

**City of Wyoming  
Chisago County, Minnesota**

**Financial Statements**

**December 31, 2019**



**City of Wyoming  
Table of Contents**

<b>Elected Officials and Administration</b>	1
<b>Independent Auditor's Report</b>	2
<b>Management's Discussion and Analysis</b>	5
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	26
Statement of Net Position – Proprietary Funds	27
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29
Notes to Financial Statements	31
<b>Required Supplementary Information</b>	
Schedule of City's Proportionate Share of Net Pension Liability – General Employees Retirement Fund	68
Schedule of City's Proportionate Share of Net Pension Liability – Public Employees Police and Fire Fund	68
Schedule of City Contributions – General Employees Retirement Fund	69
Schedule of City Contributions – Public Employees Police and Fire Fund	69
Schedule of Changes in Net Pension Liability – Fire Relief Association	70
Schedule of City Contributions – Fire Relief Association	70
Notes to Required Supplementary Information	71
<b>Supplementary Information</b>	
Combining Balance Sheet – Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	77

**City of Wyoming  
Table of Contents**

<b>Special Revenue Funds</b>	
Combining Balance Sheet – Nonmajor Special Revenue Funds	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	82
<b>Capital Projects Funds</b>	
Combining Balance Sheet – Nonmajor Capital Projects Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	88
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	90
<b>Debt Service Funds</b>	
Combining Balance Sheet – Debt Service Fund – By Bond Issue	96
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Fund – By Bond Issue	97
<b>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</b>	99
<b>Minnesota Legal Compliance</b>	101
<b>Schedule of Findings and Responses on Legal Compliance</b>	102

**City of Wyoming  
Elected Officials and Administration  
December 31, 2019**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Lisa Iverson	Mayor	December 31, 2020
Claire Luger	Council Member	December 31, 2022
Linda Nanko Yeager	Council Member	December 31, 2020
Dennis Schilling	Council Member	December 31, 2022
Joe Zerwas	Council Member	December 31, 2020
<u>Administration</u>		
Robb Linwood	City Administrator	

## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Wyoming  
Wyoming, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wyoming, Minnesota, as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City'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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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 basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wyoming, Minnesota, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Implementation of GASB 84**

As discussed in Note 12 to the financial statements, the City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information 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 GASB, 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.

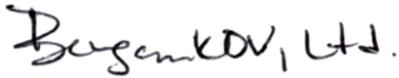
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wyoming's basic financial statements. The Supplementary Information as identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects in relation to the 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 June 4, 2020, on our consideration of the City of 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 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 Wyoming's internal control over financial reporting and compliance.



St. Cloud, Minnesota  
June 4, 2020

## **City of Wyoming Management's Discussion and Analysis**

As management of the City of Wyoming, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39,943,061 (net position). Of this amount, \$10,770,593 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,585,264 as a result of revenues in excess of expenses. \$181,537 was a result of a decrease of net position within Enterprise funds, and \$1,766,801 from an increase of net position within Governmental funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,284,098, an increase of \$1,072,411 in comparison with the prior year. Approximately 25.5 percent of this total amount, \$2,369,314, is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unrestricted fund balance for the General fund was \$2,726,049 or 60.0% of 2019 General fund expenditures and 69.9% of the 2020 General fund budget.
- The City's total long-term debt decreased \$979,547 during the current fiscal year. The key factor of this decrease was due to regularly scheduled principal payments.

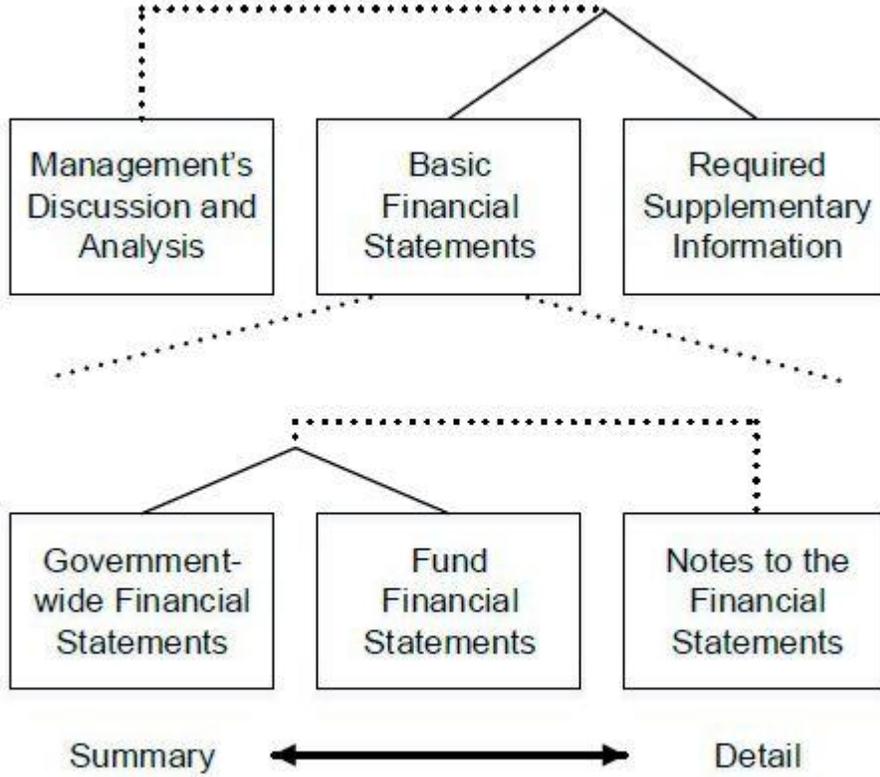
### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

**City of Wyoming  
Management's Discussion and Analysis**

**Figure 1  
Required Components of the  
City's Annual Financial Report**



**City of Wyoming  
Management’s Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure 2  
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of Net Position</li> <li>• Statements of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statements of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows or resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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.

## City of Wyoming Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

**Government-wide Financial Statements. (Continued)** The *statement of activities* presents information showing how the City'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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental 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*). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development, and interest on long-term debt. The business-type activities of the City include water, sewer, and surface water.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this *component unit* is not reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 20 of this report.

**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 government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by 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 (deficits) provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

## City of Wyoming Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

*Governmental Funds. (Continued)* The City maintains 21 individual governmental funds. The Debt Service fund consists of 5 sub-funds, the Capital Project funds consists of 8 sub-funds, and there are 7 Special Revenue 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, Debt Service fund, Street Replacement fund, and Capital Revolving fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for the General fund. Budgetary comparison statements have been provided for the General fund to demonstrate compliance with their budget.

The basic governmental fund financial statements start on page 22 of this report.

*Proprietary Funds.* The City maintains three proprietary funds. *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 surface water.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary funds financial statements start on page 27 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 31 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 68 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 76 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,943,061 at the close of the most recent fiscal year.

**City of Wyoming  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

By far, the largest portion of the City's net position (63.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. 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.

**City of Wyoming's Summary of Net Position**

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 12,439,901	\$ 12,299,666	\$ 140,235	\$ 5,869,820	\$ 5,776,917	\$ 92,903
Capital assets	19,232,646	18,767,397	465,249	16,856,603	17,400,544	(543,941)
Total Assets	<u>31,672,547</u>	<u>31,067,063</u>	<u>605,484</u>	<u>22,726,423</u>	<u>23,177,461</u>	<u>(451,038)</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources related to pensions	1,008,534	1,326,010	(317,476)	19,449	31,916	(12,467)
<b>Liabilities</b>						
Noncurrent liabilities outstanding	7,879,530	8,646,178	(766,648)	3,460,374	3,725,686	(265,312)
Other liabilities	1,636,029	1,494,469	141,560	416,187	413,821	2,366
Total Liabilities	<u>9,515,559</u>	<u>10,140,647</u>	<u>(625,088)</u>	<u>3,876,561</u>	<u>4,139,507</u>	<u>(262,946)</u>
<b>Deferred Inflows of Resources</b>						
Deferred inflows of resources related to pensions	1,481,489	1,947,565	(466,076)	39,800	58,822	(19,022)
Deferred inflows of resources related to grants	570,483	958,112	(387,629)	-	-	-
Total Deferred Inflows of Resources	<u>2,051,972</u>	<u>2,905,677</u>	<u>(853,705)</u>	<u>39,800</u>	<u>58,822</u>	<u>(19,022)</u>
<b>Net Position</b>						
Net investment in capital assets	12,187,827	11,007,340	1,180,487	13,337,934	13,617,566	(279,632)
Restricted for debt service						
Debt service	2,766,478	2,699,665	66,813	-	-	-
State aid streets	366,455	232,073	134,382	-	-	-
Park projects	85,553	62,667	22,886	-	-	-
Public safety expenses	24,139	41,670	(17,531)	-	-	-
Fire relief pension assets	292,397	276,909	15,488	-	-	-
Other purposes	111,685	87,424	24,261	-	-	-
Unrestricted	5,279,016	4,939,001	340,015	5,491,577	5,393,482	98,095
Total Net Position	<u>\$ 21,113,550</u>	<u>\$ 19,346,749</u>	<u>\$ 1,766,801</u>	<u>\$ 18,829,511</u>	<u>\$ 19,011,048</u>	<u>\$ (181,537)</u>

**City of Wyoming  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

An additional portion of the City's net position (\$3,646,707) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,770,593) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

**GOVERNMENTAL ACTIVITIES**

Governmental activities increased the City's net position by \$1,766,801. Key elements of this increase are as follows:

**City of Wyoming's Changes in Net Position**

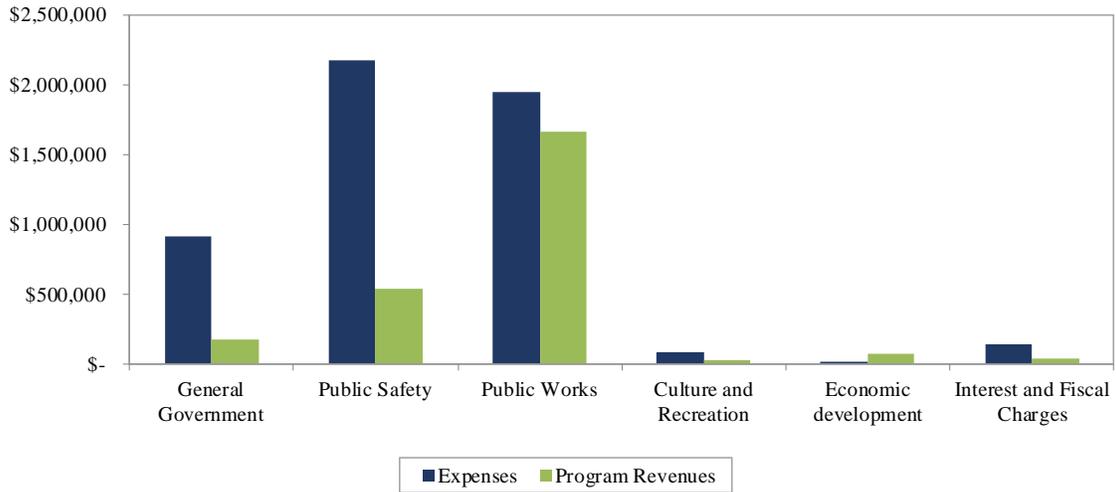
	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 508,131	\$ 335,390	\$ 172,741	\$ 1,674,021	\$ 1,762,492	\$ (88,471)
Operating grants and contributions	353,018	521,049	(168,031)	6,725	-	6,725
Capital grants and contributions	1,661,057	854,313	806,744	93,940	102,480	(8,540)
General Revenues						
Taxes						
Property taxes	4,115,611	4,030,709	84,902	-	150,000	(150,000)
Franchise taxes	52,324	55,026	(2,702)	-	-	-
Tax increment	31,994	31,460	534	-	-	-
Intergovernmental Revenues Not Restricted to Specific Programs	264,616	255,005	9,611	-	-	-
Interest and investment income	143,201	72,488	70,713	85,174	40,215	44,959
Other general revenue	-	-	-	-	5,585	(5,585)
Gain on sale of capital assets	29,780	13,282	16,498	-	-	-
<b>Total Revenues</b>	<b>7,159,732</b>	<b>6,168,722</b>	<b>991,010</b>	<b>1,859,860</b>	<b>2,060,772</b>	<b>(200,912)</b>
Expenses						
General government	917,557	642,048	275,509	-	-	-
Public safety	2,183,706	1,879,740	303,966	-	-	-
Public works	1,946,681	1,703,835	242,846	-	-	-
Culture and recreation	86,557	77,090	9,467	-	-	-
Economic development	12,911	512,498	(499,587)	-	-	-
Interest and fiscal charges	245,519	303,508	(57,989)	-	-	-
Water	-	-	-	684,583	625,076	59,507
Sewer	-	-	-	1,251,369	1,189,449	61,920
Surface Water	-	-	-	105,445	71,201	34,244
<b>Total Expenses</b>	<b>5,392,931</b>	<b>5,118,719</b>	<b>274,212</b>	<b>2,041,397</b>	<b>1,885,726</b>	<b>155,671</b>
Increase in Net Assets Before Transfers	1,766,801	1,050,003	716,798	(181,537)	175,046	(356,583)
Transfers						
Internal activities	-	(288,925)	288,925	-	288,925	(288,925)
<b>Change in Net Position</b>	<b>1,766,801</b>	<b>761,078</b>	<b>1,005,723</b>	<b>(181,537)</b>	<b>463,971</b>	<b>(645,508)</b>
Net Position, January 1	19,346,749	18,585,671	761,078	19,011,048	18,547,077	463,971
<b>Net Position, December 31</b>	<b>\$ 21,113,550</b>	<b>\$ 19,346,749</b>	<b>\$ 1,766,801</b>	<b>\$ 18,829,511</b>	<b>\$ 19,011,048</b>	<b>\$ (181,537)</b>

