

NATRONA COUNTY
TRAVEL & TOURISM
COUNCIL

Financial Report

June 30, 2021





**NATRONA COUNTY
TRAVEL & TOURISM
COUNCIL**

Financial Report

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Directors
Natrona County Travel & Tourism Council
Casper, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Natrona County Travel & Tourism Council, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Natrona County Travel & Tourism Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Natrona County Travel & Tourism's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Natrona County Travel & Tourism Council, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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 the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2021 on our consideration of Natrona County Travel & Tourism Council'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 Natrona County Travel & Tourism Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Natrona County Travel & Tourism Council's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
November 11, 2021



**MANAGEMENT
DISCUSSION
AND ANALYSIS**

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**Management's Discussion and Analysis
(Unaudited)**

This section of Natrona County Travel & Tourism Council's ("Council") annual financial report presents management's discussion and analysis of the Council's financial performance and provides an overall review of the financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights of the Council for 2021 are as follows:

- Assets exceeded total liabilities at the close of the most recent fiscal year by \$1,532,662 (net position). Of this amount, \$1,450,079 is unrestricted for the Council's discretionary use and \$82,583 was invested in capital assets.
- Total revenues exceeded expenditures, increasing net position by \$352,442.
- Lodging tax revenues decreased \$252,729 or 15.12% over fiscal year 2021.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements include three components (1) governmental activities financial statements, (2) general fund financial statements and (3) notes to the financial statements. The financial reporting package also includes supplemental information to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Council's finances, in a manner similar to private sector business.

The *statement of net position* presents information on all the Council's assets and liabilities, with the difference between the two as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The *statement of activities* presents information showing how the Council'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.)

Fund financial statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The Council has the following governmental funds:

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

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

The *Casper Sports Alliance fund* is a legally separate organization for which the Council is financially accountable. Casper Sports Alliance promotes amateur sports in Natrona County and is presented as a blended component unit.

The *5150 Tourism Development, Inc. fund* is a legally separate organization for which the Council is financially accountable. 5150 Tourism Development, Inc. promotes local events, activities and business in Casper, Wyoming and is presented as a blended component unit.

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

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

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.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Council's compliance with required budgetary reporting for certain major funds.

Natrona County Travel & Tourism Council
 June 30, 2021
Management's Discussion and Analysis
(Unaudited)

Government-wide Financial Analysis

Recall that the statement of net position provides the perspective of the Council as a whole. Table 1 provides a summary of the Council's net position for 2020 and 2021.

Table 1
Comparative Statement of Net Position

	2020	2021
Assets		
Current assets	\$ 1,161,928	\$ 1,540,316
Net capital assets	89,788	82,583
Total assets	<u>1,251,716</u>	<u>1,622,899</u>
Liabilities		
Current liabilities	71,496	67,237
Unearned revenues	23,000	23,000
Total liabilities	<u>1,180,220</u>	<u>90,237</u>
Net Position		
Net investment in capital assets	89,788	82,583
Unrestricted	<u>1,090,432</u>	<u>1,450,079</u>
Total net position	<u>\$ 1,180,220</u>	<u>\$ 1,532,662</u>

The primary government's unrestricted net position, the part of net position that can be used to financial day-to-day activities without constraints established by grants or legal requirements, increased by \$359,647. Net capital assets, decreased by \$7,205 primarily due to the depreciation of assets. Casper Sports Alliance and 5150 Tourism, Inc. are included in these financial statements.

**Management's Discussion and Analysis
(Unaudited)**

Government-wide Financial Analysis (Continued)

Statements of revenues and expenses

As mentioned under highlights, the Council saw a decrease in lodging tax revenue toward the beginning of the fiscal year due to the impact of Coronavirus. That said, the State of Wyoming, through the Wyoming Office of Tourism, helped local lodging tax boards like the Natrona County Travel & Tourism Council, secure CARES Act funding to help aid in the recovery of the visitor economy. Council received \$509,351 in one-time funding. The organization also helped the City of Casper deploy \$99,500 of their CARES Act funding to drive recovery and utility of their leisure service facilities.

