

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT OF  
CITY OF GILLETTE, WYOMING**

For the fiscal year ended  
June 30, 2020

Prepared by:  
Finance Department

**CITY OF GILLETTE, WYOMING**

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# CITY OF GILLETTE, WYOMING

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# CITY OF GILLETTE, WYOMING

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# INTRODUCTORY SECTION



# CITY OF GILLETTE

## Finance Division

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December 15, 2020

To the Honorable Mayor Carter-King, Members of the Governing Council, and Citizens of the City of Gillette:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Bennett, Weber and Hermstad, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Gillette’s financial statements for the fiscal year ended June 30, 2020. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is a complement to this letter of transmittal and should be read in conjunction with it.

### *Profile of the Government*

The City of Gillette, incorporated in 1891, is located in the center of Campbell County and is in the northeast corner of the State of Wyoming. Though the vicissitudes of the energy sector have historically caused sudden fluctuations in population estimates, the city’s population has stayed relatively consistent over the last four years. The city currently occupies 23.19 square miles and serves an estimated population of 31,879. The City of Gillette is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Gillette has operated under the council-manager form of government since 1980. Policy-making and legislative authority are vested in a governing council (Council) consisting of a mayor and six other members. The Mayor is elected at large on a non-partisan basis and the six other members represent the three wards established for the City of Gillette. Each ward elects two Council members and all Council members serve four-year terms. The Council appoints the government’s manager (City Administrator), who in turn appoints the heads of six departments.

The City of Gillette provides a full range of services, including police protection; the construction and maintenance of highways, streets, and other infrastructure; power, water, sewer, solid waste and other sanitation services; and recreational and cultural activities.

The Council is required to adopt a final budget for the upcoming year by no later than the close of the current fiscal year. This annual budget serves as the foundation for the City of Gillette’s financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a division as they see fit. Transfers between divisions, however, need special approval from the governing council.

## *Local Economy*

Major industries contributing to the local economy include coal, oil, and gas production. The mining sector perseveres as a significant economic player and a major revenue contributor. Coal production experienced steady growth from 1975 until the latter half of 2015, when federal regulations triggered production to decline substantially through the first quarter of 2017. The new administration at that time initiated the process of eliminating, rescinding or changing many of the federal regulations negatively affecting coal production and use, causing the industry to experience a noticeable rebound. These changes in policy and regulations initially contributed to a stronger-looking future for the coal industry. Production levels were sustainable, and there were other signs of renewed growth in the oil and gas industry. However, as the COVID-19 pandemic continues to affect the world economy, reduced travel and manufacturing at the national and global levels are causing the demand for local mineral production to fall to near-historic lows. Additionally, state economists continue to predict a dismal future for the energy industry, so the City of Gillette remains cautious when considering how this industry contributes to the future of the community.

In an effort to address concerns about the impact burning coal has on global warming, the State of Wyoming partnered with private investors to build a \$21M Integrated Test Center at the Dry Fork Station just outside of Gillette. The Center is hosting teams of researchers seeking to devise cost-effective ways of turning the power plant's carbon emissions into industrial products that can be sold at a profit. Construction on the Center is complete, and two United States-based research teams have arrived on site and have begun their groundbreaking research. Though a total of five research teams were slated to be on site by early 2020, three international teams have been delayed because of the pandemic.

Steady mineral production during FY2019 and the first half of FY2020 resulted in increased economic confidence, and therefore healthier economic indicators. Unemployment held steady between 3.0% and 3.9% during FY2019 and through the first three quarters of FY2020, however, as seen throughout the United States, the City's unemployment rate skyrocketed at the start of the pandemic in April, 2020. The City has experienced a slight unemployment decrease each month since then as the economy slowly opens back up. Even with the pandemic, per capita personal income is on the rise. The City issued 248% more building permits in 2020 than in the prior year. The City's population has stabilized after the dramatic loss in 2016, with current estimates indicating that population increased by less than 1.0% last year, while still being 4.63% higher than 2016's low.

Sales tax collections throughout the last decade have been volatile, enduring large positive and negative swings indicative of the "boom and bust" cycles experienced in the energy industry. Illustrating this fact is the nearly 45% reduction in sales tax collections from their peak in fiscal year 2015 to a 12-year low in fiscal year 2017, representing over a \$24M decline. As described earlier, though, the energy sector had been experiencing a sizeable rebound since the low in 2017, causing sales tax collections to also see a positive trend during that time. The City of Gillette's share of sales tax revenues increased from \$36,509,652 in 2010 to \$43,071,165 in 2020, an 18% increase. However, nearly 88% of the FY2020 revenues were collected in the first ten months of the year; thereafter, sales tax revenues declined sharply due to the pandemic, falling 28% in one month. The City's sales tax revenues have remained fairly consistent since May, 2020, albeit at a much lower level than the rest of FY2020.

The long-term local economic outlook will, to a great extent, be determined by the fate of the energy industries. The City of Gillette is known as the Energy Capital of the Nation because of its proximity to vast reserves of coal, oil, and gas. Government regulations, technology breakthroughs, and the ability to expand markets will be key components to maintaining a robust economy in Gillette.

## *Long-term Financial Planning*

The City of Gillette has aggressively pursued measures to assure financial stability now and well into the future. Among those measures was the fiscal year 2012 passage of a Resolution by Council adopting a comprehensive financial operating policy to serve as a guide for both financial planning and internal financial management of the City. The policy provided for the establishment of 120 days of operating reserves in the General Fund as well as 90 days of operating reserves and a capital reserve requirement in each of the Enterprise Funds (Power, Water, Sewer, and Solid

Waste). It also required a minimum annual review of rates and the provision that one-time revenues are only used toward one-time expenses. Other provisions of the policy addressed financial reporting, change orders, recapture, budget, and establishment of a Finance Committee. This financial operating policy was amended in September, 2018, to increase the General Fund operating reserves to 150 days.

In accordance with the City's Financial Operating Policies, the annual performance evaluation of the Enterprise Funds was conducted. Through this review, it was determined that additional revenues would be required in the Sewer Fund in order to cover costs. Accordingly, rates were adjusted 15% in this fund. This was the seventh consecutive year of rate increases in the Sewer Fund. The Water Fund is analyzed separately for the transmission function and the distribution function. While the transmission function has adequate reserves, the distribution function requires additional revenues, thus, the distribution rates were adjusted 10%. Transmission rates remained unchanged. The net positions in the Power and Solid Waste Funds were adequate to meet their reserve standards so these rates also remained unchanged.

On November 6, 2018, the citizens of Gillette voted for the continuation of the optional 1% sales tax which was first passed in 1976. This tax, which is subject to voter approval every four years, generates between \$14M-\$17M annually and is used to fund capital projects undertaken by the City as well as contributions to local service agencies. Passage of the optional 1% sales tax is critical for continuation of high-level services currently provided to this community and is highly promoted within the community. The measure will be brought up for vote again in 2022.

Our investment decisions are also part of our long-term financial planning. The City of Gillette utilizes an Investment Advisory Committee which includes representatives from the banking and investment industries. With their input, investment decisions are made based on market conditions and future cash needs. Though a small portion of the City's portfolio has been managed by an investment management firm for a number of years, the City entered into an agreement for investment advisory services with an additional firm in November, 2019. The City chose to diversify its portfolio in an attempt to maximize yield while maintaining safety and liquidity.

### ***Major Initiatives***

The City of Gillette is located in a semi-arid region with a limited potable water supply. For many years the water system consisted of 26 ground wells drawing from three different aquifers with a total maximum supply capacity of 12,000 gallons per minute. As Gillette and the surrounding areas grew, the demand for water neared (and at times exceeded) capacity, therefore necessitating implementation of water conservation measures. Population projections for Gillette and the surrounding area call for continued growth with estimates in excess of 50,000 residents. In order to meet current and future demands, the State of Wyoming partnered with the City of Gillette in 2009 to finance the design, permitting, right-of-way acquisition, and construction of the Gillette Regional Water Supply System (also known as the Gillette Madison Pipeline Project), which includes drilling five additional wells into the Madison Formation; additional storage and pumping capacity; and construction of a 50-mile, 36-in and 42-in diameter, transmission pipeline capable of producing an additional 16,000 gpm at full capacity. Two of the additional wells were substantially completed in October, 2019, which increased the City's total maximum supply capacity to 15,000 gallons per minute. The entire project has an estimated cost of \$217.6M with the State contributing \$145.8M in the form of grant funding, and \$44.3M financed through the State in the form of a loan to the City of Gillette. Loan payments are due when the Wyoming Water Development Commission determines that benefits accrue to the City, which was determined to be August, 2020. Since three of the five wells still need to come online, the City compromised and repaid \$40M of the \$44.3M loan in October, 2020. In lieu of issuing debt to repay the note, voters approved an additional 1% "Capital Facilities Tax" in May, 2011, the proceeds of which would be used to retire the debt. The \$40M partial repayment came from the \$95M collected from the tax, the remainder of which will be used to pay the rest of the debt (currently scheduled for 2022), and to fund future water system extension projects.

In July, 2010, the City of Gillette acquired a 23% ownership interest in a newly constructed 100 megawatt coal fired electric generation facility known as WYGEN III at a cost of \$62M. Additionally, in August, 2014, the City of Gillette completed the purchase of a 43 megawatt gas turbine electric generator at a cost of \$22.5M. These acquisitions were made to limit our exposure to increases in the cost of purchased power thereby offering more stability in the rates



charged to our customers. Gillette has experienced an initial near breakeven point on the reduction of purchased power expense through ownership versus incurred debt service expense. It is anticipated that as time goes on, the City will see an increased financial benefit to these purchases as the margin between actual costs and avoided costs widens.

In an effort to take advantage of opportunities that exist within the sports tourism industry, the City purchased 320 acres of State land in 2011 with the intent of building a sports complex, encompassing multiple pods for baseball/softball fields, numerous multipurpose fields, a water park, a walking path, and areas for various other recreational activities. To date, investment has been made in a pod of four turf fastpitch softball fields, a walking path around the perimeter of the complex, three regulation-sized turf multipurpose fields, a splash pad and an ADA-compliant playground, with plans for additional buildout over the next five years.

In December, 2014, the City of Gillette partnered with the Northern Wyoming Community College District/Gillette College for the construction of a dormitory to complement the existing student housing buildings for the Gillette College. Through the issuance of Certificates of Participation \$11,650,000 was secured as the major source of funding for this \$12,650,000 project.

### *Awards and Acknowledgements*

The Government Finance Officers Association (GFOA) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gillette for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

The City of Gillette understands that a Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. It should be noted that staff from other departments provided great assistance in the preparation of the report and their work is also appreciated. Credit also must be given to City Administrator Davidson, the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Gillette's finances.

Respectfully submitted,

*Michelle Henderson*

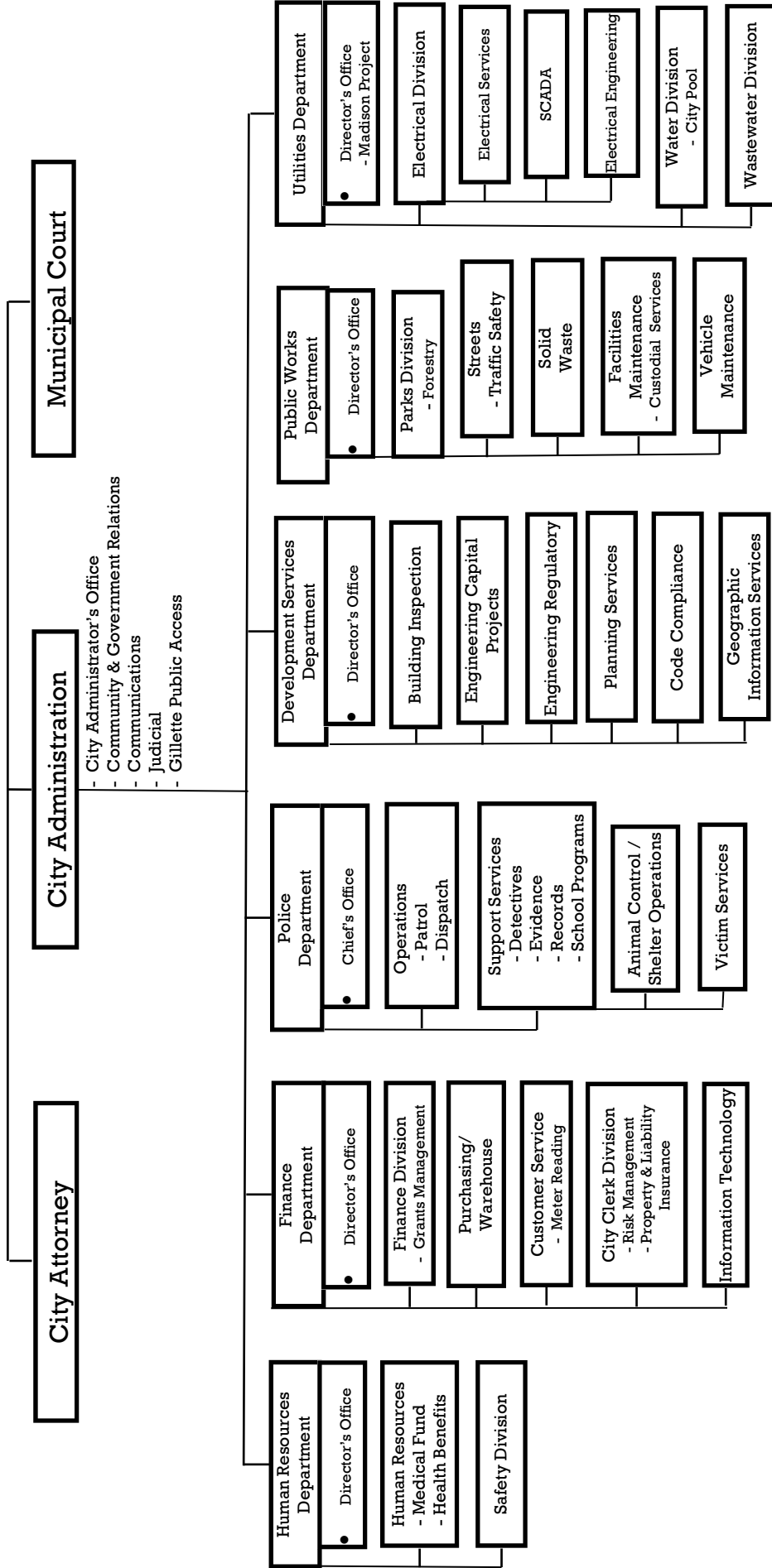
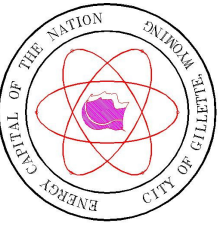
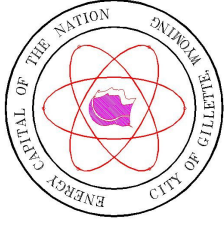
Michelle Henderson  
Finance Director

# City of Gillette

## Organizational Chart

### Citizens of Gillette

### Mayor & City Council



City of Gillette  
Elected and Appointed Officials  
June 30, 2020

**ELECTED OFFICIALS**

Mayor		Louise Carter-King
City Council	Ward I	Shawn Neary Bruce Brown
	Ward II	Billy Montgomery Tim Carsrud
	Ward III	Nathan McLeland Vacant

**APPOINTED OFFICIALS**

City Administrator	Patrick Davidson
City Attorney	Anthony Reyes
Municipal Court Judges	Doug Dumbrill

**DEPARTMENT HEADS**

Chief of Police	Jim Hloucal
Development Services Director	Ry Muzzarelli
Finance Director	Michelle Henderson
Human Resources Director	John Aguirre
Public Works Director	Sawley Wilde
Utilities Director	Mike Cole



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Gillette  
Wyoming**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

# **BENNETT, WEBER & HERMSTAD, LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To The Honorable Mayor and City Council Members  
**City of Gillette, Wyoming**

### **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 Gillette, Wyoming (City)** as of and for the year ended June 30, 2020, and the related notes to the 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 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.

## ***Opinions***

In our opinion, the financial statements referred to above 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 Gillette, Wyoming**, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 on pages 12 through 24, the Schedule of City of Gillette, Wyoming's Proportionate Share of Net Pension Liability - Public Employees' Pension Plan and Law Enforcement Pension Plan and the Schedule of City of Gillette, Wyoming's Contributions - Public Employees' Pension Plan and Law Enforcement Pension Plan and the notes to the required supplementary information on pages 77 through 79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **City's** basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of state financial assistance, statistical section, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of the **City of Gillette, Wyoming's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **City's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **City of Gillette, Wyoming's** internal control over financial reporting and compliance.

*Bennett, Weber & Hermstad, LLP*

Gillette, Wyoming  
December 11, 2020



## Management's Discussion and Analysis

As management of the City of Gillette, we offer readers of the City of Gillette's financial statements this narrative overview and analysis of the financial activities of the City of Gillette for the fiscal year ended June 30, 2020. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- ❖ The assets and deferred outflows of the City of Gillette exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$677,793 (*net position*). Of this amount, \$106,241 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net position increased by \$14,081. The governmental-type net position increased by \$9,733 primarily due to increased sales and use tax collections and increased investment income. Investment income increased due to the interest rate environment as well as optimal timing of the purchase of securities with a new investment firm. The business-type net position increased by \$4,348 due to reduction of long-term liability balances as well as investments in capital assets.
- ❖ As of the close of the current fiscal year, the City of Gillette's governmental fund reported ending fund balance of \$79,287, an increase of \$6,987 in comparison with the prior year. Approximately 23 percent of this total amount, \$18,214, is *available for spending* at the government's discretion (*unassigned fund balance*).
- ❖ At the end of the current fiscal year, the governmental restricted fund balance was \$3 while the committed fund balance was \$28,357 and the assigned fund balance was \$32,484. Restricted fund balance is available for specific purpose as imposed by an external party, constitutional provision or enabling legislation. Committed fund balance is available for specific purpose as defined by Council and requires Council action to remove or change this constraint. Assigned fund balance is available for specific purpose as defined by Council and can be used without further formal Council action.
- ❖ The City of Gillette's total long-term debt decreased by \$15,282 during the current fiscal year. The largest cause for the decrease is due to a significant decrease in the net pension liability. Additionally, payments were made to: the State Land and Investment Board for the Waste Water Treatment Plant debt and the debt related to the special assessment project for water improvements; Lease Revenue Bondholders related to the WyGen III and CTII purchases; and Certificate of Participation holders for debt related to the Student Housing Phase II Project.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Gillette's basic financial statements. The City of Gillette's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City of Gillette's assets, deferred outflows of resources, 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 of Gillette is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the 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 of Gillette that are principally supported by taxes and intergovernmental revenues (*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 of Gillette include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Gillette include Solid Waste, Fiber, Water, Power and Sewer.

The government-wide financial statements include the City of Gillette itself (known as the primary government) and separately stated business-type activities comprised of Solid Waste, Fiber, Water, Power, and Sewer. The business-type activities function for all practical purposes as a department of the City of Gillette, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 25-27 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 of Gillette, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the City of Gillette can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the *governmental fund* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 28-33 of this report.

**Proprietary funds.** The City of Gillette maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Gillette uses enterprise funds to account for its Solid Waste, Fiber Water, Power, and Sewer activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Gillette's various functions. The City of Gillette uses internal service funds to account for its fleet of vehicles, liability and personal injury insurance, and health benefit insurance. Because these services benefit both governmental and business-type functions, they have been allocated between *governmental activities* and *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Power, and Sewer, all of which are major funds of the City of Gillette. The information for the nonmajor enterprise funds (Solid Waste and Fiber) are combined into a single aggregated presentation in the proprietary fund financial statements, the same is true for the internal service funds. Additionally, individual fund data for the nonmajor enterprise funds and the internal service funds are provided in the form of *combining statements* elsewhere in the report.

The basic proprietary fund financial statements can be found on pages 34-41 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Gillette’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42-43 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 can be found on pages 44-76 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Gillette. Required supplementary information related to the City’s net pension liability and contributions are presented on pages 77-79. Individual fund statements for the Nonmajor Enterprise Funds and Internal Service Funds are presented on pages 80-87 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 of Gillette, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$677,793 at the close of the most recent fiscal year. Governmental activities net position was \$279,004 and business-type activities net position was \$398,790.

City of Gillette's Net Position						
Rounded to \$000,s						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	98,302	87,012	146,508	143,649	244,810	230,661
Capital Assets	219,594	217,693	401,804	404,814	621,398	622,507
<b>Total Assets</b>	<b>317,897</b>	<b>304,705</b>	<b>548,312</b>	<b>548,463</b>	<b>866,208</b>	<b>853,168</b>
Deferred Outflows of Resources						
<b>Relating to Pensions</b>	<b>3,828</b>	<b>7,888</b>	<b>514</b>	<b>1,778</b>	<b>4,342</b>	<b>9,666</b>
Long-term Liabilities Outstanding:	21,943	31,693	143,508	149,039	165,451	180,732
Other Liabilities:	14,818	10,132	5,354	6,208	20,172	16,340
<b>Total Liabilities</b>	<b>36,761</b>	<b>41,825</b>	<b>148,862</b>	<b>155,247</b>	<b>185,623</b>	<b>197,072</b>
Deferred Inflows of Resources						
<b>Relating to Pensions</b>	<b>5,960</b>	<b>1,498</b>	<b>1,174</b>	<b>553</b>	<b>7,134</b>	<b>2,050</b>
Net Position:						
Net Investment in Capital Assets	209,201	207,935	264,274	262,876	473,476	470,811
Restricted:	680	1,314	97,396	96,354	98,076	97,668
Unrestricted:	69,123	60,022	37,119	35,211	106,241	95,232
<b>Total Net Position</b>	<b>279,004</b>	<b>269,271</b>	<b>398,790</b>	<b>394,441</b>	<b>677,793</b>	<b>663,712</b>

The largest portion of the City of Gillette's net position (70 percent) reflects its net investment in capital assets (e.g., land, buildings and improvements, infrastructure, machinery and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City of Gillette uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Gillette's net 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.