# City of Wyoming Management's Discussion and Analysis

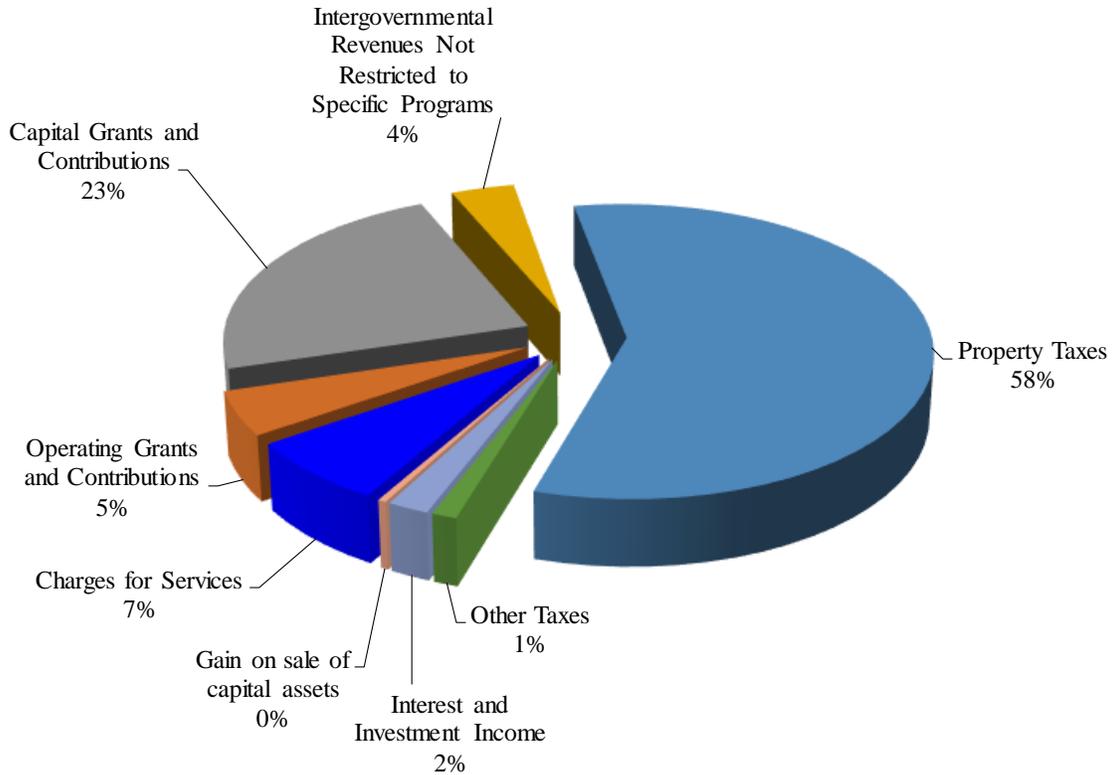
## GOVERNMENTAL ACTIVITIES (CONTINUED)

The following graph depicts various governmental activities and shows the program revenues and expenses directly related to those activities.

### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities

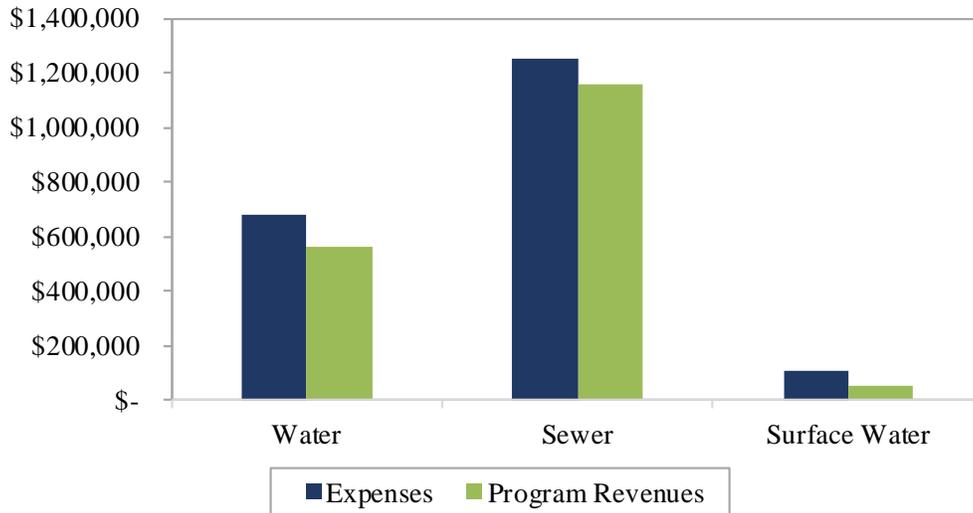


**City of Wyoming  
Management's Discussion and Analysis**

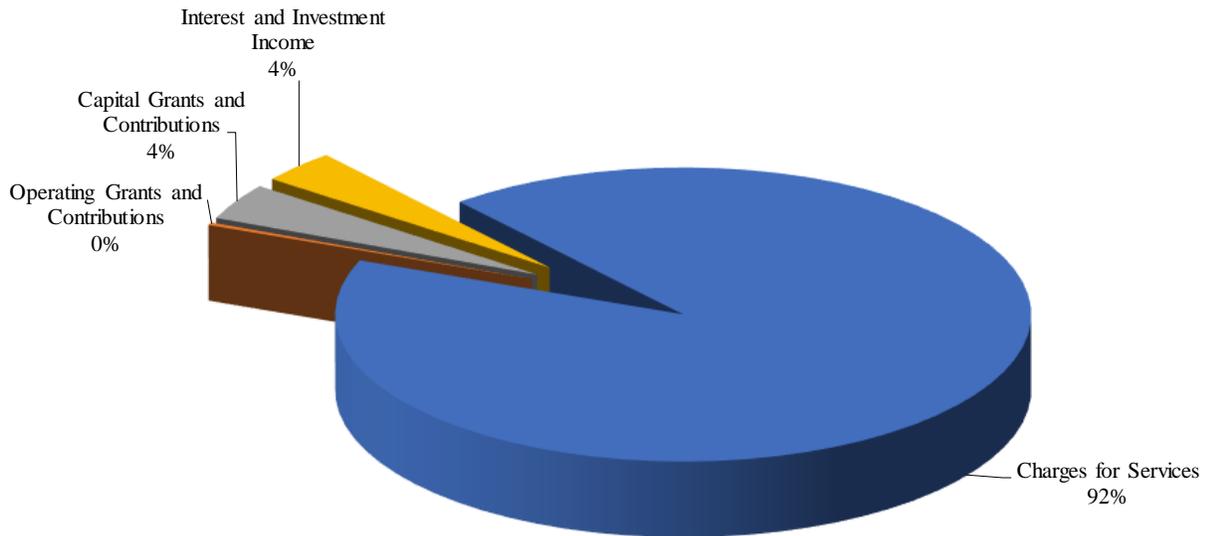
**BUSINESS-TYPE ACTIVITIES**

Business-type activities decreased the City's net position by \$181,537. Key elements of this decrease are as follows:

**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

**City of Wyoming  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

**Governmental Funds.** As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,284,098, an increase of \$1,072,411 in comparison with the prior year. Approximately 16.6% of this total amount, \$1,539,884, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable (\$299,773), 2) restricted (\$2,069,541), 3) committed (\$184,830) or 4) assigned (\$5,190,070) for specific purposes.

The General fund had a total fund balance of \$2,726,049 at the current year end. The fund balance of the City's General fund decreased \$936,688 during the current fiscal year. See the below "General Fund Budgetary Highlights" for more detail information.

The Debt Service has a fund balance of \$1,235,887, all of which is restricted for the payment of future debt service. The fund balance increased \$298,693 during the current fiscal year due to the collection of special assessments during the year for future debt reduction.

The Street Replacement fund has a fund balance of \$1,927,069. The fund balance increased \$730,287 during the current fiscal year. The fund had revenues in excess of expenditures and transfers out allowing for a positive fund balance.

The Capital Revolving fund has a fund balance of \$2,431,628, all of which is assigned for future capital improvements. The fund balance increased \$850,417 during the current fiscal year due to transfers in during the year.

**General Fund Budgetary Highlights**

Actual revenues were \$267,836 over budget and expenditures were \$333,527 over budget; along with transfers and other financing sources, the end result was a decrease in fund balance of \$936,688.

Revenue highlights include:

- Licenses and permits were \$91,027 in excess of budget due to development within the City.
- Intergovernmental revenue had a positive budget variance of \$109,048. This positive variance can be attributed to the County's portion of the Polaris tax abatement and firefighter training reimbursement aid.

Expenditure highlights include:

- Public Safety had a negative budget variance of \$372,330 which was primarily due to the purchase of a fire truck.
- Public Works had a positive budget variance of \$54,187 which was primarily due less sealcoating expenditures than anticipated.

**City of Wyoming  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$36,089,249 (net of accumulated depreciation).

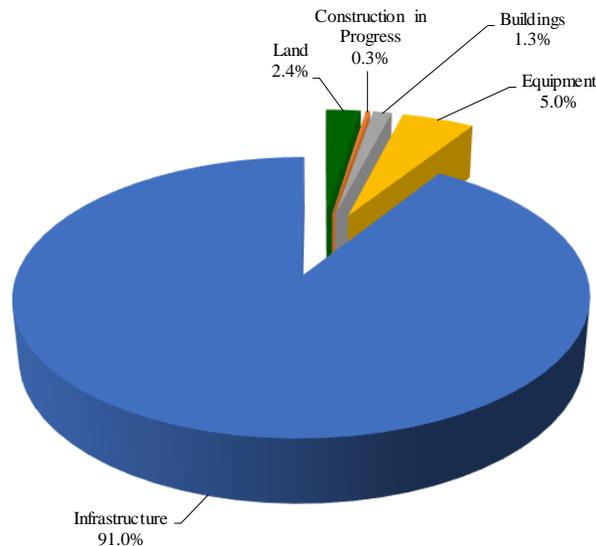
Major public project capital asset events during the current fiscal year were as follows:

- Completion of the 2019 Street Improvement project
- Purchase of a 2020 Western Star plow truck
- Purchase of two 2019 Ford F-150 trucks
- Purchase of one 2019 Ford F-250 truck
- Purchase of a 2019 Freightliner tanker truck

Additional information on the City's capital assets can be found in Note 4 starting on page 44 of this report.

**City of Wyoming's Capital Assets  
(Net of Depreciation)**

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Land	\$ 869,787	\$ 869,787	\$ -	\$ 6,284	\$ 6,284	\$ -
Construction in Progress	-	-	-	92,072	31,547	60,525
Buildings and improvements	223,858	239,910	(16,052)	233,479	248,829	(15,350)
Machinery and equipment	1,786,312	1,211,765	574,547	33,787	42,765	(8,978)
Infrastructure	16,352,689	16,445,935	(93,246)	16,490,981	17,071,119	(580,138)
<b>Total</b>	<b>\$ 19,232,646</b>	<b>\$ 18,767,397</b>	<b>\$ 465,249</b>	<b>\$ 16,856,603</b>	<b>\$ 17,400,544</b>	<b>\$ (543,941)</b>



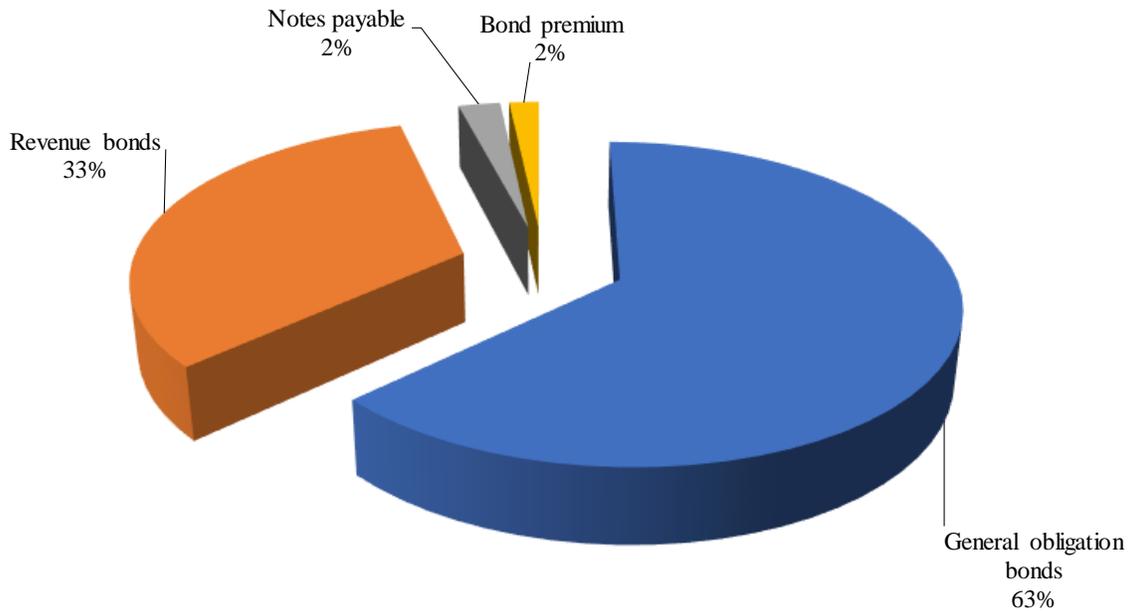
**City of Wyoming  
Management's Discussion and Analysis**

**LONG-TERM DEBT**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$10,140,000. \$6,680,000 is governmental-related debt, and \$3,460,000 is enterprise fund-related debt. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City. The City also had a note payable outstanding at the end of the current fiscal year of \$249,016.