Revenues

	<u>2020</u>	<u>2021</u>
Revenues		
Lodging tax	\$ 1,671,420	\$ 1,418,691
Industrial Siting Council Impact funds	-	168,039
Advertising sales	50,750	62,382
Casper Area Tourism Ambassador Program	2,238	322
Casper Sports Alliance	1,325	593
Investment income	12,141	571
CARES Act	-	509,351
City of Casper COVID response	-	99,500
Miscellaneous revenue	-	14,555
Total revenues	<u>\$ 1,737,874</u>	<u>\$ 2,274,004</u>

Natrona County Travel & Tourism Council
 June 30, 2021
Management's Discussion and Analysis
(Unaudited)

Government-wide Financial Analysis (Continued)

Statements of revenues and expenses (Continued)

Overall expenses increased by 8.09% compared to the prior year. Noted increases were grants/sponsorships (expenses in response to COVID-19 and CARES Act funding related) and information distribution. Decreases included tour and travel expenses (no traveling occurred due to COVID-19), sales (decrease due to the fall of tourism during COVID-19) and travel/trades/training (none occurred due to COVID-19). Staff expense was down slightly due to turnover.

Expenses

	2020	2021
Expenses		
Administration staff	\$ 493,123	\$ 472,414
Advertising sports	3,998	623
Casper guides	49,505	46,519
Depreciation	29,533	19,610
Equipment	10,075	2,223
Grants/sponsorships	99,175	190,710
Information distribution	11,479	31,553
Marketing	58,765	46,191
Office	53,599	81,465
Professional fees and insurance	50,457	41,818
Rent	51,436	57,420
Sales	345,635	107,271
Special project	23,226	34,537
Tour and travel	405,309	136,436
Travel/trade shows/training	59,192	29,637
Casper Sports Alliance	8,328	-
5150 Tourism Development, Inc.	6,887	14,284
CARES Act	-	509,351
City of Casper COVID response	-	99,500
	<u>1,759,722</u>	<u>1,921,562</u>

The Council's Funds

The Council's governmental funds are accounted for on the modified accrual basis of accounting. Unassigned fund balance for the governmental funds was \$1,157,131 at June 30, 2021, an increase of \$175,394 from the prior year. The only changes between the government-wide statements and the fund statements comes from recognition of capital assets, related depreciation and compensated absences.

**Management's Discussion and Analysis
(Unaudited)**

Capital Assets

At the end of fiscal year 2021, the Council had \$82,583 invested in office equipment, furnishing and vehicles, a decrease of \$7,205 primarily due to the depreciation of assets.

Budgetary Highlights

Due to the volatile nature of lodging tax collections, the Council typically takes a conservative approach to budgeting. The CARES Act funding received by the State of Wyoming through the Wyoming Office of Tourism helped keep the budget near flat year over year. Lodging tax collections were down 33% or nearly \$600,000, without CARES Act funding the Council would have experienced a budget shortfall. The visitor economy showed a slight recovery in 4th quarter which also helped keep the budget static.

Current Issues

As noted in the previous discussion, a majority of the Council's funding comes from lodging tax revenue. This tax is subject to approval of the taxpayers every four years and was last on the ballot on November 6, 2018. The lodging tax was approved by voters and will remain 4% through the 2022 election. At that time, the voters will be asked to renew the tax.

The Council must demonstrate the benefit to the Natrona County Community to ensure renewal of the tax. This requires management to plan carefully and prudently to provide the resources to meet travel and tourism needs over the next several years. The Council is committed to sound financial management to meet the challenges of the future.

COVID-19 (the Pandemic) is an ongoing situation. At this time, the Council cannot determine the duration of the Pandemic or the overall impact that the Pandemic, including the Federal and State responses thereto, will have on its programs and operations. However, the continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Council, its programs and its operations.

