendation

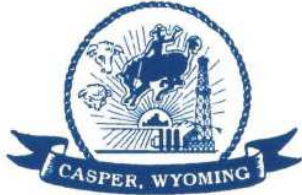
We recommend that the City complete a review of federal grants administered by the City to help ensure that the required information is accurately included in the City's systems used to compile the SEFA. Additionally, we recommend that a process be developed to capture all required information during the set-up of new federal grant awards, including a process to obtain any missing information necessary for SEFA preparation and a verification process to ensure the information is input correctly. This information should be maintained in the City's grant management system.

Views of Responsible Officials

See Corrective Action Plan

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported



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SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding – 2019-001 – 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 – 2019-002 – 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 – 2019-003 – Journal Entries

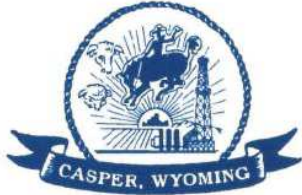
Name of Contact Person – Tom Pitlick, Finance Director

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.



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CORRECTIVE ACTION PLAN

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding – 2020-001 – Preparation of Financial Statements

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

Several key finance positions at the City of Casper have had turnover. With the turnover, the City has taken the opportunity to upgrade the position of Accountant to a Senior Accountant and in the recruiting process, has attracted a person with the skill level needed to be capable of fulfilling the responsibilities of preparing the financial statements. The new Senior Accountant has both governmental audit and government financial statement preparation experience.

Management and those charged with governance do understand the importance of preparing accurate GAAP basis financial statements; with the retirement of the current Finance Director, the City has brought on a new Finance Director with 10-years of experience in preparing GAAP basis financial statements.

Preliminary discussions with the City's auditors have taken place to offer training opportunities for new and existing staff in an effort to provide guidance. In addition, other training opportunities will be evaluated and utilized as deemed beneficial.

Proposed Completion Date: June 30, 2021

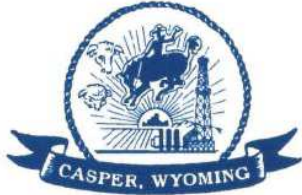
Finding – 2020-002– Material Audit Adjustments

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

Review of balance sheet accounts along with work papers supporting the balances are necessary to ensure accuracy and completeness. The City will develop a balance sheet account review process to identify data errors and make corrections prior to financial statement preparation.

Proposed Completion Date: June 30, 2021



OFFICE OF THE ADMINISTRATIVE
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CORRECTIVE ACTION PLAN (CONTINUED)

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding – 2020-003 – Journal Entries

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

The City's accounting system does have the ability to attach documentation to all journal entries. Due to subjectivity, "adequate" backup will need further definition by management. Additional training on journal entry initiation and review will be conducted for all staff involved in the journal entry process. Higher management level review of material adjustments will be initiated.

Proposed Completion Date: June 30, 2021

Finding – 2020-004 – Schedule of Expenditures of Federal Awards Presentation

Name of Contact Person – Tom Pitlick, Finance Director

Corrective Action

The City implemented software to manage projects and grants, however a monthly reconciliation of the projects and grants to the software was not completed which caused incomplete data to be used to create the SEFA. A monthly reconciliation process will be developed and implemented to ensure the information reported from the financial system is complete.

Proposed Completion Date: June 30, 2021