**City of Wyoming's Outstanding Debt**

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
General Obligation Improvement Bonds	\$ 6,680,000	\$ 7,355,000	\$ (675,000)	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	3,460,000	3,715,000	(255,000)
Notes Payable	249,016	269,986	(20,970)	-	-	-
Bond premium	115,803	135,071	(19,268)	58,669	67,978	(9,309)
<b>Total</b>	<b>\$ 7,044,819</b>	<b>\$ 7,760,057</b>	<b>\$ (715,238)</b>	<b>\$ 3,518,669</b>	<b>\$ 3,782,978</b>	<b>\$ (264,309)</b>



The City's total debt decreased \$979,547 during the current fiscal year due to annually scheduled debt payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$22,509,867. The City is under the statutory debt limit as of December 31, 2019.

Additional information on the City's long-term debt can be found in Note 6 starting on page 47 of this report.

**City of Wyoming  
Management's Discussion and Analysis**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The City's Tax Levy will increase 3.83% to \$4,238,534 in 2020.
- With an increase in the City's Tax Capacity, the City's 2020 Tax Rate is expected to decrease 2.18% to 43.54%.
- The City will receive \$283,412 in Local Government Aid in 2020.
- The City will be issuing bonds to finance the 2020 Street Improvements.
- A Water/Sewer Rate Study was conducted in 2018 and new rates were proposed for the following five years.
- The City begin replacing water meters in 2019 and over the following five years.

All of these factors were considered in the preparation of the City's budget for the 2020 year.

**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 City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, 26885 Forest Blvd., Wyoming, MN 55092.

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## **BASIC FINANCIAL STATEMENTS**

**City of Wyoming  
Statement of Net Position  
December 31, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments (including cash equivalents)	\$ 10,218,884	\$ 5,109,636	\$ 15,328,520
Cash with fiscal agent	116,468	144,318	260,786
Receivables			
Accounts receivable	47,867	453,209	501,076
Interest receivable	3,755	-	3,755
Due from other governments	38,193	-	38,193
Taxes receivable			
Unremitted	62,289	-	62,289
Delinquent	80,278	-	80,278
Special assessments receivable			
Unremitted	7,001	6,016	13,017
Delinquent	1,924	9,271	11,195
Deferred	1,572,343	83,782	1,656,125
Prepaid items	53,951	3,672	57,623
Interfund balances	(59,916)	59,916	-
Capital assets not being depreciated			
Land	869,787	6,284	876,071
Construction in progress	-	92,072	92,072
Capital assets (net of accumulated depreciation)			
Buildings and improvements	223,858	233,479	457,337
Machinery and equipment	1,786,312	33,787	1,820,099
Infrastructure	16,352,689	16,490,981	32,843,670
Net pension asset - fire relief	296,864	-	296,864
Total assets	31,672,547	22,726,423	54,398,970
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to fire relief pensions	83,751	-	83,751
Deferred outflows of resources related to city pensions	924,783	19,449	944,232
Total deferred outflow of resources	1,008,534	19,449	1,027,983
Total assets and deferred outflows of resources	\$ 32,681,081	\$ 22,745,872	\$ 55,426,953
<b>Liabilities</b>			
Accounts payable	\$ 154,280	\$ 45,992	\$ 200,272
Deposits payable	355,676	-	355,676
Due to other governments	7,950	51,923	59,873
Salaries and benefits payable	79,257	6,308	85,565
Interest payable	97,518	38,432	135,950
Bond principal payable			
Payable within one year	790,000	260,000	1,050,000
Payable after one year	6,005,803	3,258,669	9,264,472
Notes payable			
Payable within one year	21,806	-	21,806
Payable after one year	227,210	-	227,210
Compensated absences payable			
Payable within one year	129,542	13,532	143,074
Payable after one year	302,265	31,574	333,839
Net pension liability	1,344,252	170,131	1,514,383
Total liabilities	9,515,559	3,876,561	13,392,120
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to fire relief pensions	88,218	-	88,218
Deferred inflows related to city pensions	1,393,271	39,800	1,433,071
Deferred inflows related to grants	570,483	-	570,483
Total deferred inflows of resources	2,051,972	39,800	2,091,772
<b>Net Position</b>			
Net investment in capital assets	12,187,827	13,337,934	25,525,761
Restricted			
Debt service	2,766,478	-	2,766,478
State aid streets	366,455	-	366,455
Park projects	85,553	-	85,553
Public safety expenses	24,139	-	24,139
Fire relief pension assets	292,397	-	292,397
Other purposes	111,685	-	111,685
Unrestricted	5,279,016	5,491,577	10,770,593
Total net position	21,113,550	18,829,511	39,943,061
Total liabilities, deferred inflows of resources, and net position	\$ 32,681,081	\$ 22,745,872	\$ 55,426,953

**City of Wyoming**  
**Statement of Activities**  
**Year Ended December 31, 2019**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Governmental activities</b>							
General government	\$ 917,557	\$ 170,877	\$ 8,075	\$ -	\$ (738,605)	\$ -	\$ (738,605)
Public safety	2,183,706	324,804	216,642	-	(1,642,260)	-	(1,642,260)
Public works	1,946,681	-	559	1,661,057	(285,065)	-	(285,065)
Culture and recreation	86,557	12,450	19,095	-	(55,012)	-	(55,012)
Economic development	12,911	-	73,484	-	60,573	-	60,573
Interest on long-term debt	245,519	-	35,163	-	(210,356)	-	(210,356)
Total governmental activities	<u>5,392,931</u>	<u>508,131</u>	<u>353,018</u>	<u>1,661,057</u>	<u>(2,870,725)</u>	<u>-</u>	<u>(2,870,725)</u>
<b>Business-type activities</b>							
Water	684,583	510,191	6,725	43,890	-	(123,777)	(123,777)
Sewer	1,251,369	1,109,624	-	50,050	-	(91,695)	(91,695)
Surface water	105,445	54,206	-	-	-	(51,239)	(51,239)
Total business-type activities	<u>2,041,397</u>	<u>1,674,021</u>	<u>6,725</u>	<u>93,940</u>	<u>-</u>	<u>(266,711)</u>	<u>(266,711)</u>
<b>Total governmental and business-type activities</b>	<u>\$ 7,434,328</u>	<u>\$ 2,182,152</u>	<u>\$ 359,743</u>	<u>\$ 1,754,997</u>	<u>(2,870,725)</u>	<u>(266,711)</u>	<u>(3,137,436)</u>
<b>General revenues</b>							
Property taxes levied for general purposes					3,214,905	-	3,214,905
Property taxes levied for capital improvements					299,550	-	299,550
Property taxes levied for debt service					601,156	-	601,156
Franchise taxes					52,324	-	52,324
Tax increments					31,994	-	31,994
State aids					264,616	-	264,616
Unrestricted investment earnings					143,201	85,174	228,375
Gain on sale of capital assets					29,780	-	29,780
Total general revenues					<u>4,637,526</u>	<u>85,174</u>	<u>4,722,700</u>
Change in net position					1,766,801	(181,537)	1,585,264
Net position - beginning					<u>19,346,749</u>	<u>19,011,048</u>	<u>38,357,797</u>
Net position - ending					<u>\$ 21,113,550</u>	<u>\$ 18,829,511</u>	<u>\$ 39,943,061</u>

**City of Wyoming**  
**Balance Sheet - Governmental Funds**  
**December 31, 2019**

	General Fund	Debt Service	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
		Debt Service	Street Replacement (408)	Capital Revolving (409)		
<b>Assets</b>						
Cash and investments	\$ 2,759,540	\$ 1,363,872	\$ 2,525,058	\$ 2,242,915	\$ 1,327,499	\$ 10,218,884
Cash with a fiscal agent	-	116,468	-	-	-	116,468
Accounts receivable	42,820	-	-	-	5,047	47,867
Interest receivable	3,755	-	-	-	-	3,755
Due from other governments	38,193	-	-	-	-	38,193
Taxes receivable						
Current	62,289	-	-	-	-	62,289
Delinquent	80,278	-	-	-	-	80,278
Special assessment receivable						
Current	-	2,169	4,832	-	-	7,001
Delinquent	-	1,415	509	-	-	1,924
Deferred	-	1,380,872	191,065	-	406	1,572,343
Advance to other funds	245,822	-	-	188,713	-	434,535
Prepaid items	53,951	-	-	-	-	53,951
<b>Total assets</b>	<b>\$ 3,286,648</b>	<b>\$ 2,864,796</b>	<b>\$ 2,721,464</b>	<b>\$ 2,431,628</b>	<b>\$ 1,332,952</b>	<b>\$ 12,637,488</b>
<b>Liabilities</b>						
Accounts payable	\$ 108,700	\$ 800	\$ 32,338	\$ -	\$ 12,442	\$ 154,280
Deposits payable	-	-	-	-	355,676	355,676
Due to other governments	6,987	-	-	-	963	7,950
Salaries and benefits payable	79,257	-	-	-	-	79,257
Advance from other funds	248,629	245,822	-	-	-	494,451
<b>Total liabilities</b>	<b>443,573</b>	<b>246,622</b>	<b>32,338</b>	<b>-</b>	<b>369,081</b>	<b>1,091,614</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	80,278	-	-	-	-	80,278
Unavailable revenue - special assessments	36,748	1,382,287	191,574	-	406	1,611,015
Deferred inflows related to grants	-	-	570,483	-	-	570,483
<b>Total deferred inflows of resources</b>	<b>117,026</b>	<b>1,382,287</b>	<b>762,057</b>	<b>-</b>	<b>406</b>	<b>2,261,776</b>
<b>Fund Balances</b>						
Nonspendable	299,773	-	-	-	-	299,773
Restricted	-	1,481,709	-	-	587,832	2,069,541
Committed	-	-	-	-	184,830	184,830
Assigned	597,504	-	1,927,069	2,431,628	190,803	5,147,004
Unassigned	1,828,772	(245,822)	-	-	-	1,582,950
<b>Total fund balances</b>	<b>2,726,049</b>	<b>1,235,887</b>	<b>1,927,069</b>	<b>2,431,628</b>	<b>963,465</b>	<b>9,284,098</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,286,648</b>	<b>\$ 2,864,796</b>	<b>\$ 2,721,464</b>	<b>\$ 2,431,628</b>	<b>\$ 1,332,952</b>	<b>\$ 12,637,488</b>

**City of Wyoming**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**December 31, 2019**

Total fund balances - governmental funds \$ 9,284,098

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Capital assets	32,049,359
Less accumulated depreciation	(12,816,713)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bond principal payable	(6,680,000)
Unamortized bond premium	(115,803)
Notes payable	(249,016)
Compensated absences payable	(431,807)
Net pension liability - city pension	(1,344,252)

Deferred outflows of resources and deferred Inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred inflows related to city pensions	(1,393,271)
Deferred outflows of resources related to city pensions	924,783
Deferred inflows related to fire relief pensions	(88,218)
Deferred outflows of resources related to fire relief pensions	83,751

Fire relief association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.

296,864

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property taxes	80,278
Special assessments	1,924

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred special assessments	1,609,091
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Governmental funds do not report a liability for accrued interest until due and payable.