Requests for Information

This financial report is designed to provide all those with an interest in the Council's finances a general overview of the Council's finances and to demonstrate the Council's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Chief Executive Officer, Casper Area Convention & Visitors Bureau, 139 West 2nd St. Suite 1B, Casper, Wyoming 82601.



**BASIC FINANCIAL
STATEMENTS**

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Natrona County Travel & Tourism Council

June 30, 2021

Statement of Net Position

ASSETS

Current assets

Cash	\$ 339,422
Investments	804,011
Other receivables	12,210
Due from other governments	368,588
Prepaid items	16,085
Total current assets	<u>1,540,316</u>

Noncurrent assets

Capital assets, net of accumulated depreciation	<u>82,583</u>
Total assets	<u>1,622,899</u>

LIABILITIES

Accounts payable	28,506
Accrued payroll	23,967
Unearned revenues	23,000
Long-term liabilities	
Due in less than one year	173
Due in more than one year	14,591
Total liabilities	<u>90,237</u>

NET POSITION

Net investment in capital assets	82,583
Unrestricted	<u>1,450,079</u>
Total net position	<u>\$ 1,532,662</u>

Natrona County Travel & Tourism Council
 Year Ended June 30, 2021
Statement of Activities

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
Marketing tourism			
Administration staff	\$ 472,414	\$ -	\$ -
Advertising sports	623	-	-
Casper guides	46,519	-	-
Depreciation	19,610	-	-
Equipment	2,223	-	-
Grants/sponsorships	190,710	-	-
Information distribution	31,553	-	-
Marketing	46,191	-	-
Office	81,465	-	-
Professional fees and insurance	41,818	-	-
Rent	57,420	-	-
Sales	107,271	-	-
Special project	34,537	-	-
Tour and travel	136,436	-	-
Travel/trade shows/training	29,637	-	-
Casper Area Tourism Ambassador Program	-	322	-
Casper Sports Alliance	-	593	-
5150 Tourism Development, Inc.	14,284	17,845	44,537
CARES Act	509,351	-	509,351
City of Casper COVID response	99,500	-	99,500
Total governmental activities	<u>\$ 1,921,562</u>	<u>\$ 18,760</u>	<u>\$ 653,388</u>

General revenues
 Lodging tax
 Industrial Siting Council Impact funds
 Investment income
 Miscellaneous revenue
 Total general revenues
 Change in net position
 Net position - beginning of year
 Net position - end of year

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Total Governmental Activities
\$ -	\$ (472,414)
-	(623)
-	(46,519)
-	(19,610)
-	(2,223)
-	(190,710)
-	(31,553)
-	(46,191)
-	(81,465)
-	(41,818)
-	(57,420)
-	(107,271)
-	(34,537)
-	(136,436)
-	(29,637)
-	322
-	593
-	48,098
-	-
-	-
\$ -	(1,249,414)

1,418,691
168,039
571
14,555
1,601,856
352,442
1,180,220
\$ 1,532,662

Natrona County Travel & Tourism Council

June 30, 2021

Balance Sheet

Governmental Funds

	General Fund	5150 Tourism Development, Inc.	Casper Sports Alliance	Total Governmental Funds
ASSETS				
Cash	\$ 26,332	\$ 296,981	\$ 16,109	\$ 339,422
Investments	804,011	-	-	804,011
Other receivables	10,448	1,762	-	12,210
Due from other governments	368,588	-	-	368,588
Prepaid items	16,085	-	-	16,085
Total assets	<u>\$ 1,225,464</u>	<u>\$ 298,743</u>	<u>\$ 16,109</u>	<u>\$ 1,540,316</u>
LIABILITIES				
Accounts payable	\$ 28,281	\$ 181	\$ 44	\$ 28,506
Accrued payroll	23,967	-	-	23,967
Unearned revenues	-	23,000	-	23,000
Total liabilities	<u>52,248</u>	<u>23,181</u>	<u>44</u>	<u>75,473</u>
FUND BALANCES				
Nonspendable	16,085	-	-	16,085
Committed - Casper Sports Alliance	-	-	16,065	16,065
Committed - 5150 Tourism Development, Inc.	-	275,562	-	275,562
Unassigned	1,157,131	-	-	1,157,131
Total fund balances	<u>1,173,216</u>	<u>275,562</u>	<u>16,065</u>	<u>1,464,843</u>
Total liabilities and fund balances	<u>\$ 1,225,464</u>	<u>\$ 298,743</u>	<u>\$ 16,109</u>	<u>\$ 1,540,316</u>