An additional portion of the City of Gillette's net position (14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$106,241) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Gillette is able to report positive net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

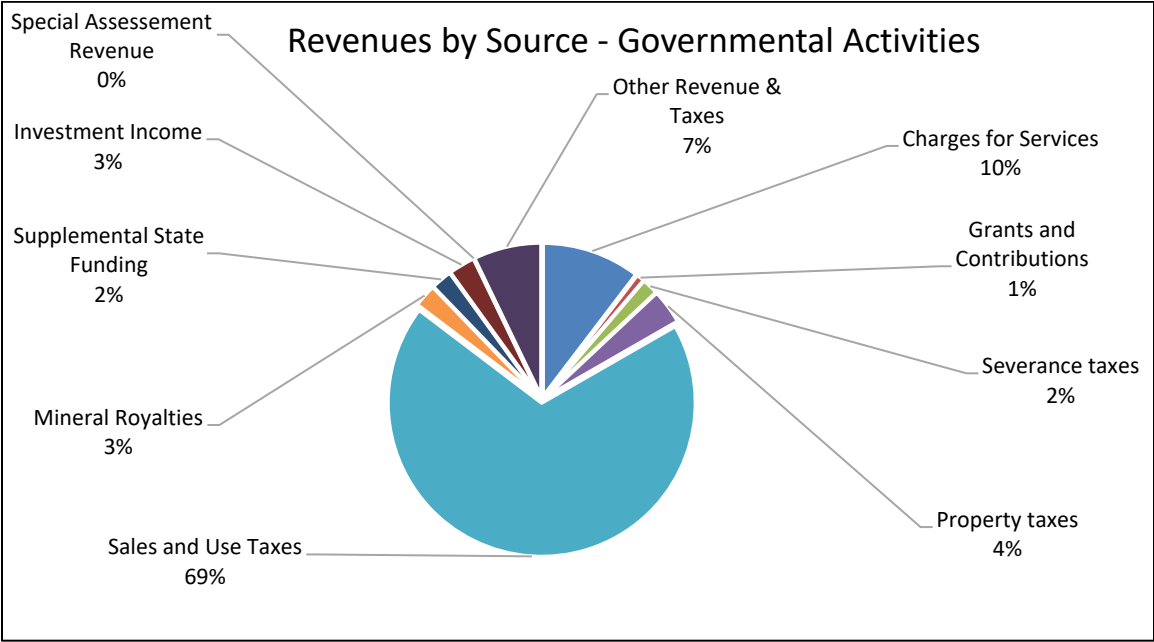
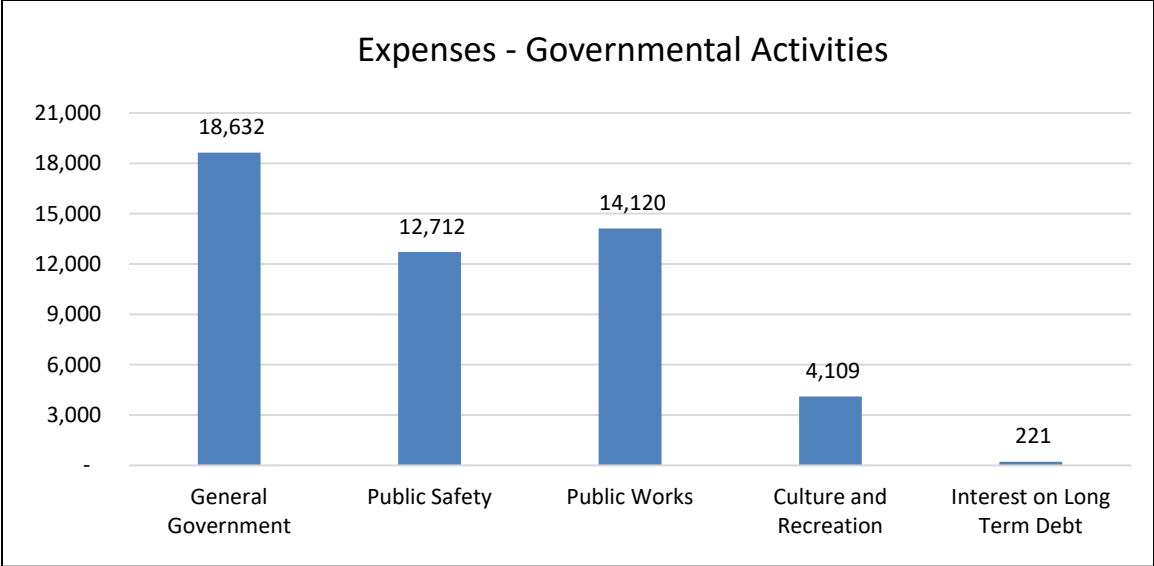
The government's net position increased by \$14,081, or two percent during the current fiscal year. Most of the growth is due to increased sales tax collections as well as increased return on investments in comparison to the prior fiscal year. The increase in the City of Gillette's investments was equal to \$5,177. Investments in capital assets also increased from the prior year by \$2,665. Major capital projects for infrastructure throughout the City of Gillette include park development at the Energy Capital Sports Complex; several Pavement Management System projects; completion of various Power Primary Cable Replacement Projects; Gillette Regional Water Supply Project; and the Annual Water and Sewer Main Replacement projects.

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

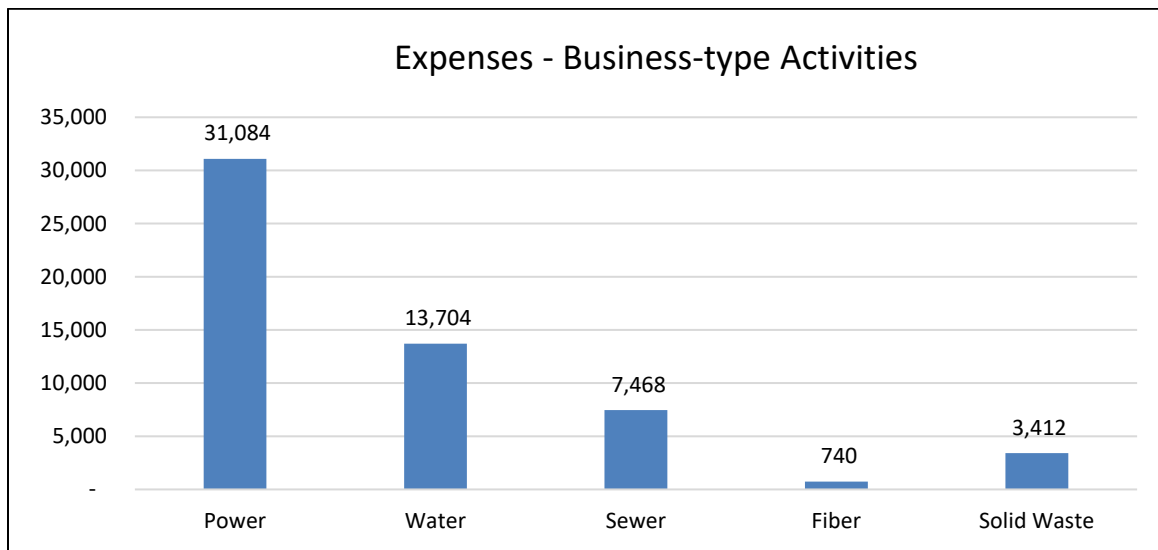
Rounded to \$,000s

	Governmental activities		Business-type activities		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Revenues:						
Program revenues:						
Charges for Services	6,514	4,600	49,767	49,597	56,281	54,198
Operating Grants and Contributions	370	427	-	-	370	427
Capital grants and contributions	180	3,490	3,566	4,017	3,746	7,507
General revenues:						
Severance taxes	1,106	1,106	-	-	1,106	1,106
Property taxes	2,315	2,220	-	-	2,315	2,220
Sales and Use Taxes	43,071	42,021	68	2	43,139	42,023
Other taxes	3,311	3,191	-	-	3,311	3,191
Mineral Royalties	1,536	1,522	-	-	1,536	1,522
Supplemental State Funding	1,414	1,359	-	-	1,414	1,359
Investment Income (Loss)	1,766	1,585	3,312	3,610	5,078	5,194
Other revenue	1,179	1,174	808	701	1,986	1,875
Special Assessment Revenue	-	1,357	-	-	-	1,357
Total revenues	62,761	64,052	57,522	57,927	120,283	121,978
Expenses:						
General Government	18,632	16,288	-	-	18,632	16,288
Public Safety	12,712	13,784	-	-	12,712	13,784
Public Works	14,120	15,126	-	-	14,120	15,126
Culture and Recreation	4,109	3,578	-	-	4,109	3,578
Interest on Long Term Debt	221	246	-	-	221	246
Power	-	-	31,084	31,520	31,084	31,520
Water	-	-	13,704	13,124	13,704	13,124
Sewer	-	-	7,468	7,173	7,468	7,173
Fiber	-	-	740	715	740	715
Solid Waste	-	-	3,412	2,985	3,412	2,985
Total Expenses	49,794	49,022	56,408	55,516	106,202	104,538
Increase in net position before transfers	12,967	15,030	1,114	2,410	14,081	17,440
Transfers	(3,234)	(5,011)	3,234	5,011	-	-
Increase/(decrease) in net position	9,733	10,019	4,348	7,421	14,081	17,440
Net position - Beginning of Fiscal Year	269,271	259,252	394,441	387,020	663,712	646,272
Net position - End of Fiscal Year	279,004	269,271	398,790	394,441	677,793	663,712

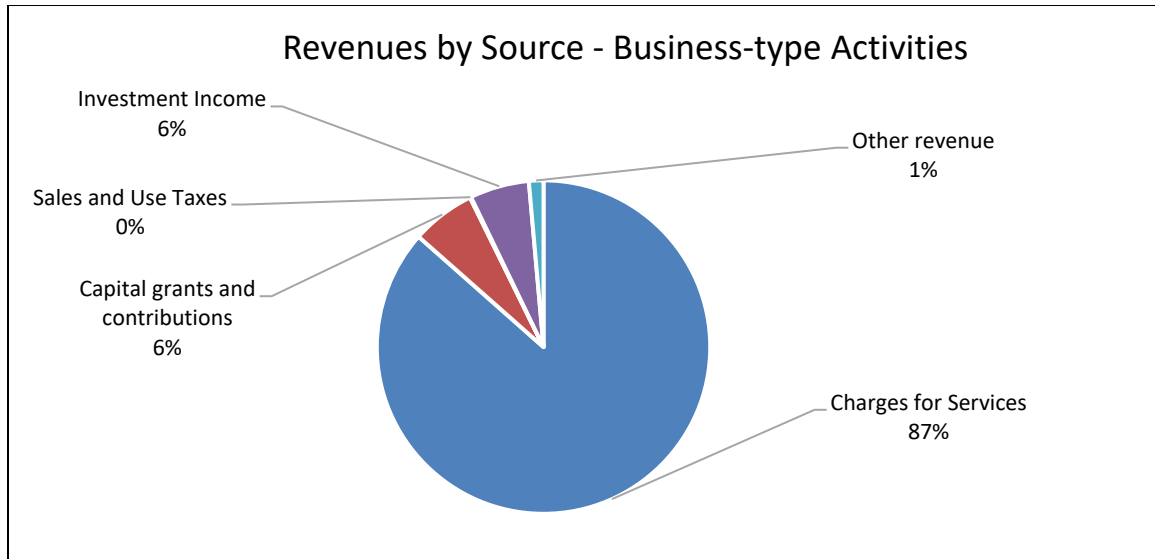
**Governmental activities.** Governmental activities increased the City of Gillette's net position by \$9,733. The increase in governmental activities resulted mainly from increased sales and use tax collections as well as increased investment income. Due to the economic downturn from a few years ago, the City budgeted to conservatively increase spending in line with projected sales and use tax receipts. However, sales and use tax collections and investment income came in even higher than what was budgeted for the majority of the year. The last few months of the year started to see a decline in revenues due to decreased production in the energy industry. There were capital asset transfers from governmental to business-type activities of 3,234. These transfers consisted mainly of water and sewer projects that are proprietary fund assets but are funded by the General Fund and Optional One Percent Sales Tax.



**Business-type activities.** Business-type activities increased the City of Gillette’s net position by \$4,348, thereby accounting for 31 percent of the growth in the net position of the City of Gillette. Increases in the business-type activity net position resulted from net investments in capital assets (\$1,398) including power line, sewer line, fiber line and water line construction. The Power Fund had decreased expenses due to lower than expected purchased power costs and decreased capital expenses. This was offset by an increase in expenses in Water, Sewer and Solid Waste. The main reason for the increased expenses in all three funds is due to the allocation of expenses related to the City West Remodel project. Each fund that utilizes City West incurred a portion of the remodel expenses. All the business-type funds experienced decreased expenses as compared to last year related to the pension liability. Overall in total business-type funds experienced similar expenses when compared to the prior year. There were capital asset transfers from the governmental to business-type activities of \$3,234. These transfers consisted mainly of water and sewer projects that are proprietary fund assets but are funded by the General Fund and Optional One Percent Sales Tax.







### Financial Analysis of the Government’s Funds

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

*Governmental funds.* The focus of the City of Gillette’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Gillette’s financing 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 fiscal year.

As of the end of the current fiscal year, the City of Gillette’s governmental fund reported ending fund balance of \$79,287, an increase of \$6,987 in comparison with the prior year. As stated in the discussion of the Governmental activities above, this increase was driven mainly by increased sales tax collections and favorable return on investments. The City of Gillette and the surrounding area experienced a significant economic downturn several years ago due to the decline in coal and oil production. The economy had been continuing to improve and stabilize which is reflected in the sales tax receipts over the last fiscal year. However, sales tax collections began to decrease for the last several months of FY2020. Approximately 23 percent of the ending fund balance (\$18,214) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The unassigned fund balance increased by \$5,930 from the prior fiscal year. The remainder of fund balance is *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending. A portion of the remainder has already been committed to the funding of the cash reserves equal to 150 days of operating costs (\$14,160), along with the completion of contracts/projects in progress as of June 30, 2020 (\$13,987).

*Proprietary funds.* The City of Gillette’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Proprietary Funds at the end of the year are as follows: Power Fund \$17,363; Water Fund \$12,411; Sewer Fund \$3,744; Solid Waste Fund \$1,850; and the Fiber Fund (\$390). The negative unrestricted net position in the Fiber Fund is the result of receiving an operating advance from the Power Fund that will be repaid annually. The increase in the total of the net position from FY2019 to FY2020 for the proprietary funds was \$4,704 reflecting an increase in investments in capital assets as well as decreased long-term liabilities. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City of Gillette's business-type activities.

### **General Fund Budgetary Highlights**

During the year, there was a \$18,474 increase in appropriations between the original and final amended budget. The primary reason for the increase was from the carryover budget process. The carryover budget amendment primarily represents projects approved in the FY2018/2019 budget, which for various reasons, were not completed by the City's June 30, 2019 fiscal year end. Since budgeted expenditure authority lapses at the end of the fiscal year, the funding needed to complete the projects had to be re-appropriated in the FY2019/2020 budget. Recognizing these costs through a budget amendment allows for a more accurate assessment of funds needed to complete the projects and adds value to annual budget appropriation comparisons. Some of the major projects that were not completed as of the end of FY2019, and therefore had to be carried over into FY2020, were: Dalbey Park to Gillette College Pathway Project, Dalbey Bridge Painting Project, Highway 50 Widening Project, various Pavement Management System projects and Annual Water and Sewer Main projects.

When comparing actuals against final budget, the General Fund reflects an increased fund balance of \$32,534. Total revenues were above budget by \$2,284 mainly due to sales and use tax receipts and investment income that was higher than the adjusted budget for the year. The increased sales and use tax and investment income was offset by intergovernmental revenues that were below budget due to timing of work related to grant funded projects, specifically pathway construction projects. Expenditures were lower than budget by \$30,046 due mainly to the timing of capital outlay expenditures, many of which are multi-year capital projects. The City of Gillette budgets the entire cost of the multi-year projects in order to adequately fund our expected contractual obligations.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Gillette's investment in capital assets for its governmental and business-type activities as of June 30, 2020 is \$621,398 (net of accumulated depreciation). This represents a net decrease (additions, disposals, and depreciation) of \$1,109 or less than one percent from last fiscal year. This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, machinery and equipment, and allocation of Vehicle Maintenance capital assets. The City of Gillette's investment in capital assets for the current fiscal year increased by one percent for governmental activities and decreased less than one percent for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Pathway construction from Dalbey Park to Gillette College
- Park development at the Energy Capital Sports Complex
- Drainage improvements at Sage Bluffs Park
- Phase II of the remodel at the City West Facility
- Power Line construction including Primary Cable Replacement and conversion of Overhead Line to Underground
- Extension of the Fiber Optic Network
- Construction of a UV Disinfection Building at the Wastewater Treatment Facility
- Pavement Management System projects
- Continued construction related to the Gillette Regional Water Supply Project
- Annual Water and Sanitary Sewer Main Replacement

**City of Gillette's Capital Assets**  
(\$,000s; Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Land	13,446	13,837	662	662	14,108	14,499
Construction in Progress	13,264	4,376	24,617	29,082	37,881	33,458
Infrastructure	147,026	151,106	241,757	242,199	388,783	393,305
Buildings & Improvements	39,327	40,727	117,061	116,687	156,388	157,414
Machinery & Equipment	3,235	4,027	14,761	12,717	17,996	16,744
Allocation of Vehicle Maintenance	3,296	3,620	2,946	3,467	6,242	7,087
<b>Total Assets</b>	<b>219,594</b>	<b>217,693</b>	<b>401,804</b>	<b>404,814</b>	<b>621,398</b>	<b>622,507</b>

Additional information on the City of Gillette’s capital assets can be found in note 3.C on pages 55-57 of this report.

**Long-term debt.** At the end of FY2020, the City of Gillette had total long-term debt outstanding of \$165,451 which is a decrease of \$15,282 during the current fiscal year. The main reason for the decrease was due to decreases in the net pension liability of \$9,431. In addition to this decrease there were payments made for Lease Revenue Bonds related to the WyGen III and CTII purchases as well as the payment made for debt related to the Wastewater Treatment Facility; the payment made for debt related to the Certificates of Participation for Student Housing Phase II Project and the payment for debt related to the special assessment for water improvements.

State statutes limit the amount of general obligation debt a governmental entity may issue to four percent of its total assessed valuation. The current debt limitation for the City of Gillette is \$11,481. The Wyoming Constitution provides an exception to this limitation for sewer disposal systems. Indebtedness created for supplying water to the City is also exempt from this provision. At June 30, 2020, the City’s assessed valuation was \$287,014.

**City of Gillette's Outstanding Debt  
(\$,000s)**

	Governmental Activities		Business-Type Activities		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
<b>Long-term Liabilities:</b>						
Accrued Sick Leave	46	60	31	90	78	150
Customer Deposits	-	-	779	820	779	820
Certificate of Participation	7,295	8,410	-	-	7,295	8,410
Net Pension Liability	13,827	21,592	5,938	7,604	19,765	29,195
Subtotal	21,169	30,062	6,748	8,514	27,917	38,575
<b>Capital Loan Agreements</b>						
Special Assessment Debt	774	1,632	-	-	774	1,632
Gillette Madison Pipeline	-	-	44,328	44,328	44,328	44,328
Electric Facilities Improvement - Lease Revenue Bonds	-	-	80,985	83,600	80,985	83,600
Plus Bond Premium	-	-	1,852	2,070	1,852	2,070
Southern Industrial Addition	-	-	2,390	2,517	2,390	2,517
Wastewater Treatment Facility Improvements	-	-	7,205	8,010	7,205	8,010
Subtotal	774	1,632	136,760	140,525	137,534	142,157
<b>Total Long-term Debt</b>	<b>21,943</b>	<b>31,693</b>	<b>143,508</b>	<b>149,039</b>	<b>165,451</b>	<b>180,732</b>

Additional information on the City of Gillette's long-term debt can be found in note 3.F on pages 58-65 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for those claiming residency in the City of Gillette is currently 9.6 percent, which is an increase compared to the rate a year ago (based upon Campbell County statistical data). This compares unfavorably to the state's average unemployment rate of 7.6 percent. However, this compares favorably to the national average rate of 11.2 percent.

All of these factors were considered in preparing the City of Gillette's budget for the 2021 fiscal year.

During the current fiscal year, unassigned fund balance for all governmental funds is \$18,214. The City has appropriated \$28,357 for several major projects and an additional \$32,484 for the operating budget in the 2021 fiscal year budget. It is intended that the use of the available fund balance, tax revenues, and all other future funding sources will provide the necessary funding for the 2021 fiscal year. Additional resources to the General Fund are anticipated from State and Federal sources, and taxes generated from the overall growth within the economy.

A utility rate increase was implemented during the 2020 budget year. The City Council approved a rate increase effective July 1, 2020, for the Sewer and Water Funds. The Sewer rates were adjusted by 15% while Water distribution rates were adjusted by 10%.