(97,518)

Total net position - governmental activities

\$ 21,113,550

**City of Wyoming**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2019**

	General Fund	Debt Service	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
		Debt Service	Street Replacement	Capital Revolving (409)		
<b>Revenues</b>						
Property taxes	\$ 3,474,951	\$ 601,156	\$ -	\$ -	\$ 47,611	\$ 4,123,718
Tax increments	-	31,994	-	-	-	31,994
Miscellaneous taxes	52,324	-	-	-	-	52,324
Special assessments	-	523,835	156,250	-	-	680,085
Licenses and permits	311,577	-	-	-	-	311,577
Intergovernmental	487,356	35,163	1,387,629	-	129,210	2,039,358
Charges for services	3,480	-	-	-	9,415	12,895
Fines and forfeitures	20,907	-	-	-	-	20,907
Miscellaneous						
Investment income	56,611	8,867	40,407	22,237	15,079	143,201
Contributions and donations	2,500	-	-	-	30,232	32,732
Other	67,768	-	-	-	121,816	189,584
Total revenues	<u>4,477,474</u>	<u>1,201,015</u>	<u>1,584,286</u>	<u>22,237</u>	<u>353,363</u>	<u>7,638,375</u>
<b>Expenditures</b>						
Current						
General government	673,948	-	-	121,820	84,889	880,657
Public safety	1,988,415	-	-	-	11,406	1,999,821
Public works	940,967	-	-	-	-	940,967
Culture and recreation	37,562	-	-	-	-	37,562
Economic development	-	7,250	-	-	5,661	12,911
Debt service						
Principal	-	675,000	-	-	20,970	695,970
Interest and other charges	5,849	259,808	-	-	10,459	276,116
Capital outlay						
General government	22,512	-	-	-	-	22,512
Public safety	548,671	-	-	-	46,920	595,591
Public works	325,854	-	814,263	-	-	1,140,117
Culture and recreation	-	-	-	-	17,341	17,341
Total expenditures	<u>4,543,778</u>	<u>942,058</u>	<u>814,263</u>	<u>121,820</u>	<u>197,646</u>	<u>6,619,565</u>
	(66,304)	258,957	770,023	(99,583)	155,717	1,018,810
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of capital asset	29,780	-	-	-	23,821	53,601
Transfers in	54,216	39,736	-	950,000	4,380	1,048,332
Transfers out	(954,380)	-	(39,736)	-	(54,216)	(1,048,332)
Total other financing sources (uses)	<u>(870,384)</u>	<u>39,736</u>	<u>(39,736)</u>	<u>950,000</u>	<u>(26,015)</u>	<u>53,601</u>
Net change in fund balances	(936,688)	298,693	730,287	850,417	129,702	1,072,411
<b>Fund Balances</b>						
Beginning of year	3,662,737	937,194	1,196,782	1,581,211	833,763	8,211,687
End of year	<u>\$ 2,726,049</u>	<u>\$ 1,235,887</u>	<u>\$ 1,927,069</u>	<u>\$ 2,431,628</u>	<u>\$ 963,465</u>	<u>\$ 9,284,098</u>

**City of Wyoming**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to**  
**the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2019**

Net change in fund balances - total governmental funds: \$ 1,072,411

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlay	1,395,642
Depreciation expense	(920,655)
Disposal of capital assets	(9,738)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	(28,765)
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Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.	75,313
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on net position in the Statement of Activities.	695,970
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. However, interest expense is recognized as the interest accrues, on the Statement of Activities regardless of when it is due.	11,329
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Proceeds from long-term debt are recognized as an other financing source in the governmental funds but as a decrease in net position in the Statement of Activities. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the Statement of Activities.	19,268
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Certain revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(451,366)
--	-----------

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.	(47,753)
Delinquent special assessments	(44,855)
Delinquent property taxes	<u>(44,855)</u>

Change in net position of governmental activities	<u><u>\$ 1,766,801</u></u>
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**City of Wyoming**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		Variance with Final Budget - Over (Under)
	<u>Original and Final</u>	<u>Actual</u>	
<b>Revenues</b>			
Property taxes	\$ 3,469,428	\$ 3,474,951	\$ 5,523
Miscellaneous taxes	57,600	52,324	(5,276)
Licenses and permits	220,550	311,577	91,027
Intergovernmental	378,308	487,356	109,048
Charges for services	3,000	3,480	480
Fines and forfeitures	22,000	20,907	(1,093)
Miscellaneous			
Investment income	15,000	56,611	41,611
Contributions and donations	-	2,500	2,500
Other	43,752	67,768	24,016
Total revenues	<u>4,209,638</u>	<u>4,477,474</u>	<u>267,836</u>
<b>Expenditures</b>			
Current			
General government	685,037	673,948	(11,089)
Public safety	2,022,956	1,988,415	(34,541)
Public works	897,108	940,967	43,859
Culture and recreation	39,450	37,562	(1,888)
Debt service			
Interest and other charges	-	5,849	5,849
Capital outlay			
General government	-	22,512	22,512
Public safety	141,800	548,671	406,871
Public works	423,900	325,854	(98,046)
Total expenditures	<u>4,210,251</u>	<u>4,543,778</u>	<u>333,527</u>
Excess of revenues under expenditures	(613)	(66,304)	(65,691)
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital asset	8,000	29,780	21,780
Transfers in	236,850	54,216	(182,634)
Transfers out	<u>(238,739)</u>	<u>(954,380)</u>	<u>(715,641)</u>
Total other financing sources (uses)	<u>6,111</u>	<u>(870,384)</u>	<u>(876,495)</u>
Net change in fund balance	<u>\$ 5,498</u>	<u>(936,688)</u>	<u>\$ (942,186)</u>
<b>Fund Balance</b>			
Beginning of year		<u>3,662,737</u>	
End of year		<u>\$ 2,726,049</u>	

**City of Wyoming**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2019**

	Water (601, 860)	Sewer (602)	Surface Water (651)	Total Proprietary Funds
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 1,414,406	\$ 3,569,329	\$ 125,901	\$ 5,109,636
Cash with fiscal agent	144,318	-	-	144,318
Accounts receivable	129,958	300,052	23,199	453,209
Special assessment receivable				
Unremitted	1,797	4,005	214	6,016
Delinquent	2,874	6,119	278	9,271
Deferred	26,862	50,556	6,364	83,782
Prepaid items	2,047	1,625	-	3,672
Total current assets	<u>1,722,262</u>	<u>3,931,686</u>	<u>155,956</u>	<u>5,809,904</u>
Noncurrent assets				
Advance to other funds	29,958	29,958	-	59,916
Capital assets				
Land	6,284	-	-	6,284
Buildings and improvements	845,950	-	-	845,950
Machinery and equipment	46,092	152,290	-	198,382
Infrastructure	9,781,003	15,011,449	1,619,564	26,412,016
Construction in process	-	92,072	-	92,072
Total capital assets	<u>10,679,329</u>	<u>15,255,811</u>	<u>1,619,564</u>	<u>27,554,704</u>
Less accumulated depreciation	<u>(4,247,518)</u>	<u>(6,148,526)</u>	<u>(302,057)</u>	<u>(10,698,101)</u>
Net capital assets	<u>6,431,811</u>	<u>9,107,285</u>	<u>1,317,507</u>	<u>16,856,603</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources related to city pensions	<u>9,735</u>	<u>8,847</u>	<u>867</u>	<u>19,449</u>
Total assets and deferred outflows of resources	<u>\$ 8,193,766</u>	<u>\$ 13,077,776</u>	<u>\$ 1,474,330</u>	<u>\$ 22,745,872</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 23,647	\$ 20,547	\$ 1,798	\$ 45,992
Salaries and benefits payable	3,067	3,241	-	6,308
Interest payable	28,360	10,072	-	38,432
Due to other governments	5,548	46,375	-	51,923
Compensated absences, amount due within one year	8,056	5,476	-	13,532
Bonds payable, amount due within one year	155,687	104,313	-	260,000
Total current liabilities	<u>224,365</u>	<u>190,024</u>	<u>1,798</u>	<u>416,187</u>
Noncurrent liabilities				
Compensated absences, less current portion above	18,797	12,777	-	31,574
Bonds payable, less current portion above	2,498,580	701,420	-	3,200,000
Premium on bonds payable	23,915	34,754	-	58,669
Net pension liability	85,155	77,393	7,583	170,131
Total noncurrent liabilities	<u>2,626,447</u>	<u>826,344</u>	<u>7,583</u>	<u>3,460,374</u>
Total liabilities	<u>2,850,812</u>	<u>1,016,368</u>	<u>9,381</u>	<u>3,876,561</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to city pensions	<u>19,921</u>	<u>18,105</u>	<u>1,774</u>	<u>39,800</u>
<b>Net Position</b>				
Net investment in capital assets	3,753,629	8,266,798	1,317,507	13,337,934
Unrestricted	<u>1,569,404</u>	<u>3,776,505</u>	<u>145,668</u>	<u>5,491,577</u>
Total net position	<u>5,323,033</u>	<u>12,043,303</u>	<u>1,463,175</u>	<u>18,829,511</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,193,766</u>	<u>\$ 13,077,776</u>	<u>\$ 1,474,330</u>	<u>\$ 22,745,872</u>

**City of Wyoming**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended December 31, 2019**

	Water (601, 860)	Sewer (602)	Surface Water (651)	Total Proprietary Funds
Operating revenues				
Charges for services	\$ 510,191	\$ 1,109,624	\$ 54,206	\$ 1,674,021
Operating expenses				
Personnel services	173,519	145,532	17,247	336,298
Materials and supplies	77,873	15,297	3,482	96,652
Repairs and maintenance	20,125	44,602	13	64,740
Utilities	31,072	12,933	-	44,005
Depreciation	234,186	318,857	51,423	604,466
Other services and charges	82,415	695,930	33,280	811,625
Total operating expenses	<u>619,190</u>	<u>1,233,151</u>	<u>105,445</u>	<u>1,957,786</u>
Operating income (loss)	(108,999)	(123,527)	(51,239)	(283,765)
Nonoperating revenues (expenses)				
Investment income	23,843	59,486	1,845	85,174
Intergovernmental	6,725	-	-	6,725
Interest expense	(65,393)	(18,218)	-	(83,611)
Total nonoperating revenues (expenses)	<u>(34,825)</u>	<u>41,268</u>	<u>1,845</u>	<u>8,288</u>
Income (loss) before capital contributions	(143,824)	(82,259)	(49,394)	(275,477)
Capital contributions	43,890	50,050	-	93,940
Transfers in	175,000	-	-	175,000
Transfers out	<u>-</u>	<u>(175,000)</u>	<u>-</u>	<u>(175,000)</u>
Change in net position	75,066	(207,209)	(49,394)	(181,537)
Net position				
Beginning of year	<u>5,247,967</u>	<u>12,250,512</u>	<u>1,512,569</u>	<u>19,011,048</u>
End of year	<u>\$ 5,323,033</u>	<u>\$ 12,043,303</u>	<u>\$ 1,463,175</u>	<u>\$ 18,829,511</u>

**City of Wyoming**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2019**

	Water (601, 860)	Sewer (602)	Surface Water (651)	Total Proprietary Funds
<b>Cash Flows - Operating Activities</b>				
Receipts from customers and users	\$ 525,647	\$ 1,131,898	\$ 56,444	\$ 1,713,989
Payments to suppliers	(199,856)	(778,185)	(35,048)	(1,013,089)
Payments to employees	(172,322)	(156,411)	(14,204)	(342,937)
Net cash flows - operating activities	<u>153,469</u>	<u>197,302</u>	<u>7,192</u>	<u>357,963</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
Transfer from other funds	175,000	-	-	175,000
Transfer to other funds	-	(175,000)	-	(175,000)
Receipt on advance to other funds	28,532	28,532	-	57,064
Net cash flows - noncapital financing activities	<u>203,532</u>	<u>(146,468)</u>	<u>-</u>	<u>57,064</u>
<b>Cash Flows - Capital and Related Financing Activities</b>				
Principal paid on debt	(154,283)	(100,717)	-	(255,000)
Interest paid on debt	(69,658)	(25,682)	-	(95,340)
Connection charges	43,890	50,050	-	93,940
Intergovernmental revenue	6,725	-	-	6,725
Acquisition of capital assets	-	(60,525)	-	(60,525)
Net cash flows - capital and related financing activities	<u>(173,326)</u>	<u>(136,874)</u>	<u>-</u>	<u>(310,200)</u>
<b>Cash Flows - Investing Activities</b>				
Interest and dividends received	23,843	59,486	1,845	85,174
Net change in cash and cash equivalents	207,518	(26,554)	9,037	190,001
<b>Cash and Cash Equivalents</b>				
January 1	<u>1,351,206</u>	<u>3,595,883</u>	<u>116,864</u>	<u>5,063,953</u>
December 31, including \$144,318 reported as cash with fiscal agent	<u>\$ 1,558,724</u>	<u>\$ 3,569,329</u>	<u>\$ 125,901</u>	<u>\$ 5,253,954</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ (108,999)	\$ (123,527)	\$ (51,239)	\$ (283,765)
Adjustments to reconcile operating gain (loss) to net cash flows				
Operating activities				
Depreciation expense	234,186	318,857	51,423	604,466
Pension related activity	3,919	641	3,238	7,798
Accounts receivable	10,088	4,159	5,471	19,718
Prepaid items	289	(223)	-	66
Accounts payable	9,576	(9,616)	1,727	1,687
Special assessments	5,368	18,115	(3,233)	20,250
Due to other governmental units	1,764	416	-	2,180
Salaries payable	375	177	(195)	357
Compensated absences payable	(3,097)	(11,697)	-	(14,794)
Total adjustments	<u>262,468</u>	<u>320,829</u>	<u>58,431</u>	<u>641,728</u>
Net cash flows - operating activities	<u>\$ 153,469</u>	<u>\$ 197,302</u>	<u>\$ 7,192</u>	<u>\$ 357,963</u>

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**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Wyoming, Minnesota (the City) operates under the "Optional Plan A" form of government as defined by *Minnesota Statutes*. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Councilmembers. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The City has the following component unit.

**Blended Component Unit.** The Economic Development Authority (EDA) was created pursuant to *Minnesota Statutes* 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the City Council. The seven-member board of commissioners consists of two City Council members and five members appointed by City Council. The EDA may not exercise any of the powers enumerated by the authorizing *Minnesota Statutes* without prior approval of the City Council. The operations of the EDA are blended and reported in a separate special revenue fund.