Natrona County Travel & Tourism Council

June 30, 2021

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**

Total fund balances - governmental funds	\$ 1,464,843
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	82,583
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,764)</u>
Net position of governmental activities	<u><u>\$ 1,532,662</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances

	General Fund	5150 Tourism Development, Inc.	Casper Sports Alliance	Total Governmental Funds
Revenues				
Lodging tax	\$ 1,418,691	\$ -	\$ -	\$ 1,418,691
Industrial Siting Council Impact funds	-	168,039	-	168,039
Advertising sales	-	39,037	-	39,037
Casper Area Tourism Ambassador Program	322	-	-	322
Casper Sports Alliance	-	-	593	593
Investment income	569	-	2	571
CARES Act grant	509,351	-	-	509,351
City of Casper COVID response	99,500	-	-	99,500
Miscellaneous revenue	14,555	23,345	-	37,900
Total general revenues	<u>2,042,988</u>	<u>230,421</u>	<u>595</u>	<u>2,274,004</u>
Expenditures				
Marketing tourism				
Administration staff	471,455	-	-	471,455
Advertising sports	623	-	-	623
Casper guides	46,519	-	-	46,519
Equipment	2,223	-	-	2,223
Grants/sponsorships	169,210	-	21,500	190,710
Information distribution	31,553	-	-	31,553
Marketing	46,191	-	-	46,191
Office	81,441	-	24	81,465
Professional fees and insurance	40,711	-	1,107	41,818
Rent	57,420	-	-	57,420
Sales	107,271	-	-	107,271
Special project	-	34,537	-	34,537
Tour and travel	136,436	-	-	136,436
Travel/trade shows/training	29,570	67	-	29,637
5150 Tourism Development, Inc.	-	14,284	-	14,284
CARES Act	509,351	-	-	509,351
City of Casper COVID response	99,500	-	-	99,500
Capital outlay	12,405	-	-	12,405
Total expenditures	<u>1,841,879</u>	<u>48,888</u>	<u>22,631</u>	<u>1,900,993</u>
Other financing sources (uses)				
Transfers in	-	23,424	-	23,424
Transfers out	(23,424)	-	-	(23,424)
Total other financing sources (uses)	<u>(23,424)</u>	<u>23,424</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>177,685</u>	<u>204,957</u>	<u>(22,036)</u>	<u>360,606</u>
Fund balances - beginning of year	<u>995,531</u>	<u>70,605</u>	<u>38,101</u>	<u>1,104,237</u>
Fund balances - end year	<u>\$ 1,173,216</u>	<u>\$ 275,562</u>	<u>\$ 16,065</u>	<u>\$ 1,464,843</u>

**Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balance - Governmental Fund to the Statement of Activities**

Net change in fund balance - total governmental activities \$ 360,606

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

Governmental funds report capital outlays as expenditures. However, in the
 statement of activities the cost of those assets is allocated over their
 estimated useful lives and reported as depreciation expense. This is the
 current period differences.

Capital asset additions	\$ 12,405	
Depreciation expense	<u>(19,610)</u>	(7,205)

The disposal of capital assets that results in a loss (cost of the assets is
 greater than the accumulated depreciation and proceeds) does not provide
 current financial resources to governmental funds.

Thus, that difference is not recorded in the governmental funds. However,
 the difference is recognized in the statement of activities. This is the net
 effect of this difference in the treatment of the disposition of capital assets.