The rates affect both residential and commercial consumers by varying percentages. The rate increases are necessary to finance required improvements and expansion of the current system to accommodate community growth and future operations within the City of Gillette.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Gillette's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 201 E. 5<sup>th</sup> Street, Gillette, WY 82716.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF NET POSITION**

June 30, 2020

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 8,339,013	\$ 9,139,296	\$ 17,478,309
Cash With Fiscal Agent	1,614	6,869,355	6,870,969
Investments	83,134,297	121,139,898	204,274,195
Accounts Receivable (Net of Allowance for Uncollectibles)	-	1,587,852	1,587,852
Taxes Receivable	3,011,726	60,183	3,071,909
Unbilled Accounts Receivable	-	2,720,832	2,720,832
Accrued Interest Receivable	84,205	152,042	236,247
Special Assessment Receivable	2,959	-	2,959
Special Assessment Receivable, Restricted	677,040	-	677,040
Other Receivable	2,245,729	966,814	3,212,543
Internal Balances	(79,169)	79,169	-
Due From Other Entities	481,303	377,464	858,767
Inventories	403,745	3,414,673	3,818,418
Capital Assets:			
Nondepreciable Capital Assets	26,710,521	25,278,657	51,989,178
Depreciable Capital Assets, Net	192,883,804	376,525,262	569,409,066
<b>Total Assets</b>	<b>\$ 317,896,787</b>	<b>\$ 548,311,497</b>	<b>\$ 866,208,284</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 3,828,109	\$ 513,586	\$ 4,341,695
<b>LIABILITIES</b>			
Vouchers Payable	\$ 1,226,876	\$ 2,335,682	\$ 3,562,558
Contracts and Retainage Payable	3,099,703	660,922	3,760,625
Estimated Claims Payable	1,717,106	659,916	2,377,022
Accrued Interest Payable	75,382	609,049	684,431
Other Accrued Liabilities	2,039,192	1,088,098	3,127,290
Advance Payments Received on Grants	200,204	-	200,204
Due To Other Entities	6,460,007	-	6,460,007
Current Portion of Long-Term Debt	1,242,281	4,007,700	5,249,981
Noncurrent Liabilities:			
Long-Term Debt and Other Liabilities	6,873,015	133,562,862	140,435,877
Net Pension Liability	13,827,300	5,937,639	19,764,939
<b>Total Liabilities</b>	<b>\$ 36,761,066</b>	<b>\$ 148,861,868</b>	<b>\$ 185,622,934</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 5,960,291	\$ 1,173,707	\$ 7,133,998
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 209,201,236	\$ 264,274,405	\$ 473,475,641
Restricted for:			
Criminal Forfeiture	6	-	6
Lease Revenue Bonds	-	7,983,968	7,983,968
Water Development Repair and Replacement	-	3,500,000	3,500,000
Gillette Regional Water Supply Project	-	85,912,451	85,912,451
Student Housing Project	1,614	-	1,614
Gillette Historic Preservation Commission	855	-	855
Charitable Donations	256	-	256
Special Assessment Debt	677,040	-	677,040
Unrestricted	69,122,532	37,118,684	106,241,216
<b>Total Net Position</b>	<b>\$ 279,003,539</b>	<b>\$ 398,789,508</b>	<b>\$ 677,793,047</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 18,632,422	\$ 6,229,151	\$ 10,773	\$ -
Public Safety	12,712,326	77,658	333,967	-
Public Works	14,119,606	207,075	25,198	179,761
Culture and Recreation	4,108,769	-	-	-
<b>Debt Service:</b>				
Interest and Other Charges	221,061	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 49,794,184</b>	<b>\$ 6,513,884</b>	<b>\$ 369,938</b>	<b>\$ 179,761</b>
<b>Business-type Activities:</b>				
Power	\$ 31,083,900	\$ 34,060,213	\$ -	\$ 1,398,151
Water	13,704,345	6,908,129	-	2,100,229
Sewer	7,467,513	5,506,407	-	68,048
Fiber	740,321	214,484	-	-
Solid Waste	3,411,665	3,077,989	-	-
<b>Total Business-type Activities</b>	<b>\$ 56,407,744</b>	<b>\$ 49,767,222</b>	<b>\$ -</b>	<b>\$ 3,566,428</b>
<b>Total Primary Government</b>	<b>\$ 106,201,928</b>	<b>\$ 56,281,106</b>	<b>\$ 369,938</b>	<b>\$ 3,746,189</b>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Severance Taxes				
Property Taxes, levied for general purposes				
Automobile Taxes				
Sales and Use Taxes				
Gasoline Taxes				
Franchise Taxes				
Cigarette Taxes				
Lodging Taxes				
Mineral Royalties				
Supplemental State Funding, Unrestricted				
Gaming Revenue				
Investment Income				
Other Revenue				
Transfers				
<b>Total General Revenues and Transfers</b>				
<b>Change in Net Position</b>				
<b>Net Position, Beginning July 1</b>				
<b>Net Position, Ending June 30</b>				

See Notes to the Basic Financial Statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
Governmental Activities	Business-type Activities	Totals
\$ (12,392,498)	\$ -	\$ (12,392,498)
(12,300,701)	-	(12,300,701)
(13,707,572)	-	(13,707,572)
(4,108,769)	-	(4,108,769)
(221,061)	-	(221,061)
\$ (42,730,601)	\$ -	\$ (42,730,601)
\$ -	\$ 4,374,464	\$ 4,374,464
-	(4,695,987)	(4,695,987)
-	(1,893,058)	(1,893,058)
-	(525,837)	(525,837)
-	(333,676)	(333,676)
\$ -	\$ (3,074,094)	\$ (3,074,094)
\$ (42,730,601)	\$ (3,074,094)	\$ (45,804,695)
\$ 1,106,221	\$ -	\$ 1,106,221
2,315,292	-	2,315,292
1,117,725	-	1,117,725
43,071,165	68,281	43,139,446
1,188,716	-	1,188,716
771,466	-	771,466
191,861	-	191,861
41,012	-	41,012
1,535,907	-	1,535,907
1,414,357	-	1,414,357
755,680	-	755,680
1,765,550	3,312,369	5,077,919
422,892	807,506	1,230,398
(3,234,432)	3,234,432	-
\$ 52,463,412	\$ 7,422,588	\$ 59,886,000
\$ 9,732,811	\$ 4,348,494	\$ 14,081,305
269,270,728	394,441,014	663,711,742
\$ 279,003,539	\$ 398,789,508	\$ 677,793,047



**CITY OF GILLETTE, WYOMING**

**BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
June 30, 2020**

<b>ASSETS</b>	
Cash	\$ 7,503,235
Cash With Fiscal Agent	1,614
Investments	80,950,206
Taxes Receivable	3,011,726
Accrued Interest Receivable	84,205
Other Receivable	216,201
Due From Other Entities	481,303
Inventories	228,673
<hr/>	
Total Assets	\$ 92,477,163
<hr/>	
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Vouchers Payable	\$ 1,146,750
Contracts and Retainage Payable	3,099,703
Other Accrued Liabilities	1,998,692
Advance Payments Received on Grants	200,204
Due To Other Funds	285,167
Due To Other Entities	6,460,007
<hr/>	
Total Liabilities	\$ 13,190,523
<hr/>	
<b>FUND BALANCE</b>	
Nonspendable	\$ 228,673
Restricted	2,731
Committed	28,356,630
Assigned	32,484,215
Unassigned	18,214,391
<hr/>	
Total Fund Balance	\$ 79,286,640
<hr/>	
Total Liabilities and Fund Balance	\$ 92,477,163

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

June 30, 2020

Total Governmental Fund Balance	\$	<b>79,286,640</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Special Assessment receivables are not due and receivable in the current period and are not recorded in the funds.		<b>679,999</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Nondepreciable capital assets	\$	<b>26,710,521</b>
Depreciable assets		<b>316,201,839</b>
Less: accumulated depreciation		<u><b>(126,613,781)</b></u>
		<b>216,298,579</b>
Internal Service Funds are used by the City to charge the cost of vehicles and maintenance, liability and property injury insurance, and employee health insurance to the individual funds. Certain assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		<b>6,884,910</b>
Long-term liabilities and accrued interest payable are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Long-term sick leave	\$	<b>(42,692)</b>
Net pension liability		<b>(13,827,300)</b>
Certificates of Participation		<b>(7,295,000)</b>
Accrued interest on Certificates of Participation		<u><b>(75,382)</b></u>
		<b>(21,240,374)</b>
Special Assessment debt with governmental commitment is not due and payable in the current period and therefore is not reported in the funds.		<b>(774,033)</b>
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$	<b>3,828,109</b>
Deferred inflows of resources related to pensions		<u><b>(5,960,291)</b></u>
		<b>(2,132,182)</b>
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b>279,003,539</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

Year Ended June 30, 2020

(Page 1 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Severance	\$ 1,106,978	\$ 1,106,978	\$ 1,106,221	\$ (757)
Property	2,212,771	2,212,771	2,315,292	102,521
Automobile	930,000	930,000	1,117,725	187,725
Sales and Use	39,300,000	39,300,000	43,071,165	3,771,165
Gasoline	1,328,000	1,328,000	1,188,716	(139,284)
Franchise	726,817	726,817	771,466	44,649
Cigarette	194,000	194,000	191,861	(2,139)
Lodging	-	-	41,012	41,012
<b>Total Taxes</b>	<b>\$ 45,798,566</b>	<b>\$ 45,798,566</b>	<b>\$ 49,803,458</b>	<b>\$ 4,004,892</b>
Intergovernmental:				
Local and County Sources	\$ 31,730	\$ 72,726	\$ 64,250	\$ (8,476)
State Sources	3,415,417	3,816,380	3,890,873	74,493
Federal Sources	1,006,155	1,688,864	300,520	(1,388,344)
<b>Total Intergovernmental</b>	<b>\$ 4,453,302</b>	<b>\$ 5,577,970</b>	<b>\$ 4,255,643</b>	<b>\$ (1,322,327)</b>
Other:				
Licenses and Permits	\$ 282,850	\$ 282,850	\$ 308,839	\$ 25,989
Charges for Services	5,797,401	6,136,935	5,607,557	(529,378)
Fines and Fees	346,200	346,200	311,978	(34,222)
Investment Income	1,441,682	1,441,682	1,716,120	274,438
Miscellaneous	527,821	846,571	708,402	(138,169)
Special Assessment Revenue	523,250	523,250	526,151	2,901
<b>Total Other</b>	<b>\$ 8,919,204</b>	<b>\$ 9,577,488</b>	<b>\$ 9,179,047</b>	<b>\$ (398,441)</b>
<b>Total Revenues</b>	<b>\$ 59,171,072</b>	<b>\$ 60,954,024</b>	<b>\$ 63,238,148</b>	<b>\$ 2,284,124</b>
<b>EXPENDITURES</b>				
General Government:				
Salaries and Benefits	\$ 8,703,150	\$ 8,750,878	\$ 8,075,843	\$ 675,035
Contractual Services	2,748,945	2,874,234	2,469,367	404,867
Supplies and Materials	1,191,937	1,214,587	944,351	270,236
Capital Outlay	901,000	1,333,476	742,085	591,391
<b>Total General Government</b>	<b>\$ 13,545,032</b>	<b>\$ 14,173,175</b>	<b>\$ 12,231,646</b>	<b>\$ 1,941,529</b>
Public Safety:				
Salaries and Benefits	\$ 9,705,675	\$ 9,715,928	\$ 9,015,925	\$ 700,003
Contractual Services	980,986	1,039,150	840,733	198,417
Supplies and Materials	724,289	745,989	593,299	152,690
Capital Outlay	152,400	148,426	122,891	25,535
<b>Total Public Safety</b>	<b>\$ 11,563,350</b>	<b>\$ 11,649,493</b>	<b>\$ 10,572,848</b>	<b>\$ 1,076,645</b>

(Continued)

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

Year Ended June 30, 2020

(Page 2 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Works:				
Salaries and Benefits	\$ 1,310,498	\$ 1,378,625	\$ 1,333,764	\$ 44,861
Contractual Services	1,061,623	1,061,623	812,990	248,633
Supplies and Materials	936,533	986,533	882,275	104,258
Capital Outlay	18,904,114	25,122,750	8,995,175	16,127,575
<b>Total Public Works</b>	<b>\$ 22,212,768</b>	<b>\$ 28,549,531</b>	<b>\$ 12,024,204</b>	<b>\$ 16,525,327</b>
Culture and Recreation:				
Salaries and Benefits	\$ 1,228,452	\$ 1,228,452	\$ 1,071,932	\$ 156,520
Contractual Services	392,806	392,806	322,255	70,551
Supplies and Materials	599,673	599,673	537,552	62,121
Capital Outlay	1,598,958	4,792,739	1,421,383	3,371,356
<b>Total Culture and Recreation</b>	<b>\$ 3,819,889</b>	<b>\$ 7,013,670</b>	<b>\$ 3,353,122</b>	<b>\$ 3,660,548</b>
Miscellaneous:				
Joint Powers Fire Board Funding	\$ 2,971,045	\$ 3,094,795	\$ 2,243,347	\$ 851,448
Joint Powers Public Land Board Funding	1,168,839	2,645,825	2,643,227	2,598
Other	10,409,227	14,232,553	7,710,037	6,522,516
Debt Service:				
Principal	1,462,307	1,462,307	1,972,681	(510,374)
Interest and Other Charges	203,442	208,375	232,582	(24,207)
<b>Total Miscellaneous</b>	<b>\$ 16,214,860</b>	<b>\$ 21,643,855</b>	<b>\$ 14,801,874</b>	<b>\$ 6,841,981</b>
<b>Total Expenditures</b>	<b>\$ 67,355,899</b>	<b>\$ 83,029,724</b>	<b>\$ 52,983,694</b>	<b>\$ 30,046,030</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (8,184,827)	\$ (22,075,700)	\$ 10,254,454	\$ 32,330,154
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 55,696	\$ 378,352	\$ 208,879	\$ (169,473)
Transfers (Out)	(1,050,000)	(3,849,675)	(3,477,019)	372,656
Proceeds from Sale of Capital Assets	-	-	658	658
<b>Total Other Financing (Uses)</b>	<b>\$ (994,304)</b>	<b>\$ (3,471,323)</b>	<b>\$ (3,267,482)</b>	<b>\$ 203,841</b>
<b>Net Change in Fund Balance</b>	<b>\$ (9,179,131)</b>	<b>\$ (25,547,023)</b>	<b>\$ 6,986,972</b>	<b>\$ 32,533,995</b>
FUND BALANCE, BEGINNING JULY 1	72,299,668	72,299,668	72,299,668	-
<b>FUND BALANCE, ENDING JUNE 30</b>	<b>\$ 63,120,537</b>	<b>\$ 46,752,645</b>	<b>\$ 79,286,640</b>	<b>\$ 32,533,995</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Year Ended June 30, 2020

(Page 1 of 2)

Net Change in Fund Balance - Total Governmental Fund	<b>\$ 6,986,972</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Timing differences for recognition of special assessment revenue between revenues reported in the funds and revenues reported in the Statement of Activities and write-off of receivables already recognized as revenue in the funds.	<b>(526,836)</b>
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlays	<b>\$ 13,845,680</b>
Depreciation	<b><u>(10,741,139)</u></b>
	<b>3,104,541</b>
Governmental funds recognize gain on sale of capital assets as the sales proceeds are received. However, in the Statement of Activities, this amount is reduced by the remaining net book value of the disposed assets. This is the amount of the net book value of the disposed assets.	<b>(879,368)</b>
Internal service funds are used by the City to charge the cost of vehicle maintenance, liability and property injury insurance and employee health insurance, to the individual funds. Certain net income of internal service funds is reported with governmental activities.	<b>(191,765)</b>
Under modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis expenses and liabilities are reported regardless of when financial resources are available. Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
Timing differences in the payable of accrued interest on Certificates of Participation	<b>11,521</b>
Decrease in long-term sick leave payable is not reflected in the governmental funds, but decreases long-term liabilities in the Statement of Net Position.	<b>13,788</b>
Repayment of special assessment debt with governmental commitment principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<b>857,681</b>

(Continued)

**CITY OF GILLETTE, WYOMING**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Year Ended June 30, **2020**

(Page 2 of 2)

Repayment of certificates of participation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<b>\$ 1,115,000</b>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Changes in pension liabilities and related deferred inflows and outflows of resources	<b>(758,723)</b>
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 9,732,811</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 2,994,642	\$ 2,446,067	\$ 2,361,227
Cash With Fiscal Agent	6,869,355	-	-
Investments	8,370,879	13,625,057	2,434,536
Accounts Receivable, Net of Allowance for Uncollectibles	978,779	221,902	230,115
Taxes Receivable	-	60,183	-
Unbilled Accounts Receivable	1,697,235	616,518	262,159
Other Receivables	34,458	5,877	41,001
Accrued Interest Receivable	47,614	104,428	-
Due From Other Entities	138,926	238,538	-
Due From Other Funds	400,000	-	-
Inventories	2,768,822	512,815	17,356
<b>Total Current Assets</b>	<b>\$ 24,300,710</b>	<b>\$ 17,831,385</b>	<b>\$ 5,346,394</b>
<b>NONCURRENT ASSETS</b>			
<b>Restricted Assets</b>			
Investments Restricted for Lease Revenue Bonds	\$ 7,983,968	\$ -	\$ -
Investments Restricted for Gillette Regional Water Supply Project	-	85,851,808	-
<b>Total Restricted Assets</b>	<b>\$ 7,983,968</b>	<b>\$ 85,851,808</b>	<b>\$ -</b>
<b>Capital Assets</b>			
Land	\$ 200,903	\$ 194,417	\$ 266,404
Infrastructure	57,048,237	217,520,245	51,290,236
Buildings and Improvements	98,326,700	37,517,260	17,791,609
Machinery and Equipment	13,806,287	16,942,340	3,014,481
Construction in Progress	1,429,610	20,496,455	1,671,205
Less Accumulated Depreciation	(56,743,916)	(60,495,051)	(26,770,709)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>\$ 114,067,821</b>	<b>\$ 232,175,666</b>	<b>\$ 47,263,226</b>
<b>Total Noncurrent Assets</b>	<b>\$ 122,051,789</b>	<b>\$ 318,027,474</b>	<b>\$ 47,263,226</b>
<b>Total Assets</b>	<b>\$ 146,352,499</b>	<b>\$ 335,858,859</b>	<b>\$ 52,609,620</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 271,897	\$ 105,737	\$ 90,634
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers Payable	\$ 1,481,661	\$ 374,267	\$ 115,090
Contracts and Retainage Payable	-	494,713	166,209
Estimated Claims Payable	-	-	-
Accrued Interest Payable	443,726	-	165,323
Other Accrued Liabilities	738,325	127,016	130,480
Due to Other Funds	-	-	-
Current Maturities of Long-Term Liabilities	3,172,000	-	835,700
<b>Total Current Liabilities</b>	<b>\$ 5,835,712</b>	<b>\$ 995,996</b>	<b>\$ 1,412,802</b>
<b>NONCURRENT LIABILITIES</b>			
Customer Deposits	\$ 661,492	\$ -	\$ -
Accrued Sick Leave Payable	1,789	-	16,452
Capital Loan Payable	2,259,595	44,328,358	6,380,116
Lease Revenue Bonds	79,912,701	-	-
Net Pension Liability	3,143,455	1,222,454	1,047,819
<b>Total Noncurrent Liabilities</b>	<b>\$ 85,979,032</b>	<b>\$ 45,550,812</b>	<b>\$ 7,444,387</b>
<b>Total Liabilities</b>	<b>\$ 91,814,744</b>	<b>\$ 46,546,808</b>	<b>\$ 8,857,189</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 621,374	\$ 241,646	\$ 207,124
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 28,841,525	\$ 187,352,595	\$ 39,891,901
Restricted for Lease Revenue Bonds	7,983,968	-	-
Restricted for Water Development Repair and Replacement	-	3,500,000	-
Restricted for Gillette Regional Water Supply Project	-	85,912,451	-
Unrestricted	17,362,785	12,411,096	3,744,040
<b>Total Net Position</b>	<b>\$ 54,188,278</b>	<b>\$ 289,176,142</b>	<b>\$ 43,635,941</b>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
Net Position of Business-Type Activities			

See Notes to the Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 750,379	\$ 8,552,315	\$ 1,422,759	\$ 9,975,074
-	6,869,355	-	6,869,355
1,638,827	26,069,299	3,418,914	29,488,213
157,056	1,587,852	-	1,587,852
-	60,183	-	60,183
144,920	2,720,832	-	2,720,832
10,500	91,836	2,904,506	2,996,342
-	152,042	-	152,042
-	377,464	-	377,464
-	400,000	285,167	685,167
-	3,298,993	290,752	3,589,745
\$ 2,701,682	\$ 50,180,171	\$ 8,322,098	\$ 58,502,269
\$ -	\$ 7,983,968	\$ -	\$ 7,983,968
-	85,851,808	-	85,851,808
\$ -	\$ 93,835,776	\$ -	\$ 93,835,776
\$ -	\$ 661,724	\$ -	\$ 661,724
4,379,313	330,238,031	-	330,238,031
-	153,635,569	-	153,635,569
370,449	34,133,557	17,872,854	52,006,411
1,019,663	24,616,933	-	24,616,933
(418,105)	(144,427,781)	(11,631,222)	(156,059,003)
\$ 5,351,320	\$ 398,858,033	\$ 6,241,632	\$ 405,099,665
\$ 5,351,320	\$ 492,693,809	\$ 6,241,632	\$ 498,935,441
\$ 8,053,002	\$ 542,873,980	\$ 14,563,730	\$ 557,437,710
\$ 45,318	\$ 513,586	\$ -	\$ 513,586
\$ 302,721	\$ 2,273,739	\$ 142,069	\$ 2,415,808
-	660,922	-	660,922
-	-	2,377,022	2,377,022
-	609,049	-	609,049
65,515	1,061,336	67,262	1,128,598
400,000	400,000	-	400,000
-	4,007,700	-	4,007,700
\$ 768,236	\$ 9,012,746	\$ 2,586,353	\$ 11,599,099
\$ -	\$ 661,492	\$ -	\$ 661,492
-	18,241	5,930	24,171
-	52,968,069	-	52,968,069
-	79,912,701	-	79,912,701
523,911	5,937,639	-	5,937,639
\$ 523,911	\$ 139,498,142	\$ 5,930	\$ 139,504,072
\$ 1,292,147	\$ 148,510,888	\$ 2,592,283	\$ 151,103,171
\$ 103,563	\$ 1,173,707	\$ -	\$ 1,173,707
\$ 5,242,498	\$ 261,328,519	\$ 6,241,632	\$ 267,570,151
-	7,983,968	-	7,983,968
-	3,500,000	-	3,500,000
-	85,912,451	-	85,912,451
1,460,112	34,978,033	5,729,815	40,707,848
<u>\$ 6,702,610</u>	<u>\$ 393,702,971</u>	<u>\$ 11,971,447</u>	<u>\$ 405,674,418</u>
	5,086,537		
	\$ 398,789,508		



**CITY OF GILLETTE, WYOMING**

**RECONCILIATION OF CERTAIN DIFFERENCES BETWEEN NET POSITION OF  
THE PROPRIETARY FUNDS AND NET POSITION OF THE BUSINESS-TYPE ACTIVITIES**