**B. 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 activities of the City. 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.

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. Amounts reported as 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unavailable revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as unavailable revenue in the fund financial statements.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports major governmental funds that are calculated based on these criteria:

- 1) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total (that is, total governmental or total enterprise funds), and
- 2) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The following major governmental funds meet the criteria described above:

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

**Debt Service Fund** – This fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

**Street Replacement Fund** – This fund accounts for the accumulation of resources to fund municipal street projects.

**Capital Revolving Fund** – This fund accounts for the accumulation of resources to fund capital projects.

The City reports the following major proprietary funds:

**Water Fund** – This fund accounts for costs associated with the City's water distribution system and ensure user charges are sufficient to pay for those costs.

**Sewer Fund** – This fund accounts for costs associated with the City's sewer collection system and ensure that user charges are sufficient to pay for those costs.

**Surface Water Fund** – This fund accounts for the costs associated with the City's surface water system, which are financed by the surface water surcharge and ensure that user charges are sufficient to pay for those costs.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by *Minnesota Statutes*, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a State or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)**

**1. Deposits and Investments (Continued)**

The City may also invest idle funds as authorized by *Minnesota Statutes*, as follows: (Continued)

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities brokerdealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the 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.

**2. Property Taxes**

The City Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June, and November each year.

Delinquent taxes receivable includes the past six years' uncollected taxes. Governmental delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year-end in the fund financial statements.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)**

**3. Accounts Receivable**

Accounts receivable include amounts billed for services provided before year-end. Unbilled utility enterprise fund receivables are also included for services provided in 2019. There has been no allowance for doubtful accounts established.

**4. Special Assessments**

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are annually certified to the County or received in cash or within 60 days after year-end. All governmental deferred and delinquent special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

**5. Interfund Receivables and Payables**

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 interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund 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."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account unless otherwise restricted, committed, or assigned in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported 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 (amount not rounded) 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 acquisition value at the date of donation.

The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)**

**6. Capital Assets (Continued)**

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City 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 City constructs or acquires capital assets each period, 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. In the case of donations the City values these capital assets at the estimated acquisition of the item at the date of its donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Structures	10-50
Infrastructure	20-50
Machinery and Equipment	3-20
Other Assets	3-15

**7. Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

**8. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the 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. The recognition of bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense/expenditure in the period incurred.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)**

**8. Long-Term Obligations (Continued)**

In the fund financial statements, governmental fund types recognized bond premiums and discounts during the current period.

**9. Compensated Absences**

It is the City's policy to permit employees to accumulate a limited amount earned but unused vacation and sick leave which is paid to the employee upon separation. A limited amount of earned but unused vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In the governmental funds, compensated absences are generally liquidated by the General Fund.

**10. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Wyoming's Fire Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

**11. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The government has another item that qualifies for reporting in this category related to grants which is reported on the Statement of Net Position and the Governmental Funds Balance Sheet. This item is deferred until time requirements have been met.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)**

**11. Deferred Inflows of Resources (Continued)**

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

**12. Fund Balance**

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* – Amounts that cannot be spent because they are not in spendable form, such as prepaid items and long-term receivables.

*Restricted* – Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* – Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

*Assigned* – Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator.

*Unassigned* – The residual classification for the General Fund and also negative residual amounts in other funds.

The City's policy is to maintain a minimum unrestricted fund balance of 55% of subsequent years budgeted expenditures.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)**

**13. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position – Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

**14. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund. All annual appropriations lapse at year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Administrator. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Expenditures over Appropriations**

Budgetary control for governmental funds is established at the department level. Expenditures exceeded appropriations in the following General Fund departments for the year ending December 31, 2019.

	<u>Appropriations</u>	<u>Expenditures</u>
General Fund		
Boards and commissions	\$ 5,780	\$ 6,988
Other general government	58,552	190,755
Police	1,920,054	2,364,264
Debt service	-	5,849

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Components of Cash and Investments**

Cash and investments at year-end consisted of the following:

Deposits	\$ 4,575,092
Investments	<u>11,014,214</u>
Total	<u><u>\$ 15,589,306</u></u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 15,328,520
Cash with fiscal agent	<u>260,786</u>
Total deposits and investments	<u><u>\$ 15,589,306</u></u>

**B. Deposits**

In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit. The following is considered the most significant risk associated with deposits:

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party.

*Minnesota Statutes* require that all City deposits be protected by insurance, surety bond or collateral. The value of collateral pledged must equal 110% of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Deposits (Continued)**

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party.

*Minnesota Statutes* require that all City deposits be protected by insurance, surety bond or collateral. The value of collateral pledged must equal 110% of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

*Minnesota Statutes* require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At year-end, the City had non-pooled deposits with a carrying value of \$94,610, cash with fiscal agent with a carrying value of \$260,786, and pooled deposits with a carrying value of \$4,219,696. The bank balances were covered by federal depository insurance or by collateral pledged in the City's name. As stated above, Minnesota State statute requires 110% of deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan banks to be covered by collateral.

**C. Investments**

At year-end, the City's investment balances were as follows:

Investment Type	Fair Value	Less than 1 Year	1-5 Yars	6-10 Years
Municipal Securities	\$ 559,341	\$ -	\$ 559,341	\$ -
Government Securities	5,639,390	-	5,104,572	534,818
Mortgage Backed Securities	552,770	-	364,071	188,699
Brokered Certificates of Deposit	1,506,962	-	1,306,796	200,166
Investments at amortized cost				
Money Market	2,775,751	2,775,751	-	-
<b>Total Investments</b>	<b>\$ 11,034,214</b>	<b>\$ 2,775,751</b>	<b>\$ 7,334,780</b>	<b>\$ 923,683</b>

The City has the following recurring fair value measurements at December 31, 2019:

- \$8,238,463 of investments are valued using a matrix pricing model (Level 2 inputs).

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

The Minnesota Municipal Money Market Fund is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. The City's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. Investments in the 4M Plus must be deposited for a minimum of 14 days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

The investments of the City are subject to the following risks:

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list in Note 1, D. As of December 31, 2019, the mortgage backed securities were rated Aaa by S&P. The remaining securities were unrated.

**Custodial Credit Risk:** This is the risk that, in the event of the failure of the Counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City will minimize custodial risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

**Interest Rate Risk:** This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the city will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and managing the average maturity of the overall portfolio to be consistent with the risk profile of the City not to exceed 3.5 years.

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy does not address concentration of credit risk, placing no limit on the amount that may be invested in any one issuer. The City has not invested more than 5% of applicable investments in a single issuer.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 869,787	\$ -	\$ -	\$ 869,787
Capital assets being depreciated				
Buildings and improvements	696,631	-	-	696,631
Machinery and equipment	4,500,536	810,508	187,275	5,123,769
Infrastructure	<u>24,774,038</u>	<u>585,134</u>	<u>-</u>	<u>25,359,172</u>
Total capital assets being depreciated	<u>29,971,205</u>	<u>1,395,642</u>	<u>187,275</u>	<u>31,179,572</u>
Less accumulated depreciation for				
Buildings and improvements	(456,721)	(16,052)	-	(472,773)
Machinery and equipment	(3,288,771)	(226,223)	(177,537)	(3,337,457)
Infrastructure	<u>(8,328,103)</u>	<u>(678,380)</u>	<u>-</u>	<u>(9,006,483)</u>
Total accumulated depreciation	<u>(12,073,595)</u>	<u>(920,655)</u>	<u>(177,537)</u>	<u>(12,816,713)</u>
Total capital assets being depreciated, net	<u>17,897,610</u>	<u>474,987</u>	<u>9,738</u>	<u>18,362,859</u>
Governmental activities capital assets, net	<u>\$ 18,767,397</u>	<u>\$ 474,987</u>	<u>\$ 9,738</u>	<u>\$ 19,232,646</u>

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,284	\$ -	\$ -	\$ 6,284
Construction in progress	31,547	60,525	-	92,072
Total capital assets Not being depreciated	37,831	60,525	-	98,356
Capital assets being depreciated				
Buildings and improvements	845,950	-	-	845,950
Machinery and equipment	207,414	-	9,032	198,382
Infrastructure	26,412,016	-	-	26,412,016
Total capital assets being depreciated	27,465,380	-	9,032	27,456,348
Less accumulated depreciation for				
Buildings and improvements	(597,121)	(15,350)	-	(612,471)
Machinery and equipment	(164,649)	(8,978)	(9,032)	(164,595)
Infrastructure	(9,340,897)	(580,138)	-	(9,921,035)
Total accumulated depreciation	(10,102,667)	(604,466)	(9,032)	(10,698,101)
Total capital assets being depreciated, net	17,362,713	(604,466)	-	16,758,247
Business-type activities capital assets, net	\$ 17,400,544	\$ (543,941)	\$ -	\$ 16,856,603

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

Governmental Activities	
General Government	\$ 20,480
Public Safety	140,274
Public Works	728,247
Culture and Recreation	31,654
Total Depreciation Expense - Governmental Activities	\$ 920,655
Business-type activities	
Water	\$ 234,186
Sewer	318,857
Surface Water	51,423
Total depreciation expense - governmental activities	\$ 604,466

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**A. Internal Balances**

At December 31, 2019, advances to/from other funds for the City were as follows:

	Advance to Other Funds				
	General Fund	Capital Revolving	Water	Sewer	Total
Advance from Other Funds					
General Fund	\$ -	\$ 188,713	\$ 29,958	\$ 29,958	\$ 248,629
Debt Service Fund	<u>245,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,822</u>
 Total	<u>\$ 245,822</u>	<u>\$ 188,713</u>	<u>\$ 29,958</u>	<u>\$ 29,958</u>	<u>\$ 494,451</u>

The City approved an advance to the Debt Service fund from the General Fund to provide funding for the tax increment financing bond payments due to the district not generating enough tax increment revenue to meet debt obligations. The advance will be paid back with future tax increments. The outstanding balance on the advance at year-end was \$245,822. The Water and Sewer funds have an outstanding advance to the City's General Fund for internal financing of equipment purchases. The advance has been split 50% Water and 50% Sewer and totals \$59,916.

The City approved an advance to the Capital Revolving fund from the General fund to provide funding for the 2019 Boyer Wester Star Dump Truck Loan. The outstanding balance on the advance at year-end was \$188,713.

**B. Transfers**

The composition of interfund transfers as of December 31, 2019 is as follows:

	Transfers In					Total
	General Fund	Debt Service	Capital Revolving	Water	Nonmajor Governmental	
Transfers Out						
General Fund	\$ -	\$ -	\$ 950,000	\$ -	\$ 4,380	\$ 954,380
Debt Service	-	-	-	-	-	-
Street Replacement	-	39,736	-	-	-	\$ 39,736
Nonmajor Governmental	54,216	-	-	-	-	\$ 54,216
Sewer	-	-	-	<u>175,000</u>	-	<u>\$ 175,000</u>
 Total	<u>\$ 54,216</u>	<u>\$ 39,736</u>	<u>\$ 950,000</u>	<u>\$ 175,000</u>	<u>\$ 4,380</u>	<u>\$ 1,223,332</u>

The City annually budgets transfers for specific purposes and includes transfers to cover funds annual operations, transfers for administrative fees, and transfers made to the Street Replacement Fund. In addition, the City made a non-budgeted transfer from the Street Replacement Fund to the Debt Service Fund to assist in required debt service expenditures, a transfer from the General Fund to the Capital Revolving Fund for capital purposes, and a transfer from the Sewer Fund to the Water Fund for capital purchases.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 6 – LONG-TERM DEBT**

**General Obligation (G.O.) Bonds**

The City issues general obligation (G.O.) bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund G.O. bonds.

G.O. bonds are direct obligations and pledge the full faith and credit of the City.

**General Obligation (G.O.) Improvement Bonds**

The following bonds were issued to finance various improvements and will be repaid from special assessments levied on the properties benefiting from the improvements and ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105% of the amount required for debt service. The excess of 5% is to cover any delinquencies in tax or assessment payments.

G.O. improvement bonds currently outstanding are as follows:

	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year-End</u>
G.O. Improvement Bonds, Series 2009A	\$ 3,955,000	2.00-5.50%	09/15/09	02/01/25	\$ 1,910,000
G.O. Improvement Bonds, Series 2015A	3,235,000	2.00-5.50%	09/15/09	02/01/26	2,365,000
G.O. Improvement Bonds, Series 2016A	1,125,000	0.85-1.75%	10/20/16	02/01/27	910,000
G.O. Improvement Bonds, Series 2018A	1,495,000	3.00-3.25%	07/19/18	02/01/34	<u>1,495,000</u>
Total G.O. Improvement Bonds					<u>\$ 6,680,000</u>

Requirement to maturity for general obligation improvement bonds follows:

<u>Year Ending December 31,</u>	<u>General Obligation Improvement Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>	<u>Total</u>
2020	\$ 790,000	\$ 216,431	\$ (32,631)	\$ 973,800
2021	815,000	188,451	(27,416)	976,035
2022	835,000	159,094	(21,871)	972,223
2023	850,000	128,544	(16,037)	962,507
2024	885,000	96,588	(13,273)	968,315
2025-2029	1,930,000	169,710	-	2,099,710
2030-2034	<u>575,000</u>	<u>47,647</u>	<u>-</u>	<u>622,647</u>
Total	<u>\$ 6,680,000</u>	<u>\$ 1,006,465</u>	<u>\$ (111,228)</u>	<u>\$ 7,575,237</u>

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**Notes Payable**

The following note was issued by the EDA to finance the purchase of land:

	<u>Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Year-End</u>
EDA Land Purchase	\$ 440,000	3.95-6.50%	05/01/02	11/01/31	\$ 249,016

Requirement to maturity for notes payable follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 21,806	\$ 9,623	\$ 31,429
2021	22,676	8,753	31,429
2022	23,580	7,849	31,429
2023	24,521	6,908	31,429
2024	25,499	5,930	31,429
2025-2029	<u>130,934</u>	<u>13,555</u>	<u>144,489</u>
Total	<u>\$ 249,016</u>	<u>\$ 52,618</u>	<u>\$ 301,634</u>

**G.O. Revenue Bonds**

The following bonds were issued to finance capital improvement in the enterprise funds. They will be retired from net revenue of the enterprise funds.