Cost basis of asset dispositions	(621)	
Accumulated depreciation of asset dispositions	<u>621</u>	-

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

Compensated absences - prior year	13,805	
Compensated absences - current year	<u>(14,764)</u>	<u>(959)</u>

Change in net position of governmental activities		<u><u>\$ 352,442</u></u>
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Notes to the Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies

Nature of Operations

The Natrona County Travel & Tourism Council ("Council") was created to provide a joint and cooperative mechanism to drive the local tourism economy forward by positioning Casper, Wyoming and the surrounding areas as a premier destination for leisure, convention, meeting and group travel. The Council is funded by the 4% lodging tax collected from visitors who stay in hotels, motels, rental properties, and campgrounds in Natrona County.

Reporting Entity

The Council was established in 1989, by these Wyoming entities, the City of Casper, Natrona County, the Town of Evansville, the Town of Mills, the Town of Bar Nunn, the Town of Edgerton, and the Town of Midwest, pursuant to the Wyoming Joint Powers Act (W.S. 16-1-101 through 16-1-109). The Council is governed by 9 members, two appointed by the City of Casper, two appointed by Natrona County, and one appointed by each remaining entity.

Blended Component Units - The Casper Sports Alliance ("Alliance") is a 501(c)3 organization that promotes amateur sports in Natrona County. The Alliance is governed by the Council and is reported as a special revenue fund. The Alliance does not issue separate financial statements.

5150 Tourism Development, Inc. ("Organization") is a 501(c)3 organization that promotes local events, activities and business in Casper, Wyoming. This Organization is governed by the Council and is reported as a special revenue fund. The Organization does not issue separate financial statements.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Eliminations have been made to minimize the double counting of internal activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as *general revenues*.

The fund financial statements provide information about the Council's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds would be aggregated and reported as nonmajor funds, if any.

Notes to the Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, consist of lodging tax revenues and investment income.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Council considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Lodging taxes and investment income are considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures to the extent they are due. General capital asset acquisitions are reported as expenditures in governmental funds.

The Council reports the following major governmental fund:

The *general fund* is the Council's primary operating fund. It accounts for all financial resources of the Council.

The *special revenue funds* 5150 Tourism Development, Inc. and Casper Sports Alliance are blended component units.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Assets, Liabilities, and Net Position or Fund Balance

Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit periods beyond June 30, 2021 and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Investments

The Council follows the guidelines described in Wyoming Statute 9-4-831 as it related to the investment of public funds. Wyoming Statutes authorize the types of investments in which the Council may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, specific mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. The Council’s investments consist of participation in the Wyoming Government Investment Fund (WGIF).

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

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

Capital Assets

Capital assets are valued at historical cost in the government-wide financial statements. The Council’s capitalization level for furniture and fixtures and vehicles is \$2,500. Depreciation on furniture and fixtures and vehicles is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and fixtures	5-7
Vehicles	6

Capital assets are accounted for as expenditures of the general fund in the governmental fund financial statements. Expenditures for maintenance and repairs are charged to expense, while renewals and betterments are capitalized.

Receivables

Receivables consist primarily of amounts due from other governmental entities. Management believes no allowance for uncollectible amounts is necessary based on the nature of these receivables and past experience.

Interfund Balances

Activity between funds that is 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Compensated Absences

It is the Council's policy to permit employees to earn vacation benefits; however, employees must forfeit vacation time they have accrued unless they take it by their annual hire anniversary date. Employees will receive compensation upon termination of employment for accumulated vacation.