June 30, 2020

Total Net Position of the Proprietary Funds		<b>\$393,702,971</b>
Certain assets and liabilities of the internal service funds are included in the business-type activities in the Statement of Net Position.		
Amounts attributable to:		
Vehicle Maintenance	<b>\$ 3,959,212</b>	
Liability and Property Injury Insurance	<b>421,188</b>	
Health Insurance	<b>706,137</b>	
Net Adjustment to Increase Net Position - Total Enterprise Funds		<b>5,086,537</b>
<u>Total Net Position - Business-Type Activities</u>		<b>\$398,789,508</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
OPERATING REVENUES	\$ 31,268,569	\$ 6,908,129	\$ 5,506,407
INTERFUND SERVICE REVENUES	2,791,644	-	-
Total Operating Revenues	\$ 34,060,213	\$ 6,908,129	\$ 5,506,407
OPERATING EXPENSES			
Cost of Power Purchased	\$ 13,569,061	\$ -	\$ -
Salaries and Benefits	3,032,778	1,526,694	1,498,219
Contractual Services	3,510,519	2,565,422	1,951,426
Materials	185,753	1,035,060	416,783
Claims	-	-	-
Repairs and Maintenance	1,345,594	1,277,534	588,471
Supplies	208,586	323,952	225,538
Depreciation	4,073,739	6,828,326	2,491,805
Total Operating Expenses	\$ 25,926,030	\$ 13,556,988	\$ 7,172,242
Operating Income (Loss)	\$ 8,134,183	\$ (6,648,859)	\$ (1,665,835)
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Equipment	\$ (310)	\$ (96,232)	\$ (7,749)
Other Income	679,910	51,718	75,878
Sales and Use Tax - Capital Facilities Tax	-	68,281	-
Interest Expense	(5,055,339)	-	(181,781)
Investment Income	671,020	2,496,938	61,275
Total Nonoperating Revenues (Expenses)	\$ (3,704,719)	\$ 2,520,705	\$ (52,377)
Income (Loss) Before Contributions and Transfers	\$ 4,429,464	\$ (4,128,154)	\$ (1,718,212)
Intergovernmental, Federal Direct Payments for Build America Bonds	1,398,151	-	-
Capital Contributions, Intergovernmental, Federal, State and Local Sources	-	2,100,229	68,048
Transfers In	581,727	1,420,060	1,321,162
Transfers (Out)	(1,337,875)	(252,687)	-
Changes in Net Position	\$ 5,071,467	\$ (860,552)	\$ (329,002)
NET POSITION, BEGINNING JULY 1	49,116,811	290,036,694	43,964,943
NET POSITION, ENDING JUNE 30	\$ 54,188,278	\$ 289,176,142	\$ 43,635,941
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
NET POSITION OF BUSINESS-TYPE ACTIVITIES			

See Notes to the Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 3,292,473	\$ 46,975,578	\$ 12,036,138	\$ 59,011,716
-	2,791,644	-	2,791,644
\$ 3,292,473	\$ 49,767,222	\$ 12,036,138	\$ 61,803,360
\$ -	\$ 13,569,061	\$ -	\$ 13,569,061
769,468	6,827,159	697,961	7,525,120
2,778,797	10,806,164	730,097	11,536,261
2,374	1,639,970	-	1,639,970
-	-	9,254,476	9,254,476
2,615	3,214,214	251,834	3,466,048
159,036	917,112	576,430	1,493,542
173,763	13,567,633	1,245,406	14,813,039
\$ 3,886,053	\$ 50,541,313	\$ 12,756,204	\$ 63,297,517
\$ (593,580)	\$ (774,091)	\$ (720,066)	\$ (1,494,157)
\$ (125,245)	\$ (229,536)	\$ 45,388	\$ (184,148)
-	807,506	-	807,506
-	68,281	-	68,281
-	(5,237,120)	-	(5,237,120)
58,023	3,287,256	74,543	3,361,799
\$ (67,222)	\$ (1,303,613)	\$ 119,931	\$ (1,183,682)
\$ (660,802)	\$ (2,077,704)	\$ (600,135)	\$ (2,677,839)
-	1,398,151	-	1,398,151
-	2,168,277	-	2,168,277
1,483,009	4,805,958	60,220	4,866,178
-	(1,590,562)	(7,476)	(1,598,038)
\$ 822,207	\$ 4,704,120	\$ (547,391)	\$ 4,156,729
5,880,403	388,998,851	12,518,838	401,517,689
<u>\$ 6,702,610</u>	\$ 393,702,971	<u>\$ 11,971,447</u>	<u>\$ 405,674,418</u>
	5,086,537		
	\$ 398,789,508		

**CITY OF GILLETTE, WYOMING**

**RECONCILIATION OF CERTAIN DIFFERENCES BETWEEN THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION OF THE PROPRIETARY FUNDS AND THE STATEMENT OF ACTIVITIES**

Year Ended June 30, 2020

Total Changes in Net Position - Total Enterprise Funds **\$ 4,704,120**

Internal service funds are used by the City to charge the cost of vehicle maintenance, liability and property injury insurance, and employee health insurance to the individual funds. Certain net income (loss) of internal service funds is reported with business-type activities in the Statement of Activities.

Amounts attributable to:	Vehicle Maintenance	<b>\$ (361,402)</b>
	Liability and Property Injury Insurance	<b>(3,408)</b>
	Health Insurance	<u><b>9,184</b></u>

Net Adjustment to Increase Net Position - Total Enterprise Funds **(355,626)**

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Total Change in Net Position - Business-Type Activities **\$ 4,348,494**

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See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 31,106,530	\$ 6,654,672	\$ 5,429,458
Receipts from Interfund Services Provided	2,791,644	-	-
Payments to Suppliers	(14,275,449)	-	-
Payments to Employees	(2,914,256)	(1,505,544)	(1,464,324)
Payments for Goods and Services	(5,006,735)	(5,179,431)	(3,130,859)
Internal Activity - Payments From Other Funds	-	-	-
Other	735,868	50,430	107,857
Net Cash Provided By (Used In ) Operating Activities	\$ 12,437,602	\$ 20,127	\$ 942,132
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	\$ 581,727	\$ 1,420,060	\$ 1,321,162
Transfers (Out)	(1,337,875)	(252,687)	-
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ (756,148)	\$ 1,167,373	\$ 1,321,162
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Taxes Collected	\$ -	\$ 11,286	\$ -
Payments for Capital Acquisitions	(4,194,914)	(5,134,334)	(1,405,141)
Proceeds from Sale of Capital Assets	-	-	-
Proceeds from Capital Grant	-	1,981,846	79,538
Payments on Capital Loan	(153,550)	-	(1,004,877)
Payments on Lease Revenue Bonds	(6,500,198)	-	-
Net Cash (Used In) Capital and Related Financing Activities	\$ (10,848,662)	\$ (3,141,202)	\$ (2,330,480)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Increase) Decrease in Investments	\$ 5,657,908	\$ (242,125)	\$ 203,121
Investment Income	492,745	1,678,052	47,301
Decrease in Net Amount Due (To) From Other Funds	200,000	-	-
Net Cash Provided By (Used In) Investing Activities	\$ 6,350,653	\$ 1,435,927	\$ 250,422
Net Increase (Decrease) in Cash	\$ 7,183,445	\$ (517,775)	\$ 183,236
Cash and Cash With Fiscal Agent, Beginning July 1	2,680,552	2,963,842	2,177,991
Cash and Cash With Fiscal Agent, Ending June 30	\$ 9,863,997	\$ 2,446,067	\$ 2,361,227
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>			
Operating Income (Loss)	\$ 8,134,183	\$ (6,648,859)	\$ (1,665,835)
Adjustments:			
Depreciation	4,073,739	6,828,326	2,491,805
Other Income	679,910	51,718	75,878
Changes in Assets and Liabilities:			
Accounts and Other Receivables	(19,969)	(222,547)	(25,791)
Due To/From Other Funds	-	-	-
Inventories	176,270	69,426	4,642
Deferred Outflows of Resources Relating to Pensions	669,312	260,287	223,104
Vouchers Payable	(706,388)	(79,087)	27,538
Accrued Expenses and Customer Deposits	(16,174)	(23,972)	(4,781)
Estimated Claims Payable	-	-	-
Net Pension Liability	(882,117)	(343,046)	(294,039)
Deferred Inflows of Resources Relating to Pensions	328,836	127,881	109,611
Net Cash Provided By (Used In) Operating Activities	\$ 12,437,602	\$ 20,127	\$ 942,132
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Net Increase In Fair Value of Investments	\$ 178,233	\$ 719,332	\$ 18,974

See Notes to the Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 3,300,714	\$ 46,491,374	\$ -	\$ 46,491,374
-	2,791,644	9,334,022	12,125,666
-	(14,275,449)	-	(14,275,449)
(741,935)	(6,626,059)	(704,668)	(7,330,727)
(2,920,748)	(16,237,773)	(9,023,558)	(25,261,331)
-	-	(48,906)	(48,906)
20,743	914,898	-	914,898
\$ (341,226)	\$ 13,058,635	\$ (443,110)	\$ 12,615,525
\$ 1,483,009	\$ 4,805,958	\$ 60,220	\$ 4,866,178
-	(1,590,562)	(7,476)	(1,598,038)
\$ 1,483,009	\$ 3,215,396	\$ 52,744	\$ 3,268,140
\$ -	\$ 11,286	\$ -	\$ 11,286
(1,216,311)	(11,950,700)	(444,896)	(12,395,596)
-	-	69,225	69,225
-	2,061,384	-	2,061,384
-	(1,158,427)	-	(1,158,427)
-	(6,500,198)	-	(6,500,198)
\$ (1,216,311)	\$ (17,536,655)	\$ (375,671)	\$ (17,912,326)
\$ (3,542)	\$ 5,615,362	\$ 1,016,229	\$ 6,631,591
39,157	2,257,255	67,451	2,324,706
(200,000)	-	-	-
\$ (164,385)	\$ 7,872,617	\$ 1,083,680	\$ 8,956,297
\$ (238,913)	\$ 6,609,993	\$ 317,643	\$ 6,927,636
989,292	8,811,677	1,105,116	9,916,793
\$ 750,379	\$ 15,421,670	\$ 1,422,759	\$ 16,844,429
\$ (593,580)	\$ (774,091)	\$ (720,066)	\$ (1,494,157)
173,763	13,567,633	1,245,406	14,813,039
-	807,506	-	807,506
31,393	(236,914)	(2,702,116)	(2,939,030)
-	-	(48,906)	(48,906)
-	250,338	(3,098)	247,240
111,552	1,264,255	-	1,264,255
19,665	(738,272)	(8,034)	(746,306)
8,194	(36,733)	(6,707)	(43,440)
-	-	1,800,411	1,800,411
(147,019)	(1,666,221)	-	(1,666,221)
54,806	621,134	-	621,134
\$ (341,226)	\$ 13,058,635	\$ (443,110)	\$ 12,615,525
\$ 18,866	\$ 935,405	\$ 7,092	\$ 942,497

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

June 30, 2020

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
<b>ASSETS</b>		
Investments, at Fair Value:		
Money Market Mutual Funds	\$ 5,583,791	\$ -
Due From Other Entities	-	7,199
<b>Total Assets</b>	<b>\$ 5,583,791</b>	<b>\$ 7,199</b>
<b>NET POSITION</b>		
Held in Trust Restricted for Retiree Health Benefit Plan	\$ 5,583,791	\$ -
Restricted for Individuals, Organizations, and Other Governments	-	7,199
<b>Total Net Position</b>	<b>\$ 5,583,791</b>	<b>\$ 7,199</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

Year Ended June 30, 2020

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
<b>ADDITIONS</b>		
Contributions:		
Participants	\$ -	\$ 164,298
Investment Earnings:		
Interest, Dividends and Other	62,927	-
Total Additions	\$ 62,927	\$ 164,298
<b>DEDUCTIONS</b>		
Benefits Paid to Retiree Participant or Eligible Spouse	\$ 582,033	\$ -
Administrative Expenses	12,827	-
Participant Reimbursements	-	163,123
Total Deductions	\$ 594,860	\$ 163,123
Net Increase (Decrease) in Fiduciary Net Position	\$ (531,933)	\$ 1,175
NET POSITION, BEGINNING July 1	6,115,724	6,024
NET POSITION, ENDING June 30	\$ 5,583,791	\$ 7,199

See Notes to the Basic Financial Statements.



**CITY OF GILLETTE, WYOMING**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Gillette is a political subdivision of the State of Wyoming governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component unit, for which the City is considered to be financially accountable. The blended component unit, although a legally separate unit, is, in substance part of the City's operations.

Blended Component Unit - The Consolidated Wyoming Municipalities Electric Power System Joint Powers Board ("The Board") is a body formed in accordance with the Wyoming Joint Powers Act. The Board was created for the purpose of expanding, financing or operating electrical systems owned by its participating agencies. The Board has authority to issue revenue bonds to finance specified projects, which such projects may be leased to the agency which benefits from said project. The City used this board to issue revenue bonds to purchase a 23% interest in a power plant to provide electrical services to the citizens of Gillette, and to acquire a simple-cycle gas turbine facility. Since ownership of the power plant and simple-cycle gas turbine facility transfers to the City upon repayment of the bonds and since the City is solely responsible for the repayment of the bonds, the purchase of the power plant and simple-cycle gas turbine facility and the related debt have been included (blended) with the Power Enterprise Fund in the accompanying financial statements. The Board is reported in the Power Enterprise Fund and does not issue separate financial statements.

**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 nonfiduciary activities of the City of Gillette. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

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

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

**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 financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

Severance taxes, property taxes, automobile taxes, gasoline taxes, franchise taxes, cigarette taxes, and interest associated with current fiscal period and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes and lodging taxes collected and held by the State, County Treasurer or Campbell County Lodging Tax Joint Powers Board at year end on behalf of the City are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances, and loans. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

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 and expenses of the City's enterprise funds and internal service funds are charges to customers for sales and services, administrative expenses, repairs, supplies and depreciation on capital assets. 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources and transactions of the general government except those required to be accounted for in other funds.

The City reports the following major enterprise funds:

The *Power Fund* is used to account for the operation of the City's electrical utility system.

The *Water Fund* is used to account for the operation of the City's water system.

The *Sewer Fund* is used to account for the operation of the City's sewer system.

In addition, the City also reports the following fund types:

The *Solid Waste Fund* is an enterprise fund and is used to account for the operation of the City's garbage disposal system.

The *Fiber Fund* is an enterprise fund and is used to account for the operation of the City's fiber conduit and network system.

Internal service funds account for operations that provide services to other funds of the City on a cost-reimbursement basis. The City's internal service funds and their purposes are:

The *Vehicle Maintenance Fund* is used to account for acquisition and repairs and maintenance of vehicles in the City's motor pool.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

The *Liability and Personal Injury Insurance Fund* is used to account for payments of insurance premiums for the City's various insurance coverages.

The *Health Insurance Fund* is used to account for the financing and operations of the City's self-insurance health plan.

The City reports the following Fiduciary Funds:

The *City of Gillette Retiree Health Benefit Plan and Trust Fund* administers the City's retiree health benefit plan and trust for certain employees and their spouses.

The City's other *Fiduciary Fund* is a custodial fund. Custodial funds hold assets for the benefit of individuals in situations where the government does not have administrative control over the assets, and the assets are not derived from governmental sources.

#### D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

##### 1. Cash and Investments

The City's cash is 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.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

##### 2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All other outstanding balances between funds are referred to as "due to/from other fund." Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property tax revenues represent property taxes for 2019 and prior years which were collectible during the year ended June 30, 2020. Property taxes are levied by the first Monday of August and are payable in two installments, which are due September 1 and March 1. These installments become delinquent, and thus payable, on November 10 and May 10. The taxpayer may elect, without penalty, to pay the entire balance on December 31. Property taxes are collected by the County Treasurer and remitted to the City in the month following collection.

##### 3. Inventories

Inventories are valued at average unit cost using the first-in/first-out (FIFO) method which approximates market. The costs of inventory items are recognized as expenditures in governmental funds and as expenses in proprietary funds when consumed.

##### 4. Restricted Assets

Power enterprise fund investments of \$7,983,968 have been restricted for debt service reserves for lease revenue bonds.

In the Water enterprise fund, investments of \$85,851,808 have been restricted for the Gillette Regional Water Supply Project.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies (Continued)**

5. Capital Assets

Capital assets, which include land, infrastructure, buildings and improvements, machinery and equipment, and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Generally, furniture, fixtures and equipment with an individual cost of less than \$5,000 are not capitalized, while vehicles with an individual cost of less than \$10,000 are not capitalized. Software with an individual cost less than \$25,000 is not capitalized. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems and other assets with individual costs of less than \$50,000 are not capitalized. Building improvements with an individual cost of less than \$15,000 are not capitalized. All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value at date of receipt. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business- Type Activities Estimated Lives
Infrastructure	10-65 years	25-65 years
Buildings	35-50 years	50 years
Building Improvements	5-25 years	3-20 years
Machinery and Equipment	4-30 years	3-30 years

6. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as payment for unused accumulated vacation leave upon termination of services. The City records a liability for accumulated unused vacation time when earned for all eligible employees. The amount due for unused vacation leave is included in other accrued liabilities in the government-wide statements and in the fund financial statements.

The City's sick leave reimbursement policy allows an employee who leaves the City to be reimbursed for vested unused accumulated sick leave. The amount that is actually due at year-end is recorded as a payable in the Governmental Fund. Due means the employee has applied for the leave but has not received payment at year end. Amounts not due at year end are recorded as noncurrent liabilities in the government-wide statement of net position.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

#### 7. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Vested sick leave payable and customer deposits are accrued, and the related liabilities are reduced when paid. Long-term capital leases, the long-term portion of sick leave payable, and the City's proportionate share of the long-term net pension liability of the Wyoming Retirement System's Public Employees' and Law Enforcement Employees' pension plan are recognized as liabilities in the government-wide financial statements.

In the fund financial statements, governmental fund types recognize sick leave paid, payments on special assessment debt, and payments on certificates of participation as expenditures in the current period.

#### 8. Defined Benefit Pensions

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

#### 9. Fund Balance

The City reports fund balance in its governmental fund based on hierarchy of classifications that are primarily based on the extent to which the City is bound to honor constraints on the specific purpose for which amounts can be spent. The fund balance classifications used by the City's governmental fund are as follows:

*Nonspendable fund balances* - Those balances representing amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact. The not in spendable form criteria includes items that are not expected to be converted to cash. The amounts reported as nonspendable fund balances are determined before classifying the amounts as restricted, committed, or assigned.

*Restricted fund balances* - Those balances representing amounts that are externally restricted by creditors, grantors, contributors, or laws or regulations of other governments. Restrictions can also be imposed through law, constitutional provisions, or enabling legislation. Restricted net position is reported by the City's enterprise funds and governmental fund. Unrestricted net position is reported by the City's enterprise funds without classifying the unrestricted funds as committed, assigned, or unassigned.

*Committed fund balances* - Includes amounts that can be used only for the specific purposes as imposed by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

*Assigned fund balances* - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council has authorized assignments at the division level within each fund by City management. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments, generally only exist temporarily. In other words, an additional action does not normally have to be taken for removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balances* - Those fund balances representing the remaining classification for the general fund. This balance represents the fund balance of the general fund that has not been assigned to other funds and has been neither restricted, committed, or assigned to specific purposes in the general fund. If expenditures incurred for specified purposes exceed the amounts restricted, committed, or assigned for those purposes, a negative unassigned fund balance may be reported.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### **Note 1. Summary of Significant Accounting Policies (Continued)**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### 10. Net Position

Net position represents the residual of all other elements presented in the statement of net position which equals assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, including accounts, contract and retainage payables. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

#### 11. 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **Note 2. Stewardship, Compliance and Accountability**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the governmental fund. All annual appropriations lapse at fiscal year end.

On or before March 31 of each year, all agencies of the City submit requests for appropriation to the City Administrator so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Budgets are prepared for the governmental fund.

Before May 15 the proposed budget is presented to the City's Council for review. The City's Council holds public hearings and may add to, subtract from or change appropriations but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Administrator. Any revenue estimates must be changed by an affirmative vote of the majority of the City Council.

Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established at the department level for the General Fund, while management control is exercised at budgetary line item level. The City's department heads may make transfers of appropriations within a division. Transfers of appropriations between divisions require the approval of the City Council. The City may amend its budget after it is approved using the same procedures necessary to approve the original budget. The amounts reported as the original budgeted amounts in the budgetary statements reflect appropriation in the first appropriated budget. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 3. Detailed Notes on All Funds

#### A. Deposits and Investments

##### Deposits

The City's deposits at June 30, 2020 were covered by federal depository insurance and collateral held by the City's agents under joint custody receipts in the City's name.

##### Investments

The City is authorized to invest in those types of securities as allowed by Wyoming State Statutes. Investments of the City are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Wyoming State Treasurer Asset Reserve operates in accordance with applicable laws and regulations. The WYO-STAR investment portfolio administers the short-term cash deposits made with the State by local entities. The investments are administered to provide liquid cash reserves, placing the majority portion in a cash portfolio and the rest in an extended cash portfolio. Specified State of Wyoming elected officials are responsible for regulatory oversight of WYO-STAR. The weighted average maturity of WYO-STAR is 183 days but the weighted average maturity of this fund for the City is 1 day at June 30, 2020, due to the City being eligible to redeem these funds at any time, with no redemption notice period required.

Fair Value of Investments - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data, for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities.

The City has the following recurring fair value measurements as of June 30, 2020:

##### Primary Government

- Certificates of Deposit of \$4,000,000 are investments in nonparticipating interest earning contracts and therefore are valued at cost. Certificates of Deposit are redeemable at any time with no redemption notice period required, but would be subject to early withdrawal penalties equal to a certain amount of interest as stipulated by the issuing financial institution.
- Wyoming State Asset Reserve (WYO-STAR) of \$147,485,699, application of the June 30, 2020 fair value factor, as calculated by the Wyoming State Treasurer, is the City's interest in the pool based on the City's cash balance as a percentage of the total cash balance of the pool (Level 2 input).
- U.S. Treasuries of \$34,485,251 and U.S. and Supra-National Agencies of \$18,303,245 fair value is provided by third parties based on quoted prices for identical securities in markets that are not active (Level 2 input).

##### Fiduciary Funds

- Money Market Mutual Funds of \$5,583,791, fair value is provided by third parties based on published fair value per share (unit) for each fund (Level 2 input).