	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year-End</u>
G.O. Utility Revenue Bonds, Series 2015A	\$ 1,525,000	3.00%	06/30/15	02/01/26	\$ 1,120,000
G.O. Utility Revenue Bonds, Series 2015B	2,670,000	0.75-3.10%	11/12/15	02/01/36	<u>2,340,000</u>
Total G.O. Improvement Bonds					<u>\$ 3,460,000</u>

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements to maturities for general obligation revenue bonds are as follows:

<u>Year Ending December 31,</u>	General Obligation Revenue Bonds Business-Type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 260,000	\$ 89,255	\$ 349,255
2021	265,000	83,105	348,105
2022	275,000	76,650	351,650
2023	280,000	69,765	349,765
2024	290,000	62,440	352,440
2025-2029	1,005,000	215,770	1,220,770
2020-2034	750,000	109,500	859,500
2035-2039	335,000	10,462	345,462
Total	<u>\$ 3,460,000</u>	<u>\$ 716,947</u>	<u>\$ 4,176,947</u>

During the year ended December 31, 2019, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable					
G.O. Improvement Bonds	\$ 7,355,000	\$ -	\$ (675,000)	\$ 6,680,000	\$ 790,000
Unamortized Premium on Bonds	135,071	-	(19,268)	115,803	-
Total bonds payable	<u>7,490,071</u>	<u>-</u>	<u>(694,268)</u>	<u>6,795,803</u>	<u>790,000</u>
Notes Payable	269,986	-	(20,970)	249,016	21,806
Compensated Absences Payable	403,042	173,471	(144,706)	431,807	129,542
long-term liabilities	<u>\$ 8,163,099</u>	<u>\$ 173,471</u>	<u>\$ (859,944)</u>	<u>\$ 7,476,626</u>	<u>\$ 941,348</u>
<b>Business-Type Activities</b>					
G.O. Revenue Bonds	3,715,000	-	(255,000)	3,460,000	260,000
Unamortized Premium on Bonds	67,978	-	(9,309)	58,669	-
Compensated absences payable	<u>59,900</u>	<u>21,398</u>	<u>(36,193)</u>	<u>45,106</u>	<u>13,532</u>
Business-type activity long-term liabilities	<u>\$ 3,842,878</u>	<u>\$ 21,398</u>	<u>\$ (300,502)</u>	<u>\$ 3,563,775</u>	<u>\$ 273,532</u>

**Tax Increment Districts**

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance, which would have a material effect on the financial statements.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 7 – FUND BALANCES**

At December 31, 2019, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Street Replacement	Capital Revolving	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>						
Prepaid items	\$ 53,951	\$ -	\$ -	\$ -	\$ -	\$ 53,951
Advances to other funds	245,822	-	-	-	-	245,822
Total nonspendable	<u>299,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,773</u>
<b>Restricted</b>						
Debt service	-	1,481,709	-	-	-	1,481,709
Public safety expenditures	-	-	-	-	24,139	24,139
Revolving loan	-	-	-	-	21,898	21,898
Park dedication	-	-	-	-	85,553	85,553
Lawful gambling	-	-	-	-	89,787	89,787
State Aid Streets	-	-	-	-	366,455	366,455
Total restricted	<u>-</u>	<u>1,481,709</u>	<u>-</u>	<u>-</u>	<u>587,832</u>	<u>2,069,541</u>
<b>Committed</b>						
Public safety expenditures	-	-	-	-	48,992	48,992
Economic Development	-	-	-	-	135,838	135,838
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,830</u>	<u>184,830</u>
<b>Assigned</b>						
Law enforcement	18,770	-	-	-	-	18,770
Park capital improvements	55,615	-	-	-	-	55,615
General administration capital improvements	270,577	-	-	-	-	270,577
Street capital improvements	252,542	-	-	-	-	252,542
Street replacement	-	-	1,927,069	-	-	1,927,069
Capital projects	-	-	-	2,431,628	898	2,432,526
Special projects	-	-	-	-	189,905	189,905
Total assigned	<u>597,504</u>	<u>-</u>	<u>1,927,069</u>	<u>2,431,628</u>	<u>190,803</u>	<u>5,147,004</u>
Unassigned	<u>1,828,772</u>	<u>(245,822)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,582,950</u>
Total fund balance	<u>\$ 2,726,049</u>	<u>\$ 1,235,887</u>	<u>\$ 1,927,069</u>	<u>\$ 2,431,628</u>	<u>\$ 963,465</u>	<u>\$ 9,284,098</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE**

The city participates in various pension plans, total pension expense for the year ended December 31, 2019, was \$156,349. The components of pension expense are noted in the following plan summaries.

The General Fund and Water and Sewer Funds typically liquidate the liability related to pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**A. Plan Description (Continued)**

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July, 1 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5%, of their annual covered salary in calendar year 2019 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2019, were \$70,182. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the year ended December 31, 2019, were \$141,556. The City's contributions were equal to the required contributions as set by state statute.

**City of Wyoming  
Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**D. Pension Costs**

At December 31, 2019, the City reported a liability of \$696,626 for its proportionate share of the General Employees Fund’s net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$21,666. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2019, the City’s proportionate share was 0.0126%, which was an increase of 0.0004% from its proportionate share measured as of June 30, 2018.

City's proportionate share of the net pension liability	\$ 696,626
State of Minnesota's proportionate share of the net pension liability associated with the City	21,666
Total	\$ 718,292

For the year ended December 31, 2019, the City recognized pension expense of \$58,056 for its proportionate share of General Employees Plan’s pension expense. Included in the amount, the City recognized \$1,623 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**City of Wyoming  
Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At December 31, 2019, the City reported its proportionate share of the General Employees Plan’s deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 19,780	\$ -
Changes in actuarial assumptions	-	55,724
Difference between projected and actual investment earnings	-	72,134
Changes in proportion	24,764	35,112
Contributions paid to PERA subsequent to the measurement date	35,091	-
Total	\$ 79,635	\$ 162,970

\$35,091 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	\$ (42,353)
2021	(69,262)
2022	(7,934)
2023	1,123
Total	\$ (118,426)

**City of Wyoming  
Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs

At December 31, 2019, the City reported a liability of \$817,757 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2019, the City’s proportionate share was 0.0778%, which was an increase of 0.0041% from its proportionate share measured as of June 30, 2018. The City also recognized \$10,503 for the year ended December 31, 2019, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019, in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City recognized pension expense of \$113,781 for its proportionate share of the Police and Fire Plan’s pension expense.

At December 31, 2019, the City reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 34,613	\$ 122,270
Changes in actuarial assumptions	662,588	931,011
Difference between projected and actual investment earnings	-	170,542
Changes in proportion	96,618	46,278
Contributions paid to PEPFF subsequent to the measurement date	70,778	-
Total	\$ 864,597	\$ 1,270,101

**City of Wyoming  
Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

The \$70,778 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2020	\$ (55,221)
2021	(113,837)
2022	(310,856)
2023	(2,951)
2024	6,583
Total	<u>\$ (476,282)</u>

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 % Per year
Active member payroll growth	3.25 % Per year
Investment rate of return	7.50 %

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan and, 1.0% per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

**City of Wyoming  
Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**E. Actuarial Assumptions (Continued)**

The following changes in actuarial assumptions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State’s special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	35.5%	5.10%
Private markets	25.0	5.90
Fixed income	20.0	0.75
International equity	17.5	5.90
Cash equivalents	2.0	0.00
	<hr/>	
Total	<u>100%</u>	

**City of Wyoming  
Notes to Financial Statements**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**Public Employees’ Retirement Association (Continued)**

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2019 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension Liability Sensitivity**

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the General Employees Fund net pension liability	\$ 1,145,215	\$ 696,626	\$ 326,226
City's proportionate share of the Police and Fire Fund net pension liability	\$ 1,799,919	\$ 817,757	\$ (10,487)

**H. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION**

**A. Plan Description**

The City of Wyoming Firefighter's Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the City of Wyoming Fire Department per *Minnesota State Statutes*.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION**  
**(CONTINUED)**

**A. Plan Description (Continued)**

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to City of Wyoming Firefighter’s Association, 26885 Forest Blvd, Wyoming, MN 55092 or by calling (651)257-4100.

**B. Benefits Provided**

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, the lump sum pension will be reduced by 4% for each year of service less than 20 years. This percentage increases 4% per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member’s service pension for the completed years of service times the applicable nonforfeitable percentage of pension.

**C. Members Covered by Benefit Terms**

At December 31, 2017, the following members were covered by the benefit terms:

Inactive members entitled to but not yet receiving benefits	4
Active members	<u>26</u>
Total	<u><u>30</u></u>

**D. Contributions.**

*Minnesota Statutes* Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City’s obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$46,502 made by the State of Minnesota for the Relief Association.

**E. Net Pension Liability**

The City’s net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017.

**City of Wyoming  
Notes to Financial Statements**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION  
(CONTINUED)**

**E. Net Pension Liability (Continued)**

*Actuarial assumptions:*

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 %	
Investment rate	5.75 %	Net of pension plan investment expenses: including inflation

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38.71 %	4.95%
Fixed income	42.54	1.99
Cash and Equivalents	<u>18.75</u>	0.58
Total	<u><u>100.00 %</u></u>	

*Discount rate:*

The discount rate used to measure the total pension liability was 5.75%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION**  
**(CONTINUED)**

**E. Net Pension Liability (Continued)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at January 1, 2018	\$ 224,034	\$ 549,894	\$ (325,860)
Changes for the year			
Service cost	21,354	-	21,354
Interest cost	14,110	-	14,110
Changes of benefit terms	59,227	-	59,227
State contributions	-	54,670	(54,670)
Net investment income	-	(13,933)	13,933
Other addition	-	24,958	(24,958)
Net changes	<u>94,691</u>	<u>65,695</u>	<u>28,996</u>
Balances at December 31, 2018	<u>\$ 318,725</u>	<u>\$ 615,589</u>	<u>\$ (296,864)</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 5.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
City's net pension liability (asset)	<u>\$(275,939)</u>	<u>\$ (296,864)</u>	<u>\$ (316,244)</u>

Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

Plan changes since prior valuation was an increase in the annual lump sum amount from \$2,200 to \$3,000.

**City of Wyoming  
Notes to Financial Statements**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION  
(CONTINUED)**

**G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions**

For the year ended December 31, 2019, the City recognized pension expense of \$(15,488). At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 88,218
Changes of assumptions	3,489	-
Net difference between projected and actual earnings on pension plan investments	33,760	-
City's contributions to relief association subsequent to measurement date	<u>46,502</u>	<u>-</u>
Total	<u><u>\$ 83,751</u></u>	<u><u>\$ 88,218</u></u>

\$46,502 reported as deferred outflows of resources related pensions resulting from the City's contribution to the relief association subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown on the following page.

<u>Year Ending</u>	<u>Total</u>
2020	\$ 4,112
2021	(5)
2022	(71)
2023	2,564
2024	(6,790)
Thereafter	<u>(50,779)</u>
Total	<u><u>\$ (50,969)</u></u>

**H. Payable to the Pension Plan**

At December 31, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 10 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

**NOTE 11- JOINT VENTURE**

The City is member of the Chisago Lakes Joint Sewage Treatment Commission (CLJSTC) along with five other communities. The purpose of the CLJSTC is to provide administration and operation of the disposal system serving all six communities. Each community owns a percentage of the assets of the Commission and is responsible for a proportionate share of expenses and debt. The City costs are reflected in the Sewer enterprise fund and totaled \$325,306 and \$328,521 for the years ended 2019 and 2018, respectively. Totals from the most recently issued condensed combined financial statements of the CLJSTC are as follows on the following page.

**City of Wyoming  
Notes to Financial Statements**

**NOTE 11- JOINT VENTURE (CONTINUED)**

**Statement of Net Position  
December 31, 2019**

Assets		
Current assets		\$ 2,558,796
Capital assets and other noncurrent assets		12,551,771
Total assets		<u>15,110,567</u>
 Deferred outflows of resources		
deferred pension resources		<u>24,282</u>
 Liabilities		
Current liabilities		1,037,662
Noncurrent liabilities		4,945,141
Total liabilities		<u>5,982,803</u>
 Deferred outflows of resources		
Deferred pension resources		<u>55,451</u>
 Net position		
Net investment in capital assets		6,121,047
Restricted		942,644
Unrestricted		<u>2,032,904</u>
 Total net position		<u><u>\$ 9,096,595</u></u>

**Statement of Activities  
December 31, 2019**

Revenues		
Operating		\$ 2,183,763
Nonoperating		27,127
Total revenues		<u>2,210,890</u>
 Expenses		
Operating		1,927,874
Nonoperating		120,528
Total expenses		<u>2,048,402</u>
 Change in net position		162,488
 Net position - beginning of year		<u>8,934,107</u>
 Net position - end of year		<u><u>\$ 9,096,595</u></u>

**City of Wyoming**  
**Notes to Financial Statements**

**NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*. No prior period adjustments were needed as a result of the implementation.