Fund Balance/Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Council board through approval of resolutions. Assigned fund balances is a limitation imposed by management or the Council board. Unassigned fund balance in the general fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates may be included in the disclosure of contingent assets and liabilities at the date of the financial statements, and in the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

Note 2. Stewardship, Compliance, and Accountability

The Council adopts its budget annually as required by Wyoming Statutes. The Council budget is prepared on a cash basis which details estimates of cash receipts and cash disbursements and excludes depreciation, market adjustment, gains and losses on sales, contributions of capital assets, and bad debt. The Council procedures for establishing the budget each year are as follows:

- During March and April, the Council’s CEO, who acts as the Budget Officer, and outside bookkeeper collect, compute, estimate, and review information to prepare the proposed budget. The Council requires a significant portion of the revenue estimates from Natrona County.
- Proposed budgets are submitted to the Councils’ board of directors at the regular May meeting each year.
- From May through July of each year, these budgets are reviewed and refined as necessary by the Council Budget Officer.
- Final budget hearings are held at the July annual meeting, which takes place not later than the third Thursday in July, at which time the budget is legally enacted through passage of a resolution for the fiscal year beginning July 1 of each year.

Budget Amendments

The Council amended the budget during the year as follows:

	Increase (Decrease)
General Fund	
Revenue	\$ 608,851
Expenditures	608,851

Note 3. Deposits and Investments

As of June 30, 2021, the carrying amount of the Council's bank deposits and balances were as follows:

	Carrying Amount of Cash and Cash Equivalents	Bank Balance of Cash and Cash Equivalents
<i>Government-wide Statement of Net Position</i>		
Governmental activities	\$ 339,422	\$ 392,937
Total government-wide	\$ 339,422	\$ 392,937

The difference between the carrying amount and the bank balance is the result of the transactions in transit.

Notes to the Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial credit risk – deposits

Custodial risk for deposits is the risk that, in the event of the failure of a depository institution, the Council will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Wyoming State statute §9-4-820 requires the Council to collateralize any bank deposits held in a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation. The Council attempts to comply with this statute, which is its process for minimizing custodial credit risk on deposits, however, there may be at times throughout the year that might exceed the amount insured by the Federal Deposit Insurance Corporation. At June 30, 2021, the general fund was properly collateralized and insured as required by statutes.

5150 Tourism Development, Inc. and Casper Sports Alliance are 501(c)3 organizations that are not required to pledge collateral to exceed the amount of federal deposit insurance. Throughout the year there may be times that the cash deposits exceed the amount of FDIC insurance, however, 5150 Tourism Development, Inc. and Casper Sports Alliance have not experienced any losses, and believes that they are not exposed to any significant risk from these concentrations of cash deposits.

Investments

As of June 30, 2021, the Council has the following investments:

Investment Type	Total	Maturity		Interest Rate	S&P Rating
		1 year or less	1-5 years		
Wyoming Government Investment Fund Pool (WGIF)					
Money market funds	\$ 804,011	\$ 804,011	\$ -	0.04%	AAAm

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Council does not have a formal policy to address interest rate risk.

The Council’s investments are held in external pooled investment accounts with a focus on liquidity as a means of limiting its exposure to fair value losses arising from interest rates. With this investment focus, investments are expected to reach maturity with limited gains and losses.

Credit risk

Generally, credit risk is the risk that an insurer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short-term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody’s and Standard and Poor’s). WGIF Liquid Asset Series, a money market investment is rated AAAm by Standard and Poor’s.

Notes to the Financial Statements

Note 3. Deposits and Investments (Continued)

Concentration of credit risk

The Council does not have a formal policy that allows for or limits an investment in any one issuer to a specified percentage of the Council's total investments. At June 30, 2021, the Council had 100% of its investments in WGIF.

Custodial credit risk – investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Council would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Council had investments in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Poor's. WGIF is owned and operated by funds held in pools sponsored by the Wyoming School Board Association and the Wyoming Association of Municipalities which limits the risk of counterparty failure. While the Natrona County Travel & Tourism Council has no formal policy for custodial credit risk for investments, management believes the stability and reputation of these brokers and banks serves to limit its custodial credit risk. Therefore, management does not believe there is a custodial credit risk for these investments.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	June 30, 2020	Additions	Deductions	June 30, 2021
Capital assets, being depreciated				
Furniture and fixtures	\$ 136,732	\$ 12,405	\$ (621)	\$ 148,516
Vehicles	50,349	-	-	50,349
	<u>187,081</u>	<u>12,405</u>	<u>(621)</u>	<u>198,865</u>
Accumulated depreciation for				
Furniture and fixtures	(79,810)	(11,219)	621	(90,408)
Vehicles	(17,483)	(8,391)	-	(25,874)
	<u>(97,293)</u>	<u>(19,610)</u>	<u>621</u>	<u>(116,282)</u>
Total capital assets, net of depreciation	<u>\$ 89,788</u>	<u>\$ (7,205)</u>	<u>\$ -</u>	<u>\$ 82,583</u>

Depreciation expense was charged to the marketing tourism function.