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Fund (Continued)**

Investments - As of June 30, 2020, the City had the following investments:

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government</b>				
Certificate of Deposit	\$ 1,000,000	N/A		7/2/20
Certificate of Deposit	1,000,000	N/A		10/21/20
Certificate of Deposit	2,000,000	N/A		5/21/21
Wyoming State Asset Reserve (WYO-STAR)	147,485,699	N/A	1	
US Treasury Notes				
2.125% 5/31/19 (CUSIP9128286V7)	1,501,273			5/31/21
US Treasury Notes				
1.500% 10/31/19 (CUSIP912828YP9)	3,175,087			10/31/21
US Treasury Notes				
1.875% 3/31/17 (CUSIP912828W89)	3,104,508			3/31/22
US Treasury Notes				
1.375% 10/15/19 (CUSIP912828YK0)	2,055,000			10/15/22
US Treasury Notes				
2.750% 7/31/18 (CUSIP912828Y61)	1,915,059			7/31/23
US Treasury Notes				
2.625% 12/31/18 (CUSIP912828U0)	3,052,955			12/31/23
US Treasury Notes				
2.500% 1/31/19 (CUSIP912828Z9)	1,081,875			1/31/24
US Treasury Notes				
1.875% 8/31/17 (CUSIP912828U3)	3,310,219			8/31/24
Asian Development Bank Supranatl				
0.625% 4/7/20 (CUSIP045167ET6)	352,083	AAA		4/7/22
African Development Bank Supranatl				
0.750% 4/3/20 (CUSIP008281BC0)	404,756	AAA		4/3/23
Inter-American Devel Bk Corp Notes				
0.500% 4/24/20 (CUSIP4581X0DM7)	100,588	AAA		5/24/23
FHMS K043 A2				
3.062% 3/1/15 (CUSIP3137BGK24)	258,054	AAA		12/25/24
FFCB Notes (Callable)				
0.950% 4/8/20 (CUSIP3133ELVV3)	200,354	AAA		4/8/22
Federal Farm Credit Bank Notes				
0.250% 6/2/20 (CUSIP3133ELE75)	1,100,287	AAA		6/2/22
Federal Home Loan Bank Notes				
0.250% 6/12/20 (CUSIP3130AJPU7)	200,052	AAA		6/3/22
Fannie Mae Notes				
1.375% 9/6/19 (CUSIP3135G0W33)	2,228,829	AAA		9/6/22
Federal Home Loan Bank Notes				
1.375% 2/21/20 (CUSIP3130AJ7E3)	2,109,503	AAA		2/17/23
Freddie Mac Notes				
0.375% 4/20/20 (CUSIP3137EAEQ8)	300,830	AAA		4/20/23
Freddie Mac Notes				
0.375% 5/7/20 (CUSIP3137EAER6)	285,720	AAA		5/5/23
Fannie Mae Notes				
0.250% 5/22/20 (CUSIP3135G04Q3)	249,743	AAA		5/22/23
Fannie Mae Notes				
0.250% 5/22/20 (CUSIP3135G04Q3)	449,537	AAA		5/22/23
Freddie Mac Notes				
0.500% 6/16/20 (CUSIP3134GVR67)	300,210	AAA		6/16/23
Freddie Mac Notes				
0.250% 6/26/20 (CUSIP3137EAES4)	359,617	AAA		6/26/23
Federal Farm Credit Bank Notes				
0.875% 4/8/20 (CUSIP3133ELVX9)	302,387	AAA		4/8/24
Fannie Mae Notes				
1.625% 10/18/19 (CUSIP3135G0W66)	315,509	AAA		10/15/24
Freddie Mac Notes				
1.500% 2/14/20 (CUSIP3137EAEP0)	314,539	AAA		2/12/25
Freddie Mac Notes				
1.500% 2/14/20 (CUSIP3137EAEP0)	1,153,308	AAA		2/12/25
Fannie Mae Notes				
0.625% 4/24/20 (CUSIP3135G03U5)	605,051	AAA		4/22/25
Fannie Mae Notes				
0.500% 6/19/20 (CUSIP3135G04Z3)	300,473	AAA		6/17/25
US Treasury Notes				
2.625% 8/31/18 (CUSIP9128284Y3)	1,004,063			8/31/20



**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Fund (Continued)**

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government (Continued)</b>				
US Treasury Notes 2.250% 2/15/18 (CUSIP9128283X6)	\$ 1,073,747			2/15/21
US Treasury Notes 2.125% 5/31/19 (CUSIP9128286V7)	1,180,663			5/31/21
US Treasury Notes 1.500% 10/31/19 (CUSIP912828YP9)	396,886			10/31/21
US Treasury Notes 1.875% 3/31/17 (CUSIP912828W89)	921,570			3/31/22
US Treasury Notes 1.375% 10/15/19 (CUSIP912828YK0)	513,750			10/15/22
US Treasury Notes 2.750% 7/31/18 (CUSIP912828Y61)	377,618			7/31/23
US Treasury Notes 2.625% 12/31/18 (CUSIP9128285U0)	596,492			12/31/23
US Treasury Notes 1.875% 8/31/17 (CUSIP9128282U3)	854,250			8/31/24
Asian Development Bank Supranatl 0.625% 4/7/20 (CUSIP045167ET6)	115,685	AAA		4/7/22
African Development Bank Supranatl 0.750% 4/3/20 (CUSIP008281BC0)	202,378	AAA		4/3/23
Inter-American Devel Bk Corp Notes 0.500% 4/24/20 (CUSIP4581X0DM7)	60,353	AAA		5/24/23
FHMS K043 A2 3.062% 3/1/15 (CUSIP3137BGK24)	93,339	AAA		12/25/24
FFCB Notes (Callable) 0.950% 4/8/20 (CUSIP3133ELVV3)	100,177	AAA		4/8/22
Federal Home Loan Bank Notes 0.250% 6/12/20 (CUSIP3130AJPU7)	100,026	AAA		6/3/22
Federal Home Loan Bank 2.125% 6/1/12 (CUSIP313379Q69)	285,055	AAA		6/10/22
Federal Home Loan Bank Notes 1.375% 2/21/20 (CUSIP3130AJ7E3)	617,416	AAA		2/17/23
Freddie Mac Notes 0.375% 4/20/20 (CUSIP3137EAEQ8)	100,277	AAA		4/20/23
Freddie Mac Notes 0.375% 5/7/20 (CUSIP3137EAER6)	476,199	AAA		5/5/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G04Q3)	149,845	AAA		5/22/23
Freddie Mac Notes 0.250% 6/26/20 (CUSIP3137EAES4)	134,856	AAA		6/26/23
Federal Farm Credit Bank Notes 0.875% 4/8/20 (CUSIP3133ELVX9)	100,796	AAA		4/8/24
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	104,846	AAA		2/12/25
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	235,904	AAA		2/12/25
Fannie Mae Notes 0.625% 4/24/20 (CUSIP3135G03U5)	287,399	AAA		4/22/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	100,158	AAA		6/17/25
US Treasury Notes 2.125% 5/31/19 (CUSIP9128286V7)	529,262			5/31/21
US Treasury Notes 1.500% 10/31/19 (CUSIP912828YP9)	1,236,452			10/31/21
US Treasury Notes 1.875% 3/31/17 (CUSIP912828W89)	1,240,773			3/31/22
US Treasury Notes 1.375% 10/15/19 (CUSIP912828YK0)	719,250			10/15/22
US Treasury Notes 2.750% 7/31/18 (CUSIP912828Y61)	766,023			7/31/23

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 3. Detailed Notes on All Fund (Continued)

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government (Continued)</b>				
US Treasury Notes 2.625% 12/31/18 (CUSIP9128285U0)	\$ 1,084,531			12/31/23
US Treasury Notes 2.500% 1/31/19 (CUSIP9128285Z9)	432,750			1/31/24
US Treasury Notes 1.875% 8/31/17 (CUSIP9128282U3)	1,094,508			8/31/24
Asian Development Bank Supranatl 0.625% 4/7/20 (CUSIP045167ET6)	115,685	AAA		4/7/22
African Development Bank Supranatl 0.750% 4/3/20 (CUSIP008281BC0)	202,378	AAA		4/3/23
Inter-American Devel Bk Corp Notes 0.500% 4/24/20 (CUSIP4581X0DM7)	30,176	AAA		5/24/23
FHMS K043 A2 3.062% 3/1/15 (CUSIP3137BGK24)	93,339	AAA		12/25/24
FFCB Notes (Callable) 0.950% 4/8/20 (CUSIP3133ELVV3)	100,177	AAA		4/8/22
Federal Home Loan Bank Notes 0.250% 6/12/20 (CUSIP3130AJPU7)	100,026	AAA		6/3/22
Federal Home Loan Bank Notes 1.375% 2/21/20 (CUSIP3130AJ7E3)	658,577	AAA		2/17/23
Freddie Mac Notes 0.375% 4/20/20 (CUSIP3137EAEQ8)	100,277	AAA		4/20/23
Freddie Mac Notes 0.375% 5/7/20 (CUSIP3137EAER6)	95,240	AAA		5/5/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G04Q3)	149,845	AAA		5/22/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G04Q3)	299,691	AAA		5/22/23
Freddie Mac Notes 0.500% 6/16/20 (CUSIP3134GVR67)	300,210	AAA		6/16/23
Freddie Mac Notes 0.250% 6/26/20 (CUSIP3137EAES4)	144,846	AAA		6/26/23
Federal Farm Credit Bank Notes 0.875% 4/8/20 (CUSIP3133ELVX9)	100,796	AAA		4/8/24
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	214,935	AAA		2/12/25
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	340,750	AAA		2/12/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	100,158	AAA		6/17/25
US Treasury Note 2.250% 3/31/14 (CUSIP912828C57)	330,054			3/31/21
US Treasury Note 2.625% 6/15/18 (CUSIP9128284T4)	332,592			6/15/21
US Treasury Note 1.750% 11/15/17 (CUSIP9128283G3)	301,722			11/15/20
US Treasury Note 1.875% 12/15/17 (CUSIP9128283L2)	302,319			12/15/20
<b>Total Primary Government</b>	<b>\$ 204,274,195</b>			
<b>Fiduciary Funds</b>				
Fidelity Money Market Fund Government Portfolio (CUSIP316175603)	\$ 5,583,791	AAAm	1	
<b>Total Investments</b>	<b>\$ 209,857,986</b>			

<sup>(1)</sup> Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 3. Detailed Notes on All Funds (Continued)

**Custodial Credit Risk** for deposits 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. The City's policy requires deposits to be 110 percent secured by collateral valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. The City Council annually approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions. City funds may be invested in United States Treasury bills, notes, or bonds including stripped principal on interest obligations of such issuances, or any other obligations or securities issued by, or guaranteed by, the United States Government.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in open-end mutual funds and external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form, and therefore, the City is not exposed to custodial credit risk related to these types of investments.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Unless matched to a specific cash flow, investments are not made in securities maturing more than five years from the date of purchase.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Investments issued or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk requirements. The City's investment policy related to concentration of credit risk is to diversify the City's investments by security type and institution in order to reduce overall portfolio risks while attaining market average rates of return.

#### B. Accounts Receivable

Accounts receivable as of June 30, 2020 for the City's enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds			Nonmajor	Total
	Power Fund	Water Fund	Sewer Fund	Solid Waste Fund	
Accounts Receivable	\$ 1,521,990	\$ 364,639	\$ 346,260	\$ 231,302	\$ 2,464,191
Less: Allowance for Uncollectibles	(543,211)	(142,737)	(116,145)	(74,246)	(876,339)
Total Accounts Receivable, Net	\$ 978,779	\$ 221,902	\$ 230,115	\$ 157,056	\$ 1,587,852

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

C. Capital Assets

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

	Balance June 30, 2019	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2020
<b>Governmental Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 13,836,777	\$ -	\$ (390,635)	\$ 13,446,142
Construction In Progress	4,375,943	13,623,155	(4,734,719)	13,264,379
Total Nondepreciable Capital Assets	\$ 18,212,720	\$ 13,623,155	\$ (5,125,354)	\$ 26,710,521
Depreciable Capital Assets:				
Infrastructure	\$ 247,222,302	\$ 4,404,642	\$ (230,109)	\$ 251,396,835
Buildings and Improvements	51,749,259	-	(410,596)	51,338,663
Machinery and Equipment	13,557,624	552,602	(643,885)	13,466,341
Allocation of Vehicle Maintenance	10,614,682	444,896	(297,790)	10,761,788
Total Depreciable Capital Assets	\$ 323,143,867	\$ 5,402,140	\$ (1,582,380)	\$ 326,963,627
Less Accumulated Depreciation For:				
Infrastructure	\$ (96,115,997)	\$ (8,413,387)	\$ 158,720	\$(104,370,664)
Buildings and Improvements	(11,022,208)	(1,218,318)	229,250	(12,011,276)
Machinery and Equipment	(9,530,294)	(1,109,434)	407,887	(10,231,841)
Allocation of Vehicle Maintenance	(6,995,116)	(700,922)	229,996	(7,466,042)
Total Accumulated Depreciation	\$(123,663,615)	\$(11,442,061)	\$ 1,025,853	\$(134,079,823)
Total Depreciable Capital Assets, Net	\$ 199,480,252	\$ (6,039,921)	\$ (556,527)	\$ 192,883,804
Governmental Activities Capital Assets, Net	\$ 217,692,972	\$ 7,583,234	\$ (5,681,881)	\$ 219,594,325

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

	Balance June 30, 2019	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2020
<b>Business-type Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 661,724	\$ -	\$ -	\$ 661,724
Construction in Progress	29,082,414	9,031,228	(13,496,709)	24,616,933
Total Nondepreciable Capital Assets	\$ 29,744,138	\$ 9,031,228	\$ (13,496,709)	\$ 25,278,657
Depreciable Capital Assets:				
Infrastructure	\$ 322,303,040	\$ 8,437,518	\$ (502,527)	\$ 330,238,031
Buildings and Improvements	149,839,209	3,805,146	(8,786)	153,635,569
Machinery and Equipment	31,715,475	3,530,958	(1,112,876)	34,133,557
Allocation of Vehicle Maintenance	7,290,933	53,820	(233,687)	7,111,066
Total Depreciable Capital Assets	\$ 511,148,657	\$ 15,827,442	\$ (1,857,876)	\$ 525,118,223
Less Accumulated Depreciation For:				
Infrastructure	\$ (80,104,421)	\$ (8,742,679)	\$ 366,137	\$ (88,480,963)
Buildings and Improvements	(33,151,991)	(3,427,965)	5,286	(36,574,670)
Machinery and Equipment	(18,998,390)	(1,396,989)	1,023,231	(19,372,148)
Allocation of Vehicle Maintenance	(3,823,989)	(544,484)	203,293	(4,165,180)
Total Accumulated Depreciation	\$(136,078,791)	\$(14,112,117)	\$ 1,597,947	\$(148,592,961)
Total Depreciable Capital Assets, Net	\$ 375,069,866	\$ 1,715,325	\$ (259,929)	\$ 376,525,262
Business-Type Activities Capital Assets, Net	\$ 404,814,004	\$ 10,746,553	\$ (13,756,638)	\$ 401,803,919

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

<b>Governmental Activities</b>	
General Government	\$ 2,057,102
Public Safety	466,881
Public Works	7,341,203
Culture and Recreation	1,576,875
Total Depreciation Expense - Governmental Activities	\$ 11,442,061
<b>Business-type Activities</b>	
Power	\$ 4,160,343
Water	6,918,776
Sewer	2,654,915
Solid Waste	201,913
Fiber	176,170
Total Depreciation Expense - Business-Type Activities	\$ 14,112,117

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 3. Detailed Notes on All Funds (Continued)

The construction in progress in the governmental activities represents construction related to various projects which includes several street projects throughout the City including: PMS (Pavement Management Systems) 2019 and 2020 Projects and roadway improvements included in the Winland Industrial Park Project and Water and Sewer Main Replacement Projects. Also included are phase II of the Dalbey Park to Gillette College Pathway projects, traffic signal installation at the intersection of Boxelder and Garner Lake, improvements at the Energy Capital Sports Complex and remodeling at City West. Actual signed contracts for these projects approximate \$25,600,000 and will be funded by the General Fund, taxes and grants. The remaining commitment on these contracts is approximately \$12,600,000 which is included in committed fund balance in the accompanying basic financial statements.

The construction in progress in the business-type activities represents construction related to several electrical distribution line projects, sewer construction projects and various water development projects including: the Annual Water and Sewer Main Replacement Projects; the Crestview Sanitary Sewer Improvements, the Winland Industrial Park Project; the Ultra-Violet Disinfection Building Addition at the Waste Water Treatment Facility and the Gillette Regional Water Supply Project (Madison Pipeline). Actual signed contracts for these projects approximate \$49,700,000 and will be funded by the General Fund, taxes and grants from the State of Wyoming, Wyoming Water Development Commission and Wyoming State Loan and Investment Board, and City generated revenues. The remaining commitment on these contracts is approximately \$6,700,000. In fiscal year 2020, the Gillette Madison Pipeline Project (GMPP) completed and put into production two new Madison wells capable of producing 1,400 gallons per minute each. Work continues on the remaining three wells (Contract 2a) and will likely be completed in 2022. All other work on the GMPP has been completed and is in use.

The GMPP, when complete, will bring water from wells located in the Madison formation to Gillette via a 50-mile pipeline. The total cost of the GMPP is estimated to be \$217,600,000 with completion anticipated in 2022. Funding for this project includes state grants, loans, special purpose excise tax revenue (capital facilities tax) and water fund revenue.

Contracts signed but not yet started and contracts signed subsequent to year end approximated \$8,800,000.

#### D. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2020 is as follows:	Receivables	Payables
<b>Major Funds:</b>		
General Fund	\$ -	\$ 285,167
<b>Enterprise Funds</b>		
Power Fund	400,000	-
<b>Total Major Funds</b>	<b>\$ 400,000</b>	<b>\$ 285,167</b>
<b>Nonmajor Funds:</b>		
<b>Enterprise Funds</b>		
Fiber Fund	\$ -	\$ 400,000
<b>Internal Service Funds</b>		
Health Insurance Fund	285,167	-
<b>Total Nonmajor Funds</b>	<b>\$ 285,167</b>	<b>\$ 400,000</b>
<b>Total</b>	<b>\$ 685,167</b>	<b>\$ 685,167</b>

The above interfund balances result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Power Fund provided an operating advance to the Fiber Fund.

#### Interfund Transfers Governmental Funds:

	General Fund
Transfers In	\$ 208,879
Transfers (Out)	(3,477,019)
<b>Net Interfund Transfers</b>	<b>\$ (3,268,140)</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

Interfund Transfers Business-Type Funds:

	Power Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Transfers In	\$ 581,727	\$ 1,420,060	\$ 1,321,162	\$ 1,483,009	\$ 60,220	\$ 4,866,178
Transfers (Out)	(1,337,875)	(252,687)	-	-	(7,476)	(1,598,038)
Net Interfund Transfers	\$ (756,148)	\$ 1,167,373	\$ 1,321,162	\$ 1,483,009	\$ 52,744	\$ 3,268,140

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating or capital expenditures with revenue generated by the fund or to transfer construction costs between the funds.

**E. Compensated Absences**

The City allows its employees one day of sick leave for each month of employment. The total accumulated sick leave approximated \$2,820,000 at June 30, 2020. Of this total, approximately \$78,000 represents actual vested amounts. Of this vested amount, approximately \$35,000 is included as a liability in the proprietary fund types and approximately \$3,500 of this amount from the Internal Service Funds is allocated to the governmental activities on the Statement of Net Position. The remaining amount of approximately \$43,000 is related to the governmental fund types and is not reflected as a liability in these funds as it is considered long-term in nature.

The City's employees have vested accrued vacation amounting to approximately \$1,102,000 at June 30, 2020. This amount has been recorded as a liability in the appropriate funds and is included as other accrued liabilities on the balance sheet.

**F. Long-Term Debt**

A summary of the changes in long-term liabilities for the year ended June 30, 2020 is presented below:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Accrued Sick Leave Payable	\$ 59,995	\$ 310	\$ (14,042)	\$ 46,263	\$ 15,281
Special Assessment Debt					
With Governmental Commitment	1,631,714	-	(857,681)	774,033	87,000
Certificates of Participation	8,410,000	-	(1,115,000)	7,295,000	1,140,000
Net Pension Liability	21,591,617	-	(7,764,317)	13,827,300	-
Total Governmental Activities	\$ 31,693,326	\$ 310	\$ (9,751,040)	\$ 21,942,596	\$ 1,242,281
<b>Business-Type Activities:</b>					
Accrued Sick Leave Payable	\$ 90,274	\$ -	\$ (58,974)	\$ 31,300	\$ 10,700
Customer Deposits	819,525	83,618	(123,651)	779,492	118,000
Capital Loans	54,855,185	-	(932,116)	53,923,069	955,000
Net Pension Liability	7,603,860	-	(1,666,221)	5,937,639	-
	\$ 63,368,844	\$ 83,618	\$ (2,780,962)	\$ 60,671,500	\$ 1,083,700
Lease Revenue Bonds	\$ 83,600,000	\$ -	\$ (2,615,000)	\$ 80,985,000	\$ 2,715,000
Plus Bond Premium	2,070,230	-	(218,529)	1,851,701	209,000
Total Lease Revenue Bonds	\$ 85,670,230	\$ -	\$ (2,833,529)	\$ 82,836,701	\$ 2,924,000
Total Business-Type Activities	\$ 149,039,074	\$ 83,618	\$ (5,614,491)	\$ 143,508,201	\$ 4,007,700

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

The amount of accrued sick leave payable shown in the previous table includes the allocation of the internal service funds accrued sick leave payable to the governmental and business-type activities.

Compensated absences for governmental activities are generally liquidated by the general fund.

The City's general fund and enterprise funds are used to record the activity of the net pension liability as these funds will absorb the costs.

The City has entered into long-term capital loan agreements with the State of Wyoming, Wyoming State Loan and Investment Board as follows:

	General Fund			Balance June 30, 2020
	Balance June 30, 2019	Principal Additions	Principal Deletions	
Special Assessment Debt with Governmental Commitment				
Northland Water DWSRF Loan #39	\$ 347,306	\$ -	\$ (347,306)	\$ -
Interstate Industrial DWSRF Loan #196	1,284,408	-	(510,375)	<b>774,033</b>
<b>Total payments</b>	<b>\$ 1,631,714</b>	<b>\$ -</b>	<b>\$ (857,681)</b>	<b>\$ 774,033</b>

Loan DWSRF #39 was for the design and construction of the Northland Village water distribution system with the principal balance to be paid through Special Assessment revenues received from Northland Village residents. The City is primarily liable for the loan which is secured by the pledge and assignment of revenues received from an Optional 1% Sales Tax. Loan DWSRF #39 was paid off during the fiscal year ended June 30, 2020.

Loan DWSRF #196 was for the design and construction of water improvements made in the Interstate Industrial Business Park. With these improvements, the 44 lot owners were connected to City water, dissolving the water association that had previously been serving these businesses. The loan is being repaid through Special Assessment revenues received from the property owners in the Interstate Industrial Business Park. The City is primarily liable for the loan, which is secured by the pledge and assignment of revenues from the City's Water Fund which total customer net revenues were approximately \$6.9 million for the fiscal year ended June 30, 2020. This assignment will be in effect for the loan term of 15 years, or until this loan has been repaid in full. The interest rate of the loan is 2.5% per annum. Loan DWSRF #196 contains a provision that in an event of default, the outstanding amount becomes immediately due if the City is unable to make payments.