**NOTE 13 - SUBSEQUENT EVENT**

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2019, cannot be determined at this time.

**NOTE 14 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize at least receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending December 31, 2022.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ending December 31, 2021.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Wyoming**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**General Employees Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0153%	\$ 792,925	\$ -	\$ 792,925	\$ 899,558	88.15%	78.19%
2016	0.0129%	1,047,420	13,713	1,061,133	796,189	133.28%	68.91%
2017	0.0133%	849,063	10,663	859,726	855,722	99.22%	75.90%
2018	0.0122%	676,806	22,200	699,006	820,000	82.54%	79.53%
2019	0.0126%	696,626	21,666	718,292	894,640	77.87%	80.23%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Wyoming**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**Public Employees Police and Fire Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net	City's Proportionate Share (Amount) of the Net	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total
2015	0.0770%	\$ 874,900	\$ 710,967	123.06%	86.61%
2016	0.0750%	3,009,881	726,311	414.41%	63.88%
2017	0.0780%	1,046,073	802,482	130.35%	85.43%
2018	0.0737%	778,933	776,333	100.33%	88.84%
2019	0.0778%	817,757	840,111	97.34%	89.26%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Wyoming  
Schedule of City Contributions  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered
2015	\$ 63,293	\$ 63,293	\$ -	\$ 843,907	7.50%
2016	61,537	61,537	-	820,493	7.50%
2017	60,118	60,118	-	801,573	7.50%
2018	69,211	69,211	-	922,813	7.50%
2019	70,182	70,182	-	935,760	7.50%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Wyoming  
Schedule of City Contributions  
Public Employees Police and Fire Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered
2015	\$ 113,792	\$ 113,792	\$ -	\$ 702,420	16.20%
2016	125,767	125,767	-	776,340	16.20%
2017	126,239	126,239	-	779,253	16.20%
2018	127,891	127,891	-	789,451	16.20%
2019	141,556	141,556	-	835,139	16.95%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Wyoming**  
**Schedule of Changes in Net Pension Liability - Fire Relief Association -**  
**General Employees Retirement Fund**  
**Last Ten Years\***

	2015	2016	2017	2018
Total pension liability (TPL)				
Service cost	\$ 23,360	\$ 25,442	\$ 26,142	\$ 21,354
Interest on the pension liability	15,876	17,650	19,006	14,110
Differences between expected and actual experience	-	-	(102,356)	-
Changes of assumptions	-	-	4,047	-
Changes of benefit terms	-	-	-	59,227
Benefit payments	(8,033)	(15,490)	(26,875)	-
Net change in TPL	31,203	27,602	(80,036)	94,691
TPL - beginning	245,265	276,468	304,070	224,034
TPL - ending	\$ 276,468	\$ 304,070	\$ 224,034	\$ 318,725
Plan fiduciary net position (PFNP)				
Contributions - State	\$ 43,147	\$ 44,376	\$ 43,366	\$ 44,670
Contributions - City	-	5,600	6,000	10,000
Net investment income	2,273	24,572	41,959	(13,933)
Other additions	-	-	14,270	24,958
Benefit payments	(8,033)	(15,490)	(26,875)	-
Administrative expense	(4,648)	(1,500)	(216)	-
Net change in PFNP	32,739	57,558	78,504	65,695
PFNP - beginning	381,093	413,832	471,390	549,894
PFNP - ending	\$ 413,832	\$ 471,390	\$ 549,894	\$ 615,589
Net pension liability/ (asset) - ending	\$ (137,364)	\$ (167,320)	\$ (325,860)	\$ (296,864)
Plan fiduciary net position as a percentage of the total pension	149.69%	155.03%	245.45%	193.14%

**Schedule of City Contributions - Fire Relief Association -**  
**General Employees Retirement Fund**  
**Last Ten Years\***

Statutorily required contribution (a)	\$ 43,147	\$ 44,376	\$ 43,366	\$ 44,670
Actual contributions paid (b)	43,147	44,376	43,366	44,670
Contribution deficiency (Excess) (a-b)	-	-	-	-

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**City of Wyoming**  
**Notes to Required Supplementary Information**

**GENERAL EMPLOYEES FUND**

**2019 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.

**City of Wyoming**  
**Notes to Required Supplementary Information**

**GENERAL EMPLOYEES FUND (CONTINUED)**

**2017 Changes (Continued)**

Changes in Plan Provisions (Continued)

- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**City of Wyoming**  
**Notes to Required Supplementary Information**

**POLICE AND FIRE FUND**

**2019 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

**City of Wyoming**  
**Notes to Required Supplementary Information**

**POLICE AND FIRE FUND (CONTINUED)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

**FIRE RELIEF ASSOCIATION DEFINED BENEFIT PENSION PLAN**

**2018 Changes**

Changes in Plan Provisions

- The annual lump sum amount increased from \$2,200 to \$3,000.

**SUPPLEMENTARY INFORMATION**

**City of Wyoming  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2019**

	Special Revenue	Capital Projects	Total Nonmajor Governmental
<b>Assets</b>			
Cash and investments	\$ 318,590	\$ 1,008,909	\$ 1,327,499
Accounts receivable	5,047	-	5,047
Special assessment receivable Deferred	-	406	406
Total assets	\$ 323,637	\$ 1,009,315	\$ 1,332,952
<b>Liabilities</b>			
Accounts payable	\$ 2,020	\$ 10,422	\$ 12,442
Deposits payable	-	355,676	355,676
Due to other governments	963	-	963
Total liabilities	2,983	366,098	369,081
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	406	406
<b>Fund Balances</b>			
Restricted	135,824	452,008	587,832
Committed	184,830	-	184,830
Assigned	-	190,803	190,803
Total fund balances	320,654	642,811	963,465
Total liabilities and fund balances	\$ 323,637	\$ 1,009,315	\$ 1,332,952

**City of Wyoming**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2019**

	Special Revenue	Capital Projects	Total Nonmajor Governmental
<b>Revenues</b>			
Property taxes	\$ 42,000	\$ 5,611	\$ 47,611
Intergovernmental	-	129,210	129,210
Charges for services	9,415	-	9,415
Miscellaneous			
Investment income	5,000	10,079	15,079
Contributions and donations	14,932	15,300	30,232
Other	23,082	98,734	121,816
Total revenues	<u>94,429</u>	<u>258,934</u>	<u>353,363</u>
<b>Expenditures</b>			
Current			
General government	-	84,889	84,889
Public safety	11,406	-	11,406
Economic development	5,661	-	5,661
Debt service			
Principal	20,970	-	20,970
Interest and other charges	10,459	-	10,459
Capital outlay			
Public safety	46,920	-	46,920
Culture and recreation	-	17,341	17,341
Total expenditures	<u>95,416</u>	<u>102,230</u>	<u>197,646</u>
Excess of revenues over expenditures	(987)	156,704	155,717
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital asset	23,821	-	23,821
Transfers in	-	4,380	4,380
Transfers out	-	(54,216)	(54,216)
Total other financing sources (uses)	<u>23,821</u>	<u>(49,836)</u>	<u>(26,015)</u>
Net change in fund balances	22,834	106,868	129,702
<b>Fund Balances</b>			
Beginning of year	<u>297,820</u>	<u>535,943</u>	<u>833,763</u>
End of year	<u>\$ 320,654</u>	<u>\$ 642,811</u>	<u>\$ 963,465</u>

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**SPECIAL REVENUE FUNDS**

**City of Wyoming  
Combining Balance Sheet -  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Special Revenue		
	Police Forfeiture (201)	Police Impound (202)	Police Department Donations (205)
<b>Assets</b>			
Cash and investments	\$ 26,584	\$ 37,922	\$ 6,592
Accounts receivable	248	2,047	-
Total assets	<u>\$ 26,832</u>	<u>\$ 39,969</u>	<u>\$ 6,592</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,730	\$ 290	\$ -
Due to other governments	963	-	-
Total liabilities	<u>2,693</u>	<u>290</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted	24,139	-	-
Committed	-	39,679	6,592
Total fund balances	<u>24,139</u>	<u>39,679</u>	<u>6,592</u>
Total liabilities and fund balances	<u>\$ 26,832</u>	<u>\$ 39,969</u>	<u>\$ 6,592</u>

Special Revenue

Public Safety Donations (206)	Economic Development Authority (280)	Gambling Proceeds (490)	Revolving Loan (285)	Total Special Revenue Funds
\$ 2,661	\$ 135,838	\$ 87,095	\$ 21,898	\$ 318,590
60	-	2,692	-	5,047
<u>\$ 2,721</u>	<u>\$ 135,838</u>	<u>\$ 89,787</u>	<u>\$ 21,898</u>	<u>\$ 323,637</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,020
-	-	-	-	963
-	-	-	-	2,983
-	-	89,787	21,898	135,824
2,721	135,838	-	-	184,830
<u>2,721</u>	<u>135,838</u>	<u>89,787</u>	<u>21,898</u>	<u>320,654</u>
<u>\$ 2,721</u>	<u>\$ 135,838</u>	<u>\$ 89,787</u>	<u>\$ 21,898</u>	<u>\$ 323,637</u>

**City of Wyoming**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes In Fund Balances -**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2019**

	Special Revenue		
	Police Forfeiture (201)	Police Impound (202)	Police Department Donations (205)
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Charges for services	-	7,179	-
Miscellaneous			
Investment income	702	589	89
Contributions and donations	-	-	14,932
Other	28	-	-
Total revenues	<u>730</u>	<u>7,768</u>	<u>15,021</u>
<b>Expenditures</b>			
Current			
Public safety	2,250	7,838	1,318
Economic development	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay			
Public safety	34,511	1,615	10,794
Total expenditures	<u>36,761</u>	<u>9,453</u>	<u>12,112</u>
Excess of revenues over (under) expenditures	(36,031)	(1,685)	2,909
<b>Other Financing Sources</b>			
Proceeds from sale of capital asset	<u>18,500</u>	<u>5,321</u>	<u>-</u>
Net change in fund balances	(17,531)	3,636	2,909
<b>Fund Balances</b>			
Beginning of year	<u>41,670</u>	<u>36,043</u>	<u>3,683</u>
End of year	<u>\$ 24,139</u>	<u>\$ 39,679</u>	<u>\$ 6,592</u>

Special Revenue				
Public Safety Donations (206)	Economic Development Authority (280)	Gambling Proceeds (490)	Revolving Loan (285)	Total Special Revenue Funds
\$ -	\$ 42,000	\$ -	\$ -	\$ 42,000
2,236	-	-	-	9,415
68	1,995	1,201	356	5,000
-	-	-	-	14,932
-	350	22,704	-	23,082
<u>2,304</u>	<u>44,345</u>	<u>23,905</u>	<u>356</u>	<u>94,429</u>
-	-	-	-	11,406
-	5,661	-	-	5,661
-	20,970	-	-	20,970
-	10,459	-	-	10,459
-	-	-	-	46,920
<u>-</u>	<u>37,090</u>	<u>-</u>	<u>-</u>	<u>95,416</u>
2,304	7,255	23,905	356	(987)
-	-	-	-	23,821
<u>2,304</u>	<u>7,255</u>	<u>23,905</u>	<u>356</u>	<u>22,834</u>
417	128,583	65,882	21,542	297,820
<u>\$ 2,721</u>	<u>\$ 135,838</u>	<u>\$ 89,787</u>	<u>\$ 21,898</u>	<u>\$ 320,654</u>

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**CAPITAL PROJECTS FUNDS**

**City of Wyoming  
Combining Balance Sheet -  
Nonmajor Capital Projects Funds  
December 31, 2019**

	Capital Projects		
	Special Projects (401)	Park Acquisition (404)	MSA (407)
<b>Assets</b>			
Cash and investments	\$ 189,905	\$ 88,037	\$ 366,455
Special assessment receivable			
Deferred	-	-	-
Total assets	\$ 189,905	\$ 88,037	\$ 366,455
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 2,484	\$ -
Deposits payable	-	-	-
Total liabilities	-	2,484	-
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	-	-
<b>Fund Balances</b>			
Restricted		85,553	366,455
Assigned	189,905	-	-
Total fund balances	189,905	85,553	366,455
Total liabilities and fund balances	\$ 189,905	\$ 88,037	\$ 366,455

Capital Projects

<u>Trail Development (405)</u>	<u>Escrow Fund (800, 801)</u>	<u>Total Capital Project Funds</u>
\$ 898	\$ 363,614	\$ 1,008,909
-	406	406
<u>\$ 898</u>	<u>\$ 364,020</u>	<u>\$ 1,009,315</u>
\$ -	\$ 7,938	\$ 10,422
-	355,676	355,676
-	<u>363,614</u>	<u>366,098</u>
-	<u>406</u>	<u>406</u>
-	-	452,008
898	-	<u>190,803</u>
<u>898</u>	-	<u>642,811</u>
<u>\$ 898</u>	<u>\$ 364,020</u>	<u>\$ 1,009,315</u>