Note 5. Long-Term Debt

The following is a summary of debt transactions of the Council for the year ended June 30, 2021:

	Balance July 1, 2020	New Debt Incurred	Debt Retired	Balance June 30, 2021	Due Within One Year
Governmental Activities					
Compensated absences	\$ 13,805	\$ 959	\$ -	\$ 14,764	\$ 173
	<u>\$ 13,805</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ 14,764</u>	<u>\$ 173</u>

The liability for compensated absences is liquidated by the general fund.

Notes to the Financial Statements

Note 6. Risk Management and Contingencies

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

The Council purchases commercial insurance to cover general liability, Board liability and employee dishonesty. Levels of coverage are reviewed annually by the Board.

The Council also participates in two other risk management programs: Workers' Compensation and Unemployment Compensation.

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an Enterprise Fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This act requires the Council to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This act provides general protection from suits filed by employees against the Council. The Council makes monthly payments to the Department of Employment, State of Wyoming. Amounts paid by the Council to the State for Worker's Compensation during fiscal year 2021 were \$1,445.

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. This act requires the Council to pay the cost of actual claims incurred. There were no claims files in fiscal year 2021.

Note 7. Risks and Uncertainties

The COVID-19 pandemic remains an evolving situation. The extent of the impact of COVID-19 on the Council's operations and financial results will depend on future developments, including the duration and spread of the outbreak, and the impact on taxpayers, state funding decisions, employees and vendors, all of which are uncertain.

Note 8. Simple IRA Agreement

The Council sponsors an IRA for eligible employees and matches 3% of the eligible employee's compensation. All full-time employees are eligible. The Council's contributions were \$9,161 for the year ended June 30, 2021. This plan is allowable under Wyoming Statutes per an opinion from the Wyoming State Attorney General's office.

Note 9. Operating Lease

The lease for the office space commenced on January 1, 2020, and terminates on December 31, 2022. Future lease payments will be as follows:

For the period:

July 1, 2021 - June 30, 2022	58,596
July 1, 2022 - December 31, 2022	<u>29,730</u>
Total future lease payments	<u>\$ 88,326</u>
Lease expense for year ended June 30, 2021	\$ 56,892

Notes to the Financial Statements

Note 10. Economic Dependency

The Council's main source of revenue is lodging tax collected within the County and distributed by the State of Wyoming. This tax is subject to approval of the taxpayers every four years and was last on the ballot on November 6, 2018. The lodging tax was approved by voters and will remain 4% through the 2022 election. At that time, the voters will be asked to renew the tax.

In addition, in fiscal year 2021 ISC Innovative Engineering started windmill projects in the State of Wyoming. ISC employees stayed on site rather than in Natrona County lodging. The Council lost a significant amount of lodging taxes due to the onsite lodging. As a result, the Natrona County Commissioner's elected to reimburse the Council for lodging tax lost in the amount of \$168,039.

During fiscal year 2021, Natrona County Travel & Tourism Council also received additional funding from the City of Casper for COVID Response and the Wyoming Office of Tourism for CARES Act funding. The amount received from these funding sources were \$99,500 and \$509,351, respectively.

Note 11. Issued Standards Not Yet Implemented

GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable, and (c) note disclosures about the lease. The requirements of this Statement are now effective for reporting periods beginning after June 15, 2021. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postpones the effective date for GASB Statement No. 87 for one year from the original effective date to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

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

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

Note 12. Subsequent Events

On June 15, 2021, the Council applied for and received additional CARES Act funding in the amounts of \$527,423, due to the ongoing effects on the Council due to the COVID-19 pandemic.