**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

Annual debt service requirements to maturity on the Interstate Industrial Business Park DWSRF Loan #196 based on the outstanding loan balance at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2021	\$ 87,000	\$ 19,944	\$ 106,944
2022	89,580	17,364	106,944
2023	91,845	15,099	106,944
2024	94,168	12,776	106,944
2025	96,549	10,395	106,944
2026-2028	314,891	15,918	330,809
<b>Total payments</b>	<b>\$ 774,033</b>	<b>\$ 91,496</b>	<b>\$ 865,529</b>

Gillette College Student Housing Certificates of Participation

On December 16, 2014, the City of Gillette entered into a Memorandum of Understanding with the Northern Wyoming Community College District/Gillette College for the construction of a dormitory to complement the existing student housing buildings for the College upon City owned property. On October 22, 2015, Certificates of Participation in the amount of \$11,650,000 were issued through the Gillette College Student Housing Phase II Statutory Trust with Zions First National Bank as Trustee. The entire offering was purchased by Compass Mortgage Corporation with an amortization period of ten years and at a rate of 2.48%. Through a Lease Purchase Agreement, the City of Gillette has agreed to lease said property from the Trust for an amount equal to required debt service payments subject to annual appropriation. Upon satisfaction of the debt service, the property will be jointly owned by the City and College proportionate to their respective share of the debt service which is 83% City and 17% College. The total cost of the construction project was \$12,650,000 with the City contributing \$1,000,000 up front.

Annual debt service requirements to maturity on the Certificates of Participation for the Northern Wyoming Community College District/Gillette College are as follows:

	Principal	Interest	Total Obligation Under Capital Loan	Accrued Interest Payable
2021	\$ 1,140,000	\$ 166,780	\$ 1,306,780	\$ 75,382
2022	1,170,000	138,136	1,308,136	-
2023	1,200,000	108,748	1,308,748	-
2024	1,230,000	78,616	1,308,616	-
2025	1,260,000	47,740	1,307,740	-
2026	1,295,000	16,058	1,311,058	-
<b>Total payments</b>	<b>\$ 7,295,000</b>	<b>\$ 556,078</b>	<b>\$ 7,851,078</b>	<b>\$ 75,382</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

The City has entered into long-term capital loan agreements with the State of Wyoming, Wyoming State Loan and Investment Board and the State of Wyoming, Wyoming Water Development Commission (WWDC) and the Wyoming Business Council. These capital loans are for design and construction of the Wastewater Treatment Plant, the Gillette Regional Water Supply project, and to purchase and install new infrastructure to provide redundant, stable and increase power to the Southern Industrial addition south of Gillette. The City is a member of the Consolidated Wyoming Municipalities Electric Power System Joint Powers Board which issued bonds for the purpose of acquiring a 23% ownership interest in the Wygen III power generation facility from Black Hills Power and to acquire a simple-cycle gas turbine facility (“CTII Facility”). These capital loans and bonds are as follows:

	Balance June 30, 2019	Principal Additions	Principal Deletions	Balance June 30, 2020	Accrued Interest Payable June 30, 2020
<b>Sewer Fund</b>					
Wastewater Treatment Facility Improvements					
CWSRF Loan #50	\$ 8,009,750	\$ -	\$ (804,634)	\$ 7,205,116	\$ 165,323
<b>Water Fund</b>					
Gillette Madison Pipeline					
	\$ 44,328,358	\$ -	\$ -	\$ 44,328,358	\$ -
<b>Power Fund</b>					
Electric Facilities Improvement					
Lease Revenue Bonds (Wygen III)	\$ 63,420,000	\$ -	\$ (1,765,000)	\$ 61,655,000	\$ 346,621
Lease Revenue Bonds (CTII)	20,180,000	-	(850,000)	19,330,000	80,542
Southern Industrial Addition	2,517,077	-	(127,482)	2,389,595	16,563
<b>Total Power Fund</b>	<b>\$ 86,117,077</b>	<b>\$ -</b>	<b>\$ (2,742,482)</b>	<b>\$ 83,374,595</b>	<b>\$ 443,726</b>
<b>Total Proprietary Funds</b>	<b>\$138,455,185</b>	<b>\$ -</b>	<b>\$ (3,547,116)</b>	<b>\$134,908,069</b>	<b>\$ 609,049</b>

Sewer Fund Loan

Loan CWSRF #50 was for the design and construction of wastewater treatment facility improvements. This loan is secured by the pledge and assignment of revenues received from Severance Taxes. Severance Taxes, from which appropriations are made have averaged approximately \$1.1 million per year over the last 10 years. For the current year, severance tax revenue recognized by the City approximated \$1.1 million. The assignment is in effect for (20) years. The interest rate on the loan is 2.5% per annum. The City intends to repay this loan from wastewater user fees. Loan CWSRF #50 contains a provision that in the event of default, the outstanding amount becomes immediately due if the City is unable to make payments.

Annual debt service requirements to maturity on the Wastewater Treatment Facility Improvements CWSRF loan #50 based on total loan outstanding balance at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2021	\$ 825,000	\$ 179,877	\$ 1,004,877
2022	845,368	159,509	1,004,877
2023	866,503	138,374	1,004,877
2024	888,165	116,712	1,004,877
2025	910,369	94,508	1,004,877
2026-2028	2,869,711	141,836	3,011,547
<b>Total payments</b>	<b>\$ 7,205,116</b>	<b>\$ 830,816</b>	<b>\$ 8,035,932</b>

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 3. Detailed Notes on All Funds (Continued)

#### Water Fund Loan

On September 3, 2009, the City entered into a long-term capital loan agreement with the State of Wyoming, Wyoming Water Development Commission, (WWDC), for the design, construction, and operation of the first phase of the \$217,600,000 Gillette Regional Water Supply project. The initial authorized loan amount for this phase was \$5,527,500, or 33% of the first phase project cost of \$16,750,000. The remaining 67% of the first phase development costs will be funded through grant funds also from the WWDC. On July 29, 2010, the City entered into amendment #1 authorizing loan amount of \$8,085,000 and grant funding of \$16,415,000. On August 18, 2011, amendment #2 to this loan agreement was executed, increasing the authorized loan amount to \$29,552,239 to include phases 2 and 3, and amending the loan term to 5 years. Approved grant funding was also increased to \$60,000,000 with this amendment. The interest rate for this loan is 4% per annum, with interest charges beginning to accrue at such time the WWDC determines project benefits accrue to the City, or approximately twelve months after substantial project completion. On August 20, 2012, amendment #3 to the loan agreement was executed increasing the authorized loan amount to \$44,328,358 and approved increasing grant funding to \$90,000,000. The loan terms and interest rate for this loan were not changed. On September 16, 2013, the City entered into amendment #4 which increased the total grant to \$120,000,000. The City didn't secure any loan. The City received its final grant appropriation from the 2014 Wyoming State Legislature in the amount of \$25,792,000 for a total grant appropriation for the project of \$145,792,000. However, the corresponding amendments for the final grant funds were entered into during fiscal year 2015. On April 7, 2015, the City entered into amendment #5 which increased the total grant to \$133,385,995. On June 4, 2015 the City entered into amendment #6 which increased the total grant to \$145,792,000. On May 29, 2017, the City entered into amendment #7 which extended the reversion date of unexpended project funds. This amendment was signed by WWDC on July 1, 2017. On April 21, 2020, the City entered into amendment #8 which extended the reversion date of unexpended project funds. The City didn't secure any loan with any of the final five amendments. On August 11, 2020 the City agreed they would make a voluntary loan payment to the State of Wyoming in the amount of \$40,000,000 before September 15, 2020. The remaining principal balance of the loan in the amount of \$4,328,358 will be paid prior to the current reversion date of July 1, 2022, or later, if adjusted per amendment by both parties. The State of Wyoming will not assess interest on the principal for this loan if the voluntary payment in the amount of \$40,000,000 and the final payment in the amount of \$4,328,358 are made by the City before September 15, 2020 and July 1, 2022, respectively. The City intends to repay this loan from Capital Facilities Tax funding, which the voters approved in May 2011.

#### Electric Facilities Improvement Lease Revenue Bonds

The City previously purchased a 23% ownership interest in the Wygen III power generation facility from Black Hills Power. This is a 110-MW coal-fired power plant which is located near Gillette, Wyoming. Financing for the purchase and associated costs were secured via a \$75,715,000 bond issuance through the Consolidated Wyoming Municipalities Electric Power System Joint Powers Board (JPB) of which the City of Gillette is a member. The City of Gillette in turn entered into a lease agreement for this property with the JPB obligating the City to repay the bond debt over a 30 year period, along with operating costs as defined in various other agreements, after which time the 23% ownership is transferred to the City. The bonds' interest rates vary from 2.4% to 7% and mature June 1, 2040. The bonds will be paid from rental payments from the City of Gillette, Wyoming. The City intends that rental payments will be funded from Power Fund revenues derived from the Gillette Electrical System. Also the Joint Powers Board has elected to designate the Series 2010B Bonds as "Build America Bonds" under the American Recovery and Reinvestment Act of 2009 and will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payments on the Series 2010B Bonds. This subsidy is reflected as contributions in the Power Enterprise Fund. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under Section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. As a result the original 35% interest subsidy will be reduced by applicable percentages as administered by the Federal Government. The following table takes into consideration the estimated subsidy loss each year until the bonds are retired.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

Annual debt service requirements to maturity on the Electric Facilities Improvement Lease Revenue Bonds (Wygen III) are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service	35% Interest Subsidy	Net Debt Service	Estimated Subsidy Loss	New Estimated Net Payment
2021	\$ 1,825,000	\$ 4,159,452	\$ 5,984,452	\$ (1,455,808)	\$ 4,528,644	\$ 104,818	\$ 4,633,462
2022	1,885,000	4,061,286	5,946,286	(1,421,450)	4,524,836	102,344	4,627,180
2023	1,965,000	3,942,927	5,907,927	(1,380,024)	4,527,903	99,362	4,627,265
2024	2,045,000	3,819,544	5,864,544	(1,336,840)	4,527,704	96,253	4,623,957
2025	2,125,000	3,691,139	5,816,139	(1,291,899)	4,524,240	93,017	4,617,257
2026-2030	12,075,000	16,238,250	28,313,250	(5,683,388)	22,629,862	409,203	23,039,065
2031-2035	14,970,000	11,778,024	26,748,024	(4,122,308)	22,625,716	296,806	22,922,522
2036-2040	24,765,000	6,133,080	30,898,080	(2,146,578)	28,751,502	154,553	28,906,055
<b>Total Payments</b>	<b>\$ 61,655,000</b>	<b>\$ 53,823,702</b>	<b>\$ 115,478,702</b>	<b>\$ (18,838,295)</b>	<b>\$ 96,640,407</b>	<b>\$ 1,356,356</b>	<b>\$ 97,996,763</b>

CTII Facility Lease Revenue Bonds

On August 26, 2014, closing documents were finalized for the purpose of financing the acquisition of a 40MW simple-cycle gas turbine peaking facility (“CTII Facility”), located on real property in the Neil Simpson Complex outside of Gillette, Wyoming. Financing for the purchase and associated costs were secured via two bond issuances, (Tax-Exempt Electric Facilities Improvement Lease Revenue Bonds, Series 2014A, and Taxable Electric Facilities Improvement Lease Revenue Bonds, Series 2014B), in the amount of \$24,470,000 through the Consolidated Wyoming Municipalities Electric Power System Joint Powers Board (JPB) of which the City of Gillette is a member. The City of Gillette in turn entered into a lease agreement for this facility with the JPB obligating the City to repay the bond debt over a 20 year period, along with operating costs as defined in various other agreements, after which time the Facility is transferred to the City. The bonds’ interest rates vary from .5% to 5% with an effective interest rate of approximately 3.9% and mature June 1, 2034. The bonds will be paid from rental payments from the City of Gillette, Wyoming. The City intends that rental payments will be funded from Power Fund revenues derived from the Gillette Electrical System.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

Annual debt service requirements to maturity on the Electric Facilities Improvement Lease Revenue Bonds (“CTII Facility”) are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2021	\$ 890,000	\$ 966,500	\$ 1,856,500
2022	935,000	922,000	1,857,000
2023	985,000	875,250	1,860,250
2024	1,030,000	826,000	1,856,000
2025	1,085,000	774,500	1,859,500
2026-2030	6,290,000	3,002,750	9,292,750
2031-2034	8,115,000	1,173,000	9,288,000
<b>Total payments</b>	<b>\$19,330,000</b>	<b>\$ 8,540,000</b>	<b>\$27,870,000</b>

The difference between principal amount due and the amount recorded as noncurrent liabilities in the statement of activities represents the following:

Premium on issuance of bonds	\$ 2,859,460
Less accumulated amortization	(1,007,759)
<b>Amortizable amount</b>	<b>\$ 1,851,701</b>

This difference (of which \$209,000 represents the amount due within one year), will be amortized as an adjustment of interest expense over the life of the debt (20 years) using the interest method using an effective interest rate of approximately 3.9%.

Southern Industrial Addition Loan

On October 28, 2014, the City passed Resolution No. 2497 which authorized submission of an application to participate in the Business Ready Community Grant and Loan Program administered by the Wyoming Business Council. The purpose of the application was to secure funding in order to provide redundant, stable and increased electrical power to the recently annexed Southern Industrial Addition through the purchase and installation of new infrastructure. The City was awarded \$1,645,046 in grant funding and \$2,645,046 in the form of a loan. The loan agreement was finalized in February, 2016, with a term of 20 years at an interest rate of 1% per annum, and a loan fee of one-half percent. The City is primarily liable for the loan, which is secured by the pledge and assignment of power fund revenues and the funds are available on a parity with the City's lease payments on outstanding obligations for the financing of the Wygen III power plant lease purchase, and the CTII combustion turbine lease purchase, which are year-to-year and subject to annual appropriations. Total customer net revenues in the Power Fund were approximately \$31.3 million for the fiscal year ended June 30, 2020. The City intends to repay this loan from power user fees. This loan contains a provision that in an event of default the outstanding amount becomes immediately due if the City is unable to make payments.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

Annual debt service requirements to maturity on the Southern Industrial Annexation BRC loan are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2021	\$ 130,000	\$ 23,550	\$ 153,550
2022	130,950	22,600	153,550
2023	132,260	21,290	153,550
2024	133,582	19,968	153,550
2025	134,918	18,632	153,550
2026-2030	695,101	72,649	767,750
2031-2035	730,559	37,191	767,750
2036-2037	302,225	4,867	307,092
<b>Total payments</b>	<b>\$ 2,389,595</b>	<b>\$ 220,747</b>	<b>\$ 2,610,342</b>

Conduit Debt

The City has participated in several issues of industrial revenue bonds, issued for the purpose of constructing privately operating manufacturing and other related facilities within the City. These bonds were not and are not direct or contingent liabilities of the City. Revenues from lease agreements and property purchased with the bond proceeds are pledged for the total payment of principal and interest on the bonds. The bondholders can look only to these sources for repayment. As of June 30, 2020 the City is not able to determine the original issue amounts or the aggregate principal amounts still payable under these issues.

Legal Debt Margin

The Wyoming Constitution provides that the City shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein, except that an additional indebtedness of 4% of the assessed value of the taxable property therein may be created for sewage disposal systems. Indebtedness created for supplying water to the City is exempt from this provision. At June 30, 2020, the City's assessed valuation was \$287,013,552 and the City had no general obligation debt.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

G. Classifications of Equity

A summary of classifications of equity at June 30, 2020, not disclosed elsewhere, and not apparent from the description in the fund statements, is presented as follows:

	General Fund
<b>Nonspendable:</b>	
Inventory	\$ 228,673
<b>Restricted For:</b>	
Criminal Forfeiture	\$ 6
Capital Projects	1,614
Gillette Historical Preservation Commission	855
Charitable Donations	256
<b>Total Restricted Fund Balance</b>	<b>\$ 2,731</b>
<b>Committed For:</b>	
Cash Reserves	\$ 14,159,949
Capital Projects Through Signed Contracts	13,986,594
Memorial Donations	16,958
Lodging Tax	193,129
<b>Total Committed Fund Balance</b>	<b>\$ 28,356,630</b>
<b>Assigned For:</b>	
Budgeted Carryover of Capital Projects	\$ 29,693,973
Cash in Lieu of Drainage	257,185
State Forfeiture	75,875
Mayor's Art Council	190,678
Demolition	26,281
Animal Control	91,550
Little League	3,282
Keep America Beautiful	8,240
Congressional Tour	27,905
Future Real Estate Transactions	109,246
Additional Overpass	2,000,000
<b>Total Assigned</b>	<b>\$ 32,484,215</b>
Unassigned	\$ 18,214,391
<b>Total Fund Balance</b>	<b>\$ 79,286,640</b>

H. Restricted Net Position

- a) Net position restricted in the Governmental Activities total \$678,654 which is restricted for debt service payments on the Certificates of Participation for Phase II of the Gillette College Student Housing project and the Interstate Industrial Water Improvement Project.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 3. Detailed Notes on All Funds (Continued)**

- b) Net position restricted in the Power Enterprise Fund total \$7,983,968 which is restricted for future debt service on the lease revenue bonds.
- c) Net position restricted in the Water Enterprise Fund total \$89,412,451 of which \$3,500,000 is for meeting repair and replacement requirements of the Gillette Regional Water Supply Project, as required by the State of Wyoming, Wyoming Water Development Commission, and \$85,912,451 represents restricted capital facilities tax collected and any applicable taxes receivable less applicable expenses incurred for the Gillette Regional Water Supply Project.

On May 3, 2011, the voters of Campbell County, Wyoming approved a 1% capital facilities tax for the purpose of funding capital facilities and improvement projects in Campbell County, Wyoming. A portion of the tax, in the approximate amount of \$95,000,000, was presented by the City of Gillette, Wyoming for funding the improvement of land and for the planning, engineering, construction, equipping and furnishing of improvements for the Gillette Regional Water Supply Project owned by the City of Gillette, of which \$75,000,000 will be applied to Gillette Regional Water Supply Project and \$20,000,000 will be for infrastructure required to extend and connect special districts, subdivisions and other regional users located outside the Gillette city limits to the Gillette Regional Water Supply as set out in the Gillette Regional Water Supply System Joint Powers Agreement dated December 21, 2010, and, to the extent necessary and allowed by law, the pledge or use to the payment of debt service and/or lease payments in connection therewith, with any excess funds and interest remaining after the payment of any refunds to be used for operation, maintenance and connection to the Gillette Regional Water Supply Project. This 1% capital facilities tax became effective on October 1, 2011 and ended March 31, 2015. This tax is collected by the State of Wyoming and sent to the Campbell County Treasurer who remits the taxes to the City of Gillette, Wyoming.

**I. Tax Revenues**

A summary of tax revenues for the year ended June 30, 2020 is presented below:

	General Fund	Water Fund	Total
Severance Tax	\$ 1,106,221	\$ -	\$ 1,106,221
Property Taxes	2,315,292	-	2,315,292
Automobile Taxes	1,117,725	-	1,117,725
Sales and Use Taxes	23,664,218	-	23,664,218
1% Optional Sales Tax	19,406,947	-	19,406,947
Capital Facilities Tax	-	68,281	68,281
Gasoline Tax	1,188,716	-	1,188,716
Franchise Tax (gross receipt based)	771,466	-	771,466
Cigarette Tax	191,861	-	191,861
Lodging Tax	41,012	-	41,012
	<b>\$ 49,803,458</b>	<b>\$ 68,281</b>	<b>\$ 49,871,739</b>



**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 4. Other Information**

**A. Risk Management**

The City maintains two insurance internal service funds, one to account for the City's liability and personal injury insurance and one to account for the City's self-insured health insurance plan.

The City uses its liability and personal injury insurance internal service fund to account for the purchase of its liability and personal injury insurance. 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.

The City has entered into a joint powers agreement with other governmental entities around the State of Wyoming for participation in the Wyoming Association of Risk Management Public Entity Property Insurance Program (WARM), for the purchase of its liability and personal injury insurance. The Joint Powers Board constitutes a separate corporate, political and legal entity from the cities and counties it represents.

The annual pooling contribution is payment for coverage provided by WARM to each member of the Association. All funds held by WARM are funds received from its members. The funds and accounts are maintained by WARM in accordance with Generally Accepted Accounting Principles, the Uniform Municipal Fiscal Procedures Act (W.S.§16-4-101) and Governmental Accounting Standards Board Statement #10 requirements. Books and records of the Association shall be open to inspection during regular business hours at the Wyoming Association of Risk Management offices, 513 East 17th Street, Cheyenne, WY 82003 or by calling (307) 433-9400.

Significant pooled risk insurance coverages provided to the participating members are as follows:

Type of Claim	Amount of Pooled Coverage
Per Occurrence: All Perils, Coverages and Insureds/Members combined, subject to per occurrence and aggregate sublimits.	<b>\$ 1,000,000,000</b>
Dedicated Flood Limit	<b>\$ 25,000,000</b>
Per Occurrence and Annual Aggregate: Flood Zone A&V sublimit	<b>\$ 25,000,000</b>
Dedicated Earthquake Shock Limit	<b>\$ 25,000,000</b>
Combined Business Interruption	<b>\$ 100,000,000</b>
Extra Expense	<b>\$ 50,000,000</b>
Miscellaneous Unnamed Locations for Exiting Members	<b>\$ 25,000,000</b>
Automatic Acquisition Clause for 120 days	<b>\$25,000,000 - \$100,000,000</b>
Errors and Omissions	<b>\$ 50,000,000</b>
Construction and Remodeling Projects	<b>\$ 25,000,000</b>
Increased Construction Costs - Code Enforcement	<b>\$ 50,000,000</b>
Transit	<b>\$ 25,000,000</b>
Services Interruptions - Off Premises	<b>\$ 25,000,000</b>
Expediting Expenses	<b>\$ 50,000,000</b>
Terrorism - Subject to \$200M Annual Aggregate	<b>\$ 100,000,000</b>
Terrorism - Per Occurrence, Per Member	<b>\$ 600,000,000</b>
Terrorism - Annual Aggregate Shared by All Members	<b>\$ 1,400,000,000</b>

The deductibles on the coverages listed above are:

All risk deductible, per occurrence, which to apply in the event a more specific deductible is not applicable to a loss	<b>\$ 250,000</b>
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Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

The health insurance internal service fund was established when the City elected to provide employee medical, dental and life insurance benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$330 deductible for single and \$660 deductible for family; or a high deductible health plan with a \$1,500 deductible for single and \$3,000 deductible for family; a dental plan with a \$45 deductible for single and \$90 deductible for family; and accidental life insurance in the amount of the employee's base salary up to a maximum of \$75,000 in life insurance coverage for each employee. A third party administrator reviews all claims which the City then pays. The City purchases stop-loss coverage of \$140,000 per employee. This premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

The liability for estimated claims of \$2,377,022, is estimated by the third party administrator and an independent actuarial service. The liability is based on medical, prescription and dental claims filed subsequent to year end and historical experience. These amounts are reported in the internal service health insurance fund at June 30, 2020, based on the requirements of Governmental Accounting Standards Board Statement No. 10. This requires that a liability for claims, including incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2019 to June 30, 2020	\$ 576,611	\$ 7,877,030	\$ 6,076,619	\$ 2,377,022
June 30, 2018 to June 30, 2019	\$ 665,211	\$ 4,956,982	\$ 5,045,582	\$ 576,611

#### B. Contingencies

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at June 30, 2020.