**City of Wyoming**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2019**

	Capital Projects		
	Special Projects (401)	Park Acquisition (404)	MSA (407)
<b>Revenues</b>			
Property taxes	\$ -	\$ 5,611	\$ -
Intergovernmental	-	-	129,210
Miscellaneous			
Investment income	3,088	1,091	5,172
Contributions and donations	-	15,300	-
Other	-	13,845	-
Total revenues	<u>3,088</u>	<u>35,847</u>	<u>134,382</u>
<b>Expenditures</b>			
Current			
General government	-	-	-
Capital outlay			
Culture and recreation	-	17,341	-
Total expenditures	<u>-</u>	<u>17,341</u>	<u>-</u>
Excess of revenues over expenditures	3,088	18,506	134,382
<b>Other financing sources (uses)</b>			
Transfers in	-	4,380	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>4,380</u>	<u>-</u>
Net change in fund balances	3,088	22,886	134,382
<b>Fund Balances</b>			
Beginning of year	<u>186,817</u>	<u>62,667</u>	<u>232,073</u>
End of year	<u>\$ 189,905</u>	<u>\$ 85,553</u>	<u>\$ 366,455</u>

Capital Projects

Trail Development (405)	Escrow Fund (800, 801)	Total Capital Project Funds
\$ -	\$ -	\$ 5,611
-	-	129,210
728	-	10,079
-	-	15,300
-	84,889	98,734
<u>728</u>	<u>84,889</u>	<u>258,934</u>
-	84,889	84,889
-	-	17,341
<u>-</u>	<u>84,889</u>	<u>102,230</u>
728	-	156,704
-	-	4,380
<u>(54,216)</u>	<u>-</u>	<u>(54,216)</u>
<u>(54,216)</u>	<u>-</u>	<u>(49,836)</u>
(53,488)	-	106,868
<u>54,386</u>	<u>-</u>	<u>535,943</u>
<u>\$ 898</u>	<u>\$ -</u>	<u>\$ 642,811</u>

**City of Wyoming**  
**Detailed Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Taxes			
Property taxes	\$ 3,469,428	\$ 3,474,951	\$ 5,523
Miscellaneous taxes	57,600	52,324	(5,276)
Total taxes	<u>3,527,028</u>	<u>3,527,275</u>	<u>247</u>
Licenses and permits	220,550	311,577	91,027
Intergovernmental revenue			
Local government aid	238,739	246,679	7,940
Property tax credits	-	3,638	3,638
Fire aid	44,000	47,502	3,502
Police aid	88,000	90,967	2,967
Federal grants	5,000	2,060	(2,940)
Other grants and aids	2,569	96,510	93,941
Total intergovernmental revenue	<u>378,308</u>	<u>487,356</u>	<u>109,048</u>
Charges for services			
General government	3,000	675	(2,325)
Public safety	-	405	405
Park and recreation	-	2,400	2,400
Total charges for services	<u>3,000</u>	<u>3,480</u>	<u>480</u>
Fines and forfeitures	22,000	20,907	(1,093)
Miscellaneous revenues			
Investment income	15,000	56,611	41,611
Contributions and donations	-	2,500	2,500
Other	43,752	67,768	24,016
Total miscellaneous revenues	<u>58,752</u>	<u>126,879</u>	<u>68,127</u>
Total revenues	<u>4,209,638</u>	<u>4,477,474</u>	<u>267,836</u>
<b>Expenditures</b>			
General government			
Mayor and council			
Personal services	23,901	23,069	(832)
Supplies	2,000	1,646	(354)
Other services and charges	530	221	(309)
Total mayor and council	<u>26,431</u>	<u>24,936</u>	<u>(1,495)</u>

**City of Wyoming**  
**Detailed Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Expenditures (Continued)</b>			
City Administration			
Personal services	\$ 227,562	\$ 164,872	\$ (62,690)
Supplies	53,510	47,138	(6,372)
Other services and charges	188,639	141,418	(47,221)
Total city administration	<u>469,711</u>	<u>353,428</u>	<u>(116,283)</u>
Accounting and Auditing			
Personal services	43,263	40,945	(2,318)
Supplies	500	101	(399)
Other services and charges	80,800	79,307	(1,493)
Total accounting and auditing	<u>124,563</u>	<u>120,353</u>	<u>(4,210)</u>
Boards and commissions			
Personal services	5,530	6,203	673
Supplies	250	785	535
Total boards and commissions	<u>5,780</u>	<u>6,988</u>	<u>1,208</u>
Other general government			
Other services and charges	58,552	168,243	109,691
Capital outlay	-	22,512	22,512
Total other general government	<u>58,552</u>	<u>190,755</u>	<u>132,203</u>
Total general government	<u>685,037</u>	<u>696,460</u>	<u>11,423</u>
Public safety			
Police			
Personal services	1,518,906	1,537,909	19,003
Supplies	100,040	98,562	(1,478)
Other services and charges	159,308	179,122	19,814
Capital outlay	141,800	548,671	406,871
Total police	<u>1,920,054</u>	<u>2,364,264</u>	<u>444,210</u>

**City of Wyoming**  
**Detailed Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts <u>Original and</u> <u>Final</u>	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Expenditures (Continued)</b>			
Building and inspections			
Personal services	\$ 228,262	\$ 158,030	\$ (70,232)
Supplies	9,100	8,509	(591)
Other services and charges	7,340	6,283	(1,057)
Total building and inspections	<u>244,702</u>	<u>172,822</u>	<u>(71,880)</u>
Total public safety	<u>2,164,756</u>	<u>2,537,086</u>	<u>372,330</u>
Public works			
Streets and highways			
Personal services	562,735	534,669	(28,066)
Supplies	64,900	59,894	(5,006)
Other services and charges	144,147	231,604	87,457
Capital outlay	423,900	325,854	(98,046)
Total streets and highways	<u>1,195,682</u>	<u>1,152,021</u>	<u>(43,661)</u>
Street lighting			
Other services and charges	70,000	66,402	(3,598)
Engineering			
Personal services	41,576	39,040	(2,536)
Supplies	13,750	9,358	(4,392)
Total engineering	<u>55,326</u>	<u>48,398</u>	<u>(6,928)</u>
Total public works	<u>1,321,008</u>	<u>1,266,821</u>	<u>(54,187)</u>
Culture and recreation			
Library			
Other services and charges	<u>39,450</u>	<u>37,562</u>	<u>(1,888)</u>

**City of Wyoming**  
**Detailed Schedule of Revenues, Expenditure, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Expenditures (Continued)</b>			
Debt service			
Interest and other charges	\$ -	\$ 5,849	\$ 5,849
Total expenditures	4,210,251	4,543,778	333,527
Excess of revenues under expenditures	(613)	(66,304)	(65,691)
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital asset	8,000	29,780	21,780
Transfers in	236,850	54,216	(182,634)
Transfers out	(238,739)	(954,380)	(715,641)
Total other financing sources (uses)	6,111	(870,384)	(876,495)
Net change in fund balance	\$ 5,498	(936,688)	\$ (942,186)
<b>Fund Balance</b>			
Beginning of year		3,662,737	
End of year		\$ 2,726,049	

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**DEBT SERVICE FUND**

**City of Wyoming  
Combining Balance Sheet -  
Debt Service Fund - By Bond Issue  
December 31, 2019**

	Debt Service					Total Debt Service Funds
	2009 G.O. Improvement Bonds (337)	2015A G.O. Improvement Bonds (338)	2016A G.O. Improvement Bonds (339)	2018A G.O. Improvement Bonds (340)	1999C & D G.O. Tax Increment Bonds (TIF 3-1)	
<b>Assets</b>						
Cash and investments	\$ 473,305	\$ 706,799	\$ 72,610	\$ 111,158	\$ -	\$ 1,363,872
Cash with a Fiscal Agent	-	-	116,468	-	-	116,468
Special assessment receivable						
Current	-	2,169	-	-	-	2,169
Delinquent	-	6	-	1,409	-	1,415
Deferred	844,217	344,887	-	191,768	-	1,380,872
Total assets	<u>\$ 1,317,522</u>	<u>\$ 1,053,861</u>	<u>\$ 189,078</u>	<u>\$ 304,335</u>	<u>\$ -</u>	<u>\$ 2,864,796</u>
<b>Liabilities</b>						
Accounts payable	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	\$ 800
Advance from other funds	-	-	-	-	245,822	245,822
Total liabilities	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>245,822</u>	<u>246,622</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue - special assessments	844,217	344,893	-	193,177	-	1,382,287
<b>Fund Balances</b>						
Restricted	473,105	708,768	188,878	110,958	-	1,481,709
Unassigned	-	-	-	-	(245,822)	(245,822)
Total fund balances	<u>473,105</u>	<u>708,768</u>	<u>188,878</u>	<u>110,958</u>	<u>(245,822)</u>	<u>1,235,887</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,317,522</u>	<u>\$ 1,053,861</u>	<u>\$ 189,078</u>	<u>\$ 304,335</u>	<u>\$ -</u>	<u>\$ 2,864,796</u>

**City of Wyoming**  
**Combining Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Debt Service Fund - By Bond Issue**  
**Year Ended December 31, 2019**

	Debt Service					Total Debt Service Funds
	2009 G.O. Improvement Bonds (337)	2015A G.O. Improvement Bonds (338)	2016A G.O. Improvement Bonds (339)	2018A G.O. Improvement Bonds (340)	1999C & D G.O. Tax Increment Bonds (TIF 3-1) (370)	
<b>Revenues</b>						
Property taxes	\$ 155,721	\$ 316,955	\$ 102,863	\$ 25,617	\$ -	\$ 601,156
Tax increments	-	-	-	-	31,994	31,994
Special assessments	346,544	83,717	-	93,574	-	523,835
Intergovernmental	35,163	-	-	-	-	35,163
Miscellaneous						
Investment income	512	6,579	1,776	-	-	8,867
Total revenues	<u>537,940</u>	<u>407,251</u>	<u>104,639</u>	<u>119,191</u>	<u>31,994</u>	<u>1,201,015</u>
<b>Expenditures</b>						
Current						
Economic development	-	-	-	-	7,250	7,250
Debt service						
Principal	265,000	300,000	110,000	-	-	675,000
Interest and other charges	110,780	76,150	14,503	47,969	10,406	259,808
Total expenditures	<u>375,780</u>	<u>376,150</u>	<u>124,503</u>	<u>47,969</u>	<u>17,656</u>	<u>942,058</u>
Excess of revenues over (under) expenditures	162,160	31,101	(19,864)	71,222	14,338	258,957
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	39,736	-	39,736
Net change in fund balances	162,160	31,101	(19,864)	110,958	14,338	298,693
<b>Fund Balances</b>						
Beginning of year	<u>310,945</u>	<u>677,667</u>	<u>208,742</u>	<u>-</u>	<u>(260,160)</u>	<u>937,194</u>
End of year	<u>\$ 473,105</u>	<u>\$ 708,768</u>	<u>\$ 188,878</u>	<u>\$ 110,958</u>	<u>\$ (245,822)</u>	<u>\$ 1,235,887</u>

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**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 and Members  
of the City Council  
City of Wyoming  
Wyoming, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wyoming, Minnesota, as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 4, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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.

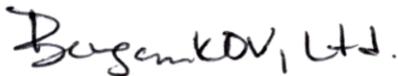
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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*.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



St. Cloud, Minnesota  
June 4, 2020

**Minnesota Legal Compliance**

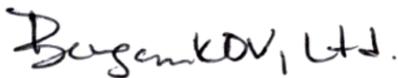
**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Wyoming  
Wyoming, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wyoming, Minnesota, as of and for the year ended December 31, 2019, and the related notes to financial statements, and have issued our report thereon dated June 4, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Wyoming failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to *Minnesota Statutes* § 6.65. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



St. Cloud, Minnesota  
June 4, 2020

**City of Wyoming**  
**Schedule of Findings and Responses on Legal Compliance**

**PRIOR YEAR LEGAL COMPLIANCE FINDINGS:**

**Remittance of Fire Aid**

*Minnesota Statutes* Section 69.031 requires municipalities to remit state fire aid to the Fire Relief Association within 30 days of receipt. During 2018, fire aid was not remitted to the Fire Relief Association within 30 days of receipt.

**Corrective Action Taken:**

During 2019, the City remitted fire aid within 30 days of receipt in accordance with *Minnesota Statutes*.

**Adopt an Electronic Time Recording System Policy**

*Minnesota Statutes* 412.271, subd. 2(c) states that a city may use electronic time recording systems if the governing body of the city adopts policies to ensure that the timekeeping and payroll methods used are accurate and reliable.

For the year ended December 31, 2018 the City Council had not established policies and procedures to ensure that the timekeeping and payroll methods used are accurate and reliable. We recommend that the City Council approve a policy for electronic time recording to ensure that the timekeeping and payroll methods used are accurate and reliable.

**Corrective Action Taken:**

During 2019, the City adopted an electronic time keeping policy in accordance with *Minnesota Statutes*.