The Council did not have any other subsequent events through November 11, 2021, the date at which the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2021.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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Natrona County Travel & Tourism Council
 Year Ended June 30, 2021

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Compared to Budget (Non-GAAP Basis) - General Fund
 (Unaudited)**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 1,257,178	\$ 1,257,178	\$ 1,156,328	\$ (100,850)
Casper Area Tourism				
Ambassador Program	-	-	322	322
Investment income	-	-	569	569
CARES Act grant	-	509,351	509,351	-
City of Casper COVID response	-	99,500	99,500	-
Miscellaneous revenue	-	-	4,167	4,167
Total revenues	<u>1,257,178</u>	<u>1,866,029</u>	<u>1,770,237</u>	<u>(95,792)</u>
Expenditures				
Administration	372,085	489,500	488,648	852
Meetings/conventions	237,813	181,195	177,469	3,726
Marketing	353,088	328,683	327,601	1,082
Advocacy	138,112	119,783	118,295	1,488
CTA	85,438	81,967	77,186	4,781
Welcome center	70,642	56,050	51,865	4,185
CARES Act	-	509,351	509,351	-
City of Casper COVID response	-	99,500	99,500	-
Total expenditures	<u>1,257,178</u>	<u>1,866,029</u>	<u>1,849,915</u>	<u>16,114</u>
Net change in fund balance	-	-	(79,678)	<u>\$ (79,678)</u>
Fund balance - beginning of year	<u>875,504</u>	<u>875,504</u>	<u>875,504</u>	
Fund balance - end of year	<u>\$ 875,504</u>	<u>\$ 875,504</u>	<u>\$ 795,826</u>	

Notes to the Required Supplementary Information

Note 1. Explanation of Differences between Budgetary Basis and GAAP Basis

The budget to actual comparison statements is prepared on a basis consistent with the Council's budgeting system. Under this basis, which differs from accounting principles generally accepted in the United States of America, revenues are recognized when collected and expenditures are recorded as the liabilities are paid. The revenue of Casper Sports Alliance and 5150 Tourism Development, Inc. as separate legal entities are not included in the governmental budget process. A reconciliation of the Council's budget data to the accrual basis is presented below.

	General Fund
Revenues	
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 1,770,237
Differences - Budget Basis to GAAP	
Accrual of lodging taxes receivable	368,588
Accrual of accounts receivables	10,389
Reversal of prior period lodging tax receivable	(106,226)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	<u>\$ 2,042,988</u>
Expenditures	
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 1,849,915
Differences - Budget Basis to GAAP	
Accrual of accounts payable	28,276
Reversal of prior year accounts payable	(14,379)
Reversal of prior year prepaid items	13,794
Adjustment for prepaid items	(16,085)
Reversal of prior year accrued wages	(20,186)
Accrual of accrued wages	23,968
Accrual of interdepartmental transfers	(23,424)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	<u>\$ 1,841,879</u>

Note 2. Basis of Budgeting

Budgetary Information

The general fund does not budget for transfers in or transfers out. The Council budgeted for these expenditures under the marketing department. Overall, the Council did not exceed its budgeted expenditures, over appropriations. The transfer out amount included in the marketing department at June 30, 2021 is \$23,424 and was balanced by transfers in to other funds.



COMPLIANCE

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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 Members of the Board of Directors
Natrona County Travel & Tourism Council
Casper, Wyoming

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 and each major fund of the Natrona County Travel & Tourism Council as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Natrona County Travel & Tourism Council's basic financial statements, and have issued our report thereon dated November 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Natrona County Travel & Tourism Council's internal control over financial reporting (internal control) as a basis for designing 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 Natrona County Travel & Tourism Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Natrona County Travel & Tourism Council's internal control.

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



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Our consideration of 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 Natrona County Travel & Tourism Council 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 financial statements. 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
November 11, 2021

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