The City receives revenue from an additional 1% sales tax levy which is subject to renewal every four years by the voters at a general election. This levy was approved by the voters in 2018. The 1% optional sales tax generated approximately \$19,400,000 which is approximately 31% percent of general fund revenues during the year ended June 30, 2020. If this levy is not approved by the voters in the future it may have a material effect on the City's operations.

#### C. Pension Obligations

##### *Plan Description*

The City contributes to the Wyoming Retirement System (WRS) Public Employees' Pension Plan and the Law Enforcement Pension Plan, ("Plans") which are cost sharing multiple employer defined benefit pension plans. The Plans were established in accordance with State Statutes, and are reported by the State of Wyoming as Pension Trust Funds. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. Wyoming Retirement System is granted the authority to administer the Plans by Wyoming State Statutes. WRS issues a publicly available financial report that can be obtained at <http://retirement.state.wy.us/home/index.html>. All regular full-time employees of the City are required to participate in the system immediately upon employment.

Employee membership data related to the Plan, as of June 30, 2020 was as follows:

The three classes of covered employees in the Plans include: retirees and beneficiaries currently receiving benefits, terminated employees entitled to but not yet receiving benefits, and active plan members.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

#### *Benefits provided*

The determination of retirement benefits is dependent upon the employee's initial employment date.

#### Public Employees' Pension Plan

*Service Retirement Tier 1:* Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-years highest average salary for the first fifteen years and 2.25% times the number of years of service times the three-years highest average over fifteen years.

*Service Retirement Tier 2:* Full retirement at age 65 or qualifies for Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

*Disability Benefits:* Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

*Survivor's Benefits:* Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

#### Law Enforcement Pension Plan

*Law Enforcement Retirement Benefits:* Benefits are based on a formula involving years of service, highest average salary, and age at retirement. Currently, the benefit formula entitles retirees to 2.5% of the highest average salary for each year of service with a ceiling on the benefit at 75% of the highest average salary.

*Law Enforcement Disability Benefits:* Partial or total disability requirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties from an individual and specific act incurred while employed. To qualify for duty disability requirement, there is no age or service requirement, and the member receives a monthly disability retirement benefit for the period of his/her disability equal to 62.5% of final salary. To qualify for nonduty disability retirement, the member must have at least 10 years of service, and the member receives a monthly disability benefit for the period of his/her disability equal to 50% of final salary.

*Law Enforcement Survivor's Benefits:* Surviving spouse receives benefits dependent on if the member was on-duty at time of death. Additional benefits are available for additional qualified dependents.

For the year ended June 30, 2020, the City's total payroll for all employees included in both Plans was approximately \$18,469,000. Total covered payroll was approximately \$18,354,000. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

#### Contributions

The contribution requirements of the Public Employees' Pension Plan members are established by State Statutes (W.S. 9-3-412 and 413). For the year ended June 30, 2020, member contributions were required to be 8.75% of compensation and employer contributions were required to be 8.87% of compensation from July 1, 2019 through June 30, 2020. The City elected to pay the members' contribution in addition to the employer's contribution for the entire fiscal year. The contributions are remitted by the City to the Wyoming Retirement System on a monthly basis. Total contributions to the pension plan from the City for the year ended June 30, 2020 were approximately \$2,428,000.

The contribution requirements of the Law Enforcement Pension Plan members are established by State Statutes (W.S.9-3-401 through 9-3-432). For the year ended June 30, 2020, member and employer contributions were each required to be 8.6% of compensation for a total of 17.2% of compensation. The City elected to pay the members' contribution in addition to the employer's contribution for the entire fiscal year. The contributions are remitted by the City to the Wyoming Retirement System on a monthly basis. Total contributions to the pension plan from the City for the year ended June 30, 2020 were approximately \$787,000.

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

At June 30, 2020 the City reported a liability of \$19,764,939 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The City's proportion of the net pension liability was based on the relationship of the City's total contributions to its respective plans for the year ended December 31, 2019 to the contributions of all participating employers for the same period. At December 31, 2019, the City's proportions were as follows:

	Liability At December 31, 2019	Increase (Decrease) From Proportion At December 31, 2018
Public Employees' Pension Plan	.7432%	0.0088 %
Law Enforcement Pension Plan	2.6698%	(0.1522)%

For the year ended June 30, 2020, the City recognized pension expense of approximately \$1,814,000 under the Public Employee Pension Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Public Employee Pension Plan from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ -	\$ 340,585
Net differences between projected and actual earnings on Plan investments	-	2,623,511
Change in proportion and differences between employer contributions and proportionate share of contributions	280,621	487,981
Change in assumption	607,273	-
Contributions subsequent to the measurement date	622,642	-
<b>Total</b>	<b>\$ 1,510,536</b>	<b>\$ 3,452,077</b>

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

An amount of \$622,242 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ (647,062)
2022	\$ (749,611)
2023	\$ (3,159)
2024	\$ (1,164,351)

For the year ended June 30, 2020, the City recognized pension expense of approximately \$714,000 under the Law Enforcement Pension Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Law Enforcement Pension Plan from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 409,425	\$ 196,506
Net differences between projected and actual earnings on Plan investments	-	751,248
Change in proportion and differences between employer contributions and proportionate share of contributions	236,699	436,537
Change in assumption	1,983,405	2,297,630
Contributions subsequent to the measurement date	201,630	-
<b>Total</b>	<b>\$ 2,831,159</b>	<b>\$ 3,681,921</b>

An amount of \$201,630 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ (33,001)
2022	\$ (85,687)
2023	\$ (315,391)
2024	\$ (618,313)

#### Actuarial Assumptions

The Public Employees' Pension Plan liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.50% - 6.5%, including inflation
Payroll growth rate	2.50%
Investment rate of return	7.00%, net of Pension Plan investment expense

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, for males or females as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

The Law Enforcement Pension Plan liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	4.75% - 8.75%, including inflation
Payroll growth rate	2.50%
Investment rate of return	7.00%, net of Pension Plan investment expense

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, for males or females as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

#### *Long-term expected rate of return*

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Fixed Income	21.00%	1.32 %	1.67 %
Equity	48.50%	5.43 %	7.42 %
Market Alternatives	19.00%	3.46 %	4.33 %
Private Markets	9.50%	4.46 %	5.58 %
Cash	2.00%	(0.20)%	(0.20)%
Total	100.00%		

#### *Experience Analysis*

An experience study was conducted on behalf of all WRS' plans covering the five-year period ended December 31, 2016. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

#### *Discount Rate*

The discount rate used to measure the total pension liability for the public employee plan remained at 7.00% for the years ended December 31, 2019 and 2018. The discount rate used to measure the total pension liability for the law enforcement plan increased to 7.00% as of December 31, 2019 from 5.92% as of December 31, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the Plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what their respective proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.00%	\$ 26,384,620
Current discount rate	7.00%	\$ 17,463,644
1% increase	8.00%	\$ 10,018,269

The following presents the City Law Enforcement Plan's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what their respective proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.00%	\$ 5,130,370
Current discount rate	7.00%	\$ 2,301,295
1% increase	8.00%	\$ (11,419)

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net positions are available in a separately issued Wyoming Retirement System Financial Report available from the Wyoming Retirement System, 6101 Yellowstone Rd., Cheyenne, Wyoming 82002 or at <http://retirement.state.wy.us/home/index.html>.

#### D. Post-Employment Health Care Plan and Trust

Plan Description - In a prior year the City funded and established the City of Gillette Retiree Health Benefit Plan and Trust Fund. The fund administers the City's retiree health benefit plan and trust for certain retired employees and their spouses. The plan is a single employer, one-time only contribution plan to provide health insurance premiums and certain out-of-pocket medical expense benefits. After the original funding of the trust of approximately \$8,627,000, there will be no further funding or payment for any retiree health benefit. Additionally, the trust will not be permitted to accept any contribution or payments from employees or third party donors.

Health insurance premiums are paid for Eligible Employees and Qualifying Eligible Spouses, usually on a monthly basis, from the individual account established in the name of each employee participant reflecting the portion of the allocation and the income, expenses, gains and losses. Employees eligible for benefits were those classified as eligible employees, employed by the City on June 30, 2003, and who retired from service with the City following twenty (20) years of service or following disability. The health insurance premium is made for coverage in a health plan offered by the City to its active employees and Retiree Participants. Benefits under the plan for the retiree participant will cease on the day at which the earliest event occurs:

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 4. Other Information (Continued)**

- a) The trust fund is depleted and is no longer able to provide the intended benefits;
- b) The Retiree Participant and/or Eligible Spouse elects to terminate receipt of benefits;
- c) The Eligible Spouse no longer meets the requirements to be an Eligible Spouse for any reason;
- d) Either the United States or the State of Wyoming adopts a type of universal health care coverage that does not require premium payments or out-of-pocket medical payments by a Retiree Participant in order to receive the benefits or any supplemental benefits provided by the universal health care coverage;
- e) The Retiree Participant dies.

Number of Participants	June 30, 2020
Retirees with over 30 years of service	40
Retirees with over 20 years of service	34
Terminated employees with less than 20 year of service with an account balance	49
Employees accruing benefits	30
<b>Total Participants</b>	<b>153</b>

Complete plan information may be obtained from the City's Human Resource offices.

**E. Impact of Recently Issued Accounting Principles**

Recently Issued Accounting Pronouncements:

In June, 2017 the GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. 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 a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. On May 8, 2020 GASB issued Statement No. 95, which postponed the effective date of several standards, including No. 87, *Leases*. This standard is now effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

**F. Subsequent Events**

In March 2020, the World Health Organization categorized Corona Virus Disease 2019 ("COVID-19") as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The pandemic has caused business disruption, federal, state and local government disruption, and led to volatility in financial markets. The pandemic has developed rapidly in 2020 and is ever changing and the true effects to the City, as a result of the virus, are not fully measurable as of the date of this report. The potential economic impact brought by, and the duration of COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain and cannot be predicted.



## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

The Wyoming State Loan and Investment Board awarded a loan through the Capital Construction Loan Program to the City of Gillette at their June 4, 2020 meeting. This loan provides the funding to the City of Gillette to complete the Wastewater Treatment Facility (WWTF) Improvements projects identified in the Condition Assessment completed by HDR as "High Priority". The loan amount is \$20,000,000 for a term of 20 years with an interest rate of 2.125% per annum. The repayment of the loan will begin within one year from the final draw of the loan funds which is expected to be in fiscal year 2024. Therefore, repayment of the \$20,000,000 loan is expected to commence with the first payment in fiscal year 2025. The source of repayment will be Sewer Fund Revenue from user fees and/or Optional 1% Sales Tax Revenue. On August 4, 2020, City Council approved a resolution authorizing the Mayor to sign the Capital Construction Loan documents with the Wyoming State Loan and Investment Board.

On October 20, 2020, City Council approved a resolution authorizing submission of a Coronavirus Relief Grant Application to the State Loan and Investment Board on behalf of the governing body for the City of Gillette, Wyoming. The Wyoming State Loan and Investment Board awarded multiple Coronavirus Relief Grants totaling \$3,110,285 to the City of Gillette at their November 5, 2020 meeting. These grants provide funding to the City of Gillette for the purpose of response and recovery efforts due to the novel coronavirus to prevent and slow the spread of COVID-19.

**CITY OF GILLETTE, WYOMING  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY OF GILLETTE, WYOMING'S  
PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PUBLIC EMPLOYEES' PENSION PLAN**

	City's Percentage Of Net Pension Liability	City's Proportionate Share Of Net Pension Liability	City's Covered Payroll	City's Proportionate Share of Net Pension Liability as A Percentage Of Covered Payroll	Plan's Fiduciary Net Position As A Percentage Of Net Pension Liability
2013	.799456094%	\$ 12,154,934	\$ 13,792,000	88.13%	N/A
2014	.821322679%	\$ 14,493,818	\$ 14,137,000	102.52%	79.08%
2015	.840236068%	\$ 19,572,021	\$ 15,007,000	130.42%	73.40%
2016	.794279700%	\$ 19,201,714	\$ 14,207,000	135.16%	73.42%
2017	.733211000%	\$ 16,712,375	\$ 12,884,000	129.71%	76.35%
2018	.734389400%	\$ 22,364,293	\$ 12,793,000	174.82%	69.17%
2019	.743157100%	\$ 17,463,644	\$ 13,176,000	132.54%	76.83%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available. Years presented are as of the measurement date of December 31.

**SCHEDULE OF CITY OF GILLETTE, WYOMING'S  
PROPORTIONATE SHARE OF NET PENSION LIABILITY  
LAW ENFORCEMENT PENSION PLAN**

	City's Percentage Of Net Pension Liability	City's Proportionate Share Of Net Pension Liability	City's Covered Payroll	City's Proportionate Share of Net Pension Liability as A Percentage Of Covered Payroll	Plan's Fiduciary Net Position As A Percentage Of Net Pension Liability
2013	2.754090194%	\$ 502,878	\$ 4,174,000	12.05%	N/A
2014	2.702533828%	\$ 796,266	\$ 4,165,000	19.12%	94.76%
2015	2.704646555%	\$ 2,031,729	\$ 4,250,000	47.81%	87.49%
2016	2.661054300%	\$ 2,008,881	\$ 4,164,000	48.24%	88.11%
2017	2.598721000%	\$ 2,236,055	\$ 4,020,000	55.62%	87.99%
2018	2.821960500%	\$ 6,831,184	\$ 4,422,000	154.48%	71.22%
2019	2.669756800%	\$ 2,301,295	\$ 4,332,000	53.12%	89.05%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available. Years presented are as of the measurement date of December 31.

See Notes to Required Supplementary Information.

**CITY OF GILLETTE, WYOMING  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY OF GILLETTE, WYOMING'S CONTRIBUTIONS  
PUBLIC EMPLOYEES' PENSION PLAN**

Fiscal Year Ended June 30,	Statutorily Required Contributions	City's Contributions Related to Statutory Contributions	Difference Between Statutorily Required And Actual Contributions	City's Covered Payroll	Statutorily Required City's Contributions As a Percentage of City's Covered Payroll
2014	\$ 990,000	\$ 990,000	\$ -	\$ 13,909,000	7.12%
2015	\$ 1,111,000	\$ 1,111,000	\$ -	\$ 14,576,000	7.62%
2016	\$ 1,239,000	\$ 1,239,000	\$ -	\$ 14,798,000	8.37%
2017	\$ 1,125,000	\$ 1,125,000	\$ -	\$ 13,435,000	8.37%
2018	\$ 1,066,000	\$ 1,066,000	\$ -	\$ 12,741,000	8.37%
2019	\$ 1,094,000	\$ 1,094,000	\$ -	\$ 12,764,000	8.56%
2020	\$ 1,222,000	\$ 1,222,000	\$ -	\$ 13,778,000	8.87%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available. Years presented are as of the contribution date of June 30.

**SCHEDULE OF CITY OF GILLETTE, WYOMING'S CONTRIBUTIONS  
LAW ENFORCEMENT PENSION PLAN**

Fiscal Year Ended June 30,	Statutorily Required Contributions	City's Contributions Related to Statutory Contributions	Difference Between Statutorily Required And Actual Contributions	City's Covered Payroll	Statutorily Required City's Contributions As a Percentage of City's Covered Payroll
2014	\$ 359,000	\$ 359,000	\$ -	\$ 4,169,000	8.60%
2015	\$ 362,000	\$ 362,000	\$ -	\$ 4,208,000	8.60%
2016	\$ 367,000	\$ 367,000	\$ -	\$ 4,263,000	8.60%
2017	\$ 345,000	\$ 345,000	\$ -	\$ 4,010,000	8.60%
2018	\$ 367,000	\$ 367,000	\$ -	\$ 4,272,000	8.60%
2019	\$ 370,000	\$ 370,000	\$ -	\$ 4,298,000	8.60%
2020	\$ 394,000	\$ 394,000	\$ -	\$ 4,576,000	8.60%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available. Years presented are as of the contribution date of June 30.

See Notes to Required Supplementary Information.

**CITY OF GILLETTE, WYOMING**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

*Changes in benefit terms*

There were no changes in benefit terms between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

*Changes in assumptions*

There were no changes in assumptions between the December 31, 2018 measurement date and the December 31, 2019 measurement date in the Public Employee's Pension Fund, however the discount rate was changed from 5.92% to 7.00% in the Law Enforcement Pension Plan between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

**NONMAJOR ENTERPRISE FUNDS**

**CITY OF GILLETTE, WYOMING**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

June 30, 2020

	Solid Waste	Fiber	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 750,379	\$ -	\$ 750,379
Investments	1,638,827	-	1,638,827
Accounts Receivable, Net of Allowance For Uncollectibles	157,056	-	157,056
Unbilled Accounts Receivable	144,920	-	144,920
Other Receivables	-	10,500	10,500
<b>Total Current Assets</b>	<b>\$ 2,691,182</b>	<b>\$ 10,500</b>	<b>\$ 2,701,682</b>
<b>CAPITAL ASSETS</b>			
Infrastructure	\$ -	\$ 4,379,313	\$ 4,379,313
Machinery and Equipment	-	370,449	370,449
Construction in Progress	-	1,019,663	1,019,663
Less Accumulated Depreciation	-	(418,105)	(418,105)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>\$ -</b>	<b>\$ 5,351,320</b>	<b>\$ 5,351,320</b>
<b>Total Assets</b>	<b>\$ 2,691,182</b>	<b>\$ 5,361,820</b>	<b>\$ 8,053,002</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 45,318	\$ -	\$ 45,318
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers Payable	\$ 193,899	\$ 108,822	\$ 302,721
Other Accrued Liabilities	65,515	-	65,515
Due to Other Funds	-	400,000	400,000
<b>Total Current Liabilities</b>	<b>\$ 259,414</b>	<b>\$ 508,822</b>	<b>\$ 768,236</b>
<b>NONCURRENT LIABILITIES</b>			
Net Pension Liability	\$ 523,911	\$ -	\$ 523,911
<b>Total Liabilities</b>	<b>\$ 783,325</b>	<b>\$ 508,822</b>	<b>\$ 1,292,147</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 103,563	\$ -	\$ 103,563
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ -	\$ 5,242,498	\$ 5,242,498
Unrestricted	1,849,612	(389,500)	1,460,112
<b>Total Net Position</b>	<b>\$ 1,849,612</b>	<b>\$ 4,852,998</b>	<b>\$ 6,702,610</b>

**CITY OF GILLETTE, WYOMING**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

Year Ended June 30, 2020

	Solid Waste	Fiber	Total
<b>OPERATING REVENUES</b>	<b>\$ 3,077,989</b>	<b>\$ 214,484</b>	<b>\$ 3,292,473</b>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	\$ 769,468	\$ -	\$ 769,468
Contractual Services	2,339,370	439,427	2,778,797
Materials	2,374	-	2,374
Repairs and Maintenance	2,415	200	2,615
Supplies	159,036	-	159,036
Depreciation	-	173,763	173,763
<b>Total Operating Expenses</b>	<b>\$ 3,272,663</b>	<b>\$ 613,390</b>	<b>\$ 3,886,053</b>
<b>Operating (Loss)</b>	<b>\$ (194,674)</b>	<b>\$ (398,906)</b>	<b>\$ (593,580)</b>
<b>NONOPERATING REVENUE</b>			
(Loss) on Disposal of Equipment	\$ -	\$ (125,245)	\$ (125,245)
Investment Income	58,023	-	58,023
<b>Total Nonoperating Revenue</b>	<b>\$ 58,023</b>	<b>\$ (125,245)</b>	<b>\$ (67,222)</b>
<b>(Loss) Before Transfers</b>	<b>\$ (136,651)</b>	<b>\$ (524,151)</b>	<b>\$ (660,802)</b>
<b>Transfers In</b>	<b>-</b>	<b>1,483,009</b>	<b>1,483,009</b>
<b>Changes in Net Position</b>	<b>\$ (136,651)</b>	<b>\$ 958,858</b>	<b>\$ 822,207</b>
<b>NET POSITION, BEGINNING JULY 1</b>	<b>1,986,263</b>	<b>3,894,140</b>	<b>5,880,403</b>
<b>NET POSITION, ENDING JUNE 30</b>	<b>\$ 1,849,612</b>	<b>\$ 4,852,998</b>	<b>\$ 6,702,610</b>

**CITY OF GILLETTE, WYOMING**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

Year Ended June 30, 2020

	Solid Waste	Fiber	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 3,086,230	\$ 214,484	\$ 3,300,714
Payments to Employees	(741,935)	-	(741,935)
Payments for Goods and Services	(2,481,121)	(439,627)	(2,920,748)
Other	-	20,743	20,743
<b>Net Cash (Used In) Operating Activities</b>	<b>\$ (136,826)</b>	<b>\$ (204,400)</b>	<b>\$ (341,226)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	\$ -	\$ 1,483,009	\$ 1,483,009
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
(Payments) for Capital Acquisitions	\$ -	\$ (1,216,311)	\$ (1,216,311)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Increase) in Investments	\$ (3,542)	\$ -	\$ (3,542)
Investment Income	39,157	-	39,157
(Decrease) in Net Amount Due to Other Funds	-	(200,000)	(200,000)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>\$ 35,615</b>	<b>\$ (200,000)</b>	<b>\$ (164,385)</b>
Net (Decrease) in Cash	\$ (101,211)	\$ (137,702)	\$ (238,913)
Cash, Beginning July 1	851,590	137,702	989,292
<b>Cash, Ending June 30</b>	<b>\$ 750,379</b>	<b>\$ -</b>	<b>\$ 750,379</b>
<b>Reconciliation of Operating (Loss) to Net Cash (Used In) Operating Activities</b>			
Operating (Loss)	\$ (194,674)	\$ (398,906)	\$ (593,580)
Adjustments:			
Depreciation	-	173,763	173,763
Change in Assets and Liabilities:			
Accounts and Other Receivables	10,650	20,743	31,393
Deferred Outflows of Resources Relating to Pensions	111,552	-	111,552
Vouchers Payable	19,665	-	19,665
Accrued Expenses	8,194	-	8,194
Net Pension Liability	(147,019)	-	(147,019)
Deferred Inflows of Resources Relating to Pensions	54,806	-	54,806
<b>Net Cash (Used In) Operating Activities</b>	<b>\$ (136,826)</b>	<b>\$ (204,400)</b>	<b>\$ (341,226)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Net Increase in Fair Value of Investments	\$ 18,866	\$ -	\$ 18,866



**INTERNAL SERVICE FUNDS**

**CITY OF GILLETTE, WYOMING**

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

June 30, 2020

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 786,696	\$ 255,572	\$ 380,491	\$ 1,422,759
Investments	1,528,241	267,370	1,623,303	3,418,914
Other Receivable	110,611	145,166	2,648,729	2,904,506
Due From Other Funds	-	-	285,167	285,167
Inventories	290,752	-	-	290,752
<b>Total Current Assets</b>	<b>\$ 2,716,300</b>	<b>\$ 668,108</b>	<b>\$ 4,937,690</b>	<b>\$ 8,322,098</b>
<b>CAPITAL ASSETS</b>				
Machinery and Equipment	\$ 17,872,854	\$ -	\$ -	\$ 17,872,854
Less Accumulated Depreciation	(11,631,222)	-	-	(11,631,222)
<b>Net Capital Assets</b>	<b>\$ 6,241,632</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,241,632</b>
<b>Total Assets</b>	<b>\$ 8,957,932</b>	<b>\$ 668,108</b>	<b>\$ 4,937,690</b>	<b>\$ 14,563,730</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Vouchers Payable	\$ 96,229	\$ 28,684	\$ 17,156	\$ 142,069
Estimated Claims Payable	-	-	2,377,022	2,377,022
Other Accrued Liabilities	67,262	-	-	67,262
<b>Total Current Liabilities</b>	<b>\$ 163,491</b>	<b>\$ 28,684</b>	<b>\$ 2,394,178</b>	<b>\$ 2,586,353</b>
<b>NONCURRENT LIABILITIES</b>				
Accrued Sick Leave Payable	\$ 5,930	\$ -	\$ -	\$ 5,930
<b>Total Liabilities</b>	<b>\$ 169,421</b>	<b>\$ 28,684</b>	<b>\$ 2,394,178</b>	<b>\$ 2,592,283</b>
<b>NET POSITION</b>				
Investment in Capital Assets	\$ 6,241,632	\$ -	\$ -	\$ 6,241,632
Unrestricted	2,546,879	639,424	2,543,512	5,729,815
<b>Total Net Position</b>	<b>\$ 8,788,511</b>	<b>\$ 639,424</b>	<b>\$ 2,543,512</b>	<b>\$ 11,971,447</b>

**CITY OF GILLETTE, WYOMING**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

Year Ended June 30, 2020

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>OPERATING REVENUES</b>	<b>\$ 2,253,845</b>	<b>\$ 1,076,239</b>	<b>\$ 8,706,054</b>	<b>\$ 12,036,138</b>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	\$ 697,961	\$ -	\$ -	\$ 697,961
Contractual Services	192,568	537,529	-	730,097
Claims	-	538,710	8,715,766	9,254,476
Repairs and Maintenance	251,834	-	-	251,834
Supplies	576,430	-	-	576,430
Depreciation	1,245,406	-	-	1,245,406
<b>Total Operating Expenses</b>	<b>\$ 2,964,199</b>	<b>\$ 1,076,239</b>	<b>\$ 8,715,766</b>	<b>\$ 12,756,204</b>
<b>Operating (Loss)</b>	<b>\$ (710,354)</b>	<b>\$ -</b>	<b>\$ (9,712)</b>	<b>\$ (720,066)</b>
<b>NONOPERATING REVENUE</b>				
Gain on Disposal of Equipment	\$ 45,388	\$ -	\$ -	\$ 45,388
Investment Income	29,449	2,301	42,793	74,543
<b>Total Nonoperating Revenue</b>	<b>\$ 74,837</b>	<b>\$ 2,301</b>	<b>\$ 42,793</b>	<b>\$ 119,931</b>
<b>Income (Loss) Before Transfers</b>	<b>\$ (635,517)</b>	<b>\$ 2,301</b>	<b>\$ 33,081</b>	<b>\$ (600,135)</b>
Transfers In	60,220	-	-	60,220
Transfers (Out)	-	(7,476)	-	(7,476)
<b>Changes in Net Position</b>	<b>\$ (575,297)</b>	<b>\$ (5,175)</b>	<b>\$ 33,081</b>	<b>\$ (547,391)</b>
<b>NET POSITION, BEGINNING</b>				
JULY 1	9,363,808	644,599	2,510,431	12,518,838
<b>NET POSITION, ENDING</b>				
JUNE 30	\$ 8,788,511	\$ 639,424	\$ 2,543,512	\$ 11,971,447

**CITY OF GILLETTE, WYOMING**

**COMBINING STATEMENT OF CASH FLOWS**

**INTERNAL SERVICE FUNDS**

Year Ended June 30, 2020

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Interfund Services Provided	\$ 2,253,845	\$ 1,006,350	\$ 6,073,827	\$ 9,334,022
Payments to Employees	(704,668)	-	-	(704,668)
Payments for Goods and Services	(971,035)	(1,127,885)	(6,924,638)	(9,023,558)
Internal Activity - Payments (To) Other Funds	-	-	(48,906)	(48,906)
Net Cash Provided By (Used In) Operating Activities	\$ 578,142	\$ (121,535)	\$ (899,717)	\$ (443,110)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	\$ 60,220	\$ -	\$ -	\$ 60,220
Transfers (Out)	-	(7,476)	-	(7,476)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 60,220	\$ (7,476)	\$ -	\$ 52,744
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
(Payments) for Capital Acquisitions	\$ (444,896)	\$ -	\$ -	\$ (444,896)
Proceeds From Sale of Capital Assets	69,225	-	-	69,225
Net Cash (Used In) Capital and Related Financing Activities	\$ (375,671)	\$ -	\$ -	\$ (375,671)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net Decrease in Investments	\$ 3,420	\$ 251,106	\$ 761,703	\$ 1,016,229
Investment Income	27,211	1,672	38,568	67,451
Net Cash Provided By Investing Activities	\$ 30,631	\$ 252,778	\$ 800,271	\$ 1,083,680
Net Increase (Decrease) in Cash	\$ 293,322	\$ 123,767	\$ (99,446)	\$ 317,643
Cash, Beginning July 1	493,374	131,805	479,937	1,105,116
Cash, Ending June 30	\$ 786,696	\$ 255,572	\$ 380,491	\$ 1,422,759
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating (Loss)	\$ (710,354)	\$ -	\$ (9,712)	\$ (720,066)
Adjustments:				
Depreciation	1,245,406	-	-	1,245,406
Change in Assets and Liabilities:				
Other Receivable	-	(69,889)	(2,632,227)	(2,702,116)
Due (To) Other Funds	-	-	(48,906)	(48,906)
Inventories	(3,098)	-	-	(3,098)
Vouchers Payable	52,895	(51,646)	(9,283)	(8,034)
Accrued Expenses	(6,707)	-	-	(6,707)
Estimated Claims Payable	-	-	1,800,411	1,800,411
Net Cash Provided By (Used In) Operating Activities	\$ 578,142	\$ (121,535)	\$ (899,717)	\$ (443,110)
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Net Increase in Fair Value of Investments	\$ 2,238	\$ 629	\$ 4,225	\$ 7,092

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended June 30, **2020**

(Page 1 of 2)

State Grantor Program Title	Grant Number	Expenditures
<u>Office of Attorney General</u>		
State Surcharge	N/A	\$ 13,921
Victim Witness Funding	N/A	52,529
Total Office of Attorney General		\$ 66,450
<u>Wyoming Association of Sheriffs and Police</u>		
Alcohol Inspection Contract	N/A	\$ 8,585
Tobacco Inspection Contract	N/A	2,380
Total Wyoming Association of Sheriffs and Police		\$ 10,965
<u>Wyoming Division of Criminal Investigation</u>		
Byrne Formula/HIDTA	N/A	\$ 949
<u>Wyoming Loan and Investments Board</u>		
Sanitary Sewer	MRG-19018CL	\$ 191,706
<u>Wyoming Water Development Commission</u>		
Gillette Regional Extensions	N/A	\$ 1,654,128
<u>Wyoming Game and Fish Department</u>		
Track Trails Kiosk	N/A	\$ 2,500
Total State Financial Assistance		\$ 1,926,698

(Continued)

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended June 30, **2020**

(Page 2 of 2)

**Note 1. Loans Outstanding**

The City had previously received loan proceeds from the State. There were no current year loan proceeds received during the year ended June 30, 2020. Following is the balance of the state portion of the loans at June 30, 2020.

<b>Program</b>	<b>Grant Number</b>	<b>Amount</b>
Wyoming Loan and Investments Board		
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant	CWSRF Loan #50	\$ 939,292
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System	DWSRF Loan #196	774,033
Wyoming Water Development Commission		
Gillette Madison Pipeline	-	44,328,358
Wyoming Business Council		
Southern Industrial Addition	-	2,389,595
<b>Total State Loans</b>		<b>\$ 48,431,278</b>

# STATISTICAL SECTION

## STATISTICAL SECTION

This part of the City of Gillette's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends	91
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	103
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	114
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	125
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	



**City of Gillette, Wyoming**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2011	2012	2013	2014
<b>Governmental Activities</b>				
Net Investment in Capital Assets	144,063,586	160,346,407	173,368,812	184,096,943
Restricted	22,162	13,761	13,788	13,817
Unrestricted	47,210,868	46,431,260	44,960,127	42,224,867
Total Governmental Activities Net Position	191,296,616	206,791,428	218,342,727	226,335,627
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	104,481,619	108,090,438	143,994,703	151,571,316
Restricted	11,382,821	28,560,579	54,315,581	83,810,606
Unrestricted	27,246,709	32,024,938	25,391,474	23,531,369
Total Business-Type Activities Net Position	143,111,149	168,675,955	223,701,758	258,913,291
<b>Primary Government</b>				
Net Investment in Capital Assets	248,545,205	268,436,845	317,363,515	335,668,259
Restricted	11,404,983	28,574,340	54,329,369	83,824,423
Unrestricted	74,457,577	78,456,198	70,351,601	65,756,236
Total Primary Government Net Position	334,407,765	375,467,383	442,044,485	485,248,918

Fiscal Year					
2015	2016	2017	2018	2019	2020
207,543,932	216,228,110	212,061,695	209,621,750	207,934,661	209,201,236
4,343	8,026,893	171,789	121,777	1,314,311	679,771
48,736,967	29,954,212	40,519,056	49,508,463	60,021,756	69,122,532
256,285,242	254,209,215	252,752,540	259,251,990	269,270,728	279,003,539
167,721,963	201,310,306	233,993,830	258,142,870	262,876,287	264,274,405
114,382,200	109,824,328	101,670,982	96,552,166	96,354,012	97,396,419
26,800,695	26,098,902	28,741,229	32,324,767	35,210,715	37,118,684
308,904,858	337,233,536	364,406,041	387,019,803	394,441,014	398,789,508
375,265,895	417,538,416	446,055,525	467,764,620	470,810,948	473,475,641
114,386,543	117,851,221	101,842,771	96,673,943	97,668,323	98,076,190
75,537,662	56,053,114	69,260,285	81,833,230	95,232,471	106,241,216
565,190,100	591,442,751	617,158,581	646,271,793	663,711,742	677,793,047

**City of Gillette, Wyoming**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
<i>Governmental Activities</i>				
<i>Program Revenues</i>				
Charges for services	\$ 1,949,688	\$ 2,623,718	\$ 2,819,882	\$ 3,728,676
Operating grants and contributions	1,203,641	663,407	726,408	513,389
Capital grants and contributions	1,719,812	693,152	1,222,352	3,488,683
<i>General Revenues</i>				
Severance taxes	970,441	1,067,407	1,096,377	1,135,505
Property taxes	1,648,246	1,743,283	1,763,744	1,832,001
Sales and use taxes	42,392,407	48,689,382	43,149,383	49,198,315
Other taxes	2,647,637	2,426,726	2,443,560	2,918,483
Mineral Royalties	1,520,397	1,537,360	1,542,258	1,549,148
Supplemental state funding	1,399,143	2,122,882	1,630,099	2,456,374
Gaming revenue	-	-	-	-
Investment income (Loss)	201,632	94,060	(19,055)	185,649
Capital contributions, local annexations	9,543,332	4,718,809	1,178,906	-
Other revenue	(48,847)	(80,706)	-	853,432
Special Assessment revenue	-	-	-	-
<b>Total Governmental Activities Revenues</b>	<b>\$ 65,147,529</b>	<b>\$ 66,299,480</b>	<b>\$ 57,553,914</b>	<b>\$ 67,859,655</b>
<i>Business-Type Activities</i>				
<i>Program Revenues</i>				
Charges for services	\$ 37,881,536	\$ 40,712,570	\$ 41,643,064	\$ 41,676,876
Capital grants and contributions	9,062,600	5,811,660	31,686,134	8,987,615
<i>General Revenues</i>				
Sales and use taxes <sup>1</sup>	-	18,235,001	26,285,027	29,364,002
Investment Income (Loss)	247,389	285,342	(31,968)	479,053
Capital contributions, local annexations	4,058,959	1,803,289	862,923	-
Other revenue	1,311,870	(2,399,295)	846,563	892,230
<b>Total Business-Type Activities Revenues</b>	<b>\$ 52,562,354</b>	<b>\$ 64,448,567</b>	<b>\$ 101,291,743</b>	<b>\$ 81,399,776</b>
<b>Total Government-Wide Revenues</b>	<b>\$ 117,709,883</b>	<b>\$ 130,748,047</b>	<b>\$ 158,845,657</b>	<b>\$ 149,259,431</b>
<b>Expenses</b>				
<i>Governmental Activities</i>				
Administration	\$ 18,585,718	\$ 13,156,594	\$ 14,114,947	\$ 16,949,930
Law Enforcement/Public Safety	10,985,865	12,667,636	11,956,859	12,209,838
Public Works	10,128,312	14,161,985	15,131,917	14,743,977
Culture and Recreation	2,144,505	2,658,610	2,605,174	2,378,104
Interest on Long-Term Debt	16,871	16,068	14,670	13,883
<b>Total Governmental Activities Expenses</b>	<b>\$ 41,861,271</b>	<b>\$ 42,660,893</b>	<b>\$ 43,823,567</b>	<b>\$ 46,295,732</b>
<i>Business-Type Activities</i>				
Power	\$ 28,776,464	\$ 30,713,059	\$ 31,272,102	\$ 30,631,160
Water	7,260,232	8,840,825	9,299,424	9,374,198
Sewer	4,851,241	5,159,217	5,463,451	5,731,279
Fiber <sup>2</sup>	n/a	n/a	n/a	n/a
Solid Waste	2,263,878	2,314,435	2,410,011	2,735,796
<b>Total Business-Type Activities Expenses</b>	<b>\$ 43,151,815</b>	<b>\$ 47,027,536</b>	<b>\$ 48,444,988</b>	<b>\$ 48,472,433</b>
<b>Total Government-Wide Expenses</b>	<b>\$ 85,013,086</b>	<b>\$ 89,688,429</b>	<b>\$ 92,268,555</b>	<b>\$ 94,768,165</b>

City of Gillette, Wyoming  
Changes in Net Position (continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	3,964,099	\$	3,629,498	\$	3,826,265	\$	4,267,498	\$	4,600,452	\$	6,513,884
	560,028		1,031,303		2,978,890		296,242		427,362		369,938
	9,389,472		3,201,917		2,730,131		1,170,583		3,490,102		179,761
	1,101,729		1,107,316		1,107,006		1,106,950		1,106,221		1,106,221
	1,949,432		2,100,922		2,282,253		2,125,450		2,219,506		2,315,292
	54,129,253		37,012,709		29,917,814		36,167,074		42,020,705		43,071,165
	3,035,184		3,153,044		3,188,444		3,312,473		3,191,098		3,310,780
	1,553,582		1,578,741		1,585,221		1,584,413		1,521,535		1,535,907
	2,117,809		2,408,642		1,123,958		1,218,873		1,359,104		1,414,357
	210,240		332,079		457,337		570,942		867,605		755,680
	115,723		225,326		149,693		426,532		1,584,553		1,765,550
	-		-		-		-		-		-
	84,337		59,559		296,647		312,377		306,009		422,892
	-		-		-		-		1,357,426		-
\$	78,210,888	\$	55,841,056	\$	49,643,659	\$	52,559,407	\$	64,051,678	\$	62,761,427
\$	44,114,037	\$	47,853,751	\$	49,134,472	\$	49,719,881	\$	49,597,215	\$	49,767,222
	25,894,064		28,438,097		26,811,099		22,015,166		4,016,622		3,566,428
	28,622,346		100,133		105,109		25,483		2,187		68,281
	484,439		850,367		445,454		1,152,882		3,609,749		3,312,369
	-		-		-		-		-		-
	1,278,871		709,261		477,383		788,551		700,963		807,506
\$	100,393,757	\$	77,951,609	\$	76,973,517	\$	73,701,963	\$	57,926,736	\$	57,521,806
\$	178,604,645	\$	133,792,665	\$	126,617,176	\$	126,261,370	\$	121,978,414	\$	120,283,233
\$	11,592,999	\$	21,059,390	\$	18,530,082	\$	14,311,284	\$	16,287,756	\$	18,632,422
	12,032,781		14,055,218		13,810,716		11,812,747		13,783,560		12,712,326
	17,059,376		17,181,066		11,456,369		12,609,284		15,126,078		14,119,606
	1,653,206		2,992,915		4,101,144		3,911,251		3,578,436		4,108,769
	13,728		355,333		275,582		248,382		246,160		221,061
\$	42,352,090	\$	55,643,922	\$	48,173,893	\$	42,892,948	\$	49,021,990	\$	49,794,184
\$	35,625,314	\$	32,120,690	\$	33,430,555	\$	33,242,868	\$	31,519,972	\$	31,083,900
	10,972,303		10,390,243		10,666,942		11,747,663		13,123,554		13,704,345
	6,618,579		6,432,835		5,945,545		6,244,321		7,172,715		7,467,513
	n/a		n/a		n/a		190,756		715,475		740,321
	3,095,177		2,952,324		2,684,411		2,829,602		2,984,759		3,411,665
\$	56,311,373	\$	51,896,092	\$	52,727,453	\$	54,255,210	\$	55,516,475	\$	56,407,744
\$	98,663,463	\$	107,540,014	\$	100,901,346	\$	97,148,158	\$	104,538,465	\$	106,201,928

(Continued)

City of Gillette, Wyoming  
Changes in Net Position (continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
<b>Change in Net Position Before Transfers</b>				
Governmental Activities	\$ 23,286,258	\$ 23,638,587	\$ 13,730,347	\$ 21,563,923
Business-Type Activities	9,410,539	17,421,031	52,846,755	32,927,343
<b>Government-Wide</b>	<b>\$ 32,696,797</b>	<b>\$ 41,059,618</b>	<b>\$ 66,577,102</b>	<b>\$ 54,491,266</b>
<b>Transfers</b>				
Governmental Activities	\$ (5,024,303)	\$ (8,143,775)	\$ (2,179,048)	\$ (6,071,965)
Business-Type Activities	5,024,303	8,143,775	2,179,048	6,071,965
<b>Government-Wide</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 18,261,955	\$ 15,494,812	\$ 11,551,299	\$ 15,491,958
Business-Type Activities	14,434,842	25,564,806	55,025,803	38,999,308
<b>Government-Wide</b>	<b>\$ 32,696,797</b>	<b>\$ 41,059,618</b>	<b>\$ 66,577,102</b>	<b>\$ 54,491,266</b>
<b>Net Position, Beginning of Fiscal Year</b>				
Governmental Activities	\$ 173,034,661	\$ 191,296,616	\$ 206,791,428	\$ 218,342,727
Business-Type Activities	128,676,307	143,111,149	168,675,955	223,701,758
<b>Government-Wide</b>	<b>\$ 301,710,968</b>	<b>\$ 334,407,765</b>	<b>\$ 375,467,383</b>	<b>\$ 442,044,485</b>
<b>Prior Year Adjustments</b>				
Governmental Activities	\$ -	\$ -	\$ -	\$ -
Business-Type Activities	-	-	-	-
<b>Government-Wide</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position, End of Fiscal Year</b>				
Governmental Activities	\$ 191,296,616	\$ 206,791,428	\$ 218,342,727	\$ 233,834,685
Business-Type Activities	143,111,149	168,675,955	223,701,758	262,701,066
<b>Government-Wide</b>	<b>\$ 334,407,765</b>	<b>\$ 375,467,383</b>	<b>\$ 442,044,485</b>	<b>\$ 496,535,751</b>

<sup>1</sup> Starting in 2012, the City started collecting a Special Purpose Sales and Use Tax specifically for the purpose of construction of the parallel Madison Pipeline project as well as extensions of infrastructure for rural water districts to connect to the Madison Pipeline. This tax was fully collected and was removed 04/01/15.

<sup>2</sup> The Fiber Fund was established in 2018 and is used to account for the operation of the City's fiber conduit and network system.

City of Gillette, Wyoming  
Changes in Net Position (continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	35,858,798	\$	197,134	\$	1,469,766	\$	9,666,459	\$	15,029,688	\$	12,967,243
	44,082,384		26,055,517		24,246,064		19,446,753		2,410,261		1,114,062
\$	79,941,182	\$	26,252,651	\$	25,715,830	\$	29,113,212	\$	17,439,949	\$	14,081,305
\$	(5,909,183)	\$	(2,273,161)	\$	(2,926,441)	\$	(3,167,009)	\$	(5,010,950)	\$	(3,234,432)
	5,909,183		2,273,161		2,926,441		3,167,009		5,010,950		3,234,432
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	29,949,615	\$	(2,076,027)	\$	(1,456,675)	\$	6,499,450	\$	10,018,738	\$	9,732,811
	49,991,567		28,328,678		27,172,505		22,613,762		7,421,211		4,348,494
\$	79,941,182	\$	26,252,651	\$	25,715,830	\$	29,113,212	\$	17,439,949	\$	14,081,305
\$	233,834,685	\$	256,285,242	\$	254,209,215	\$	252,752,540	\$	259,251,990	\$	269,270,728
	262,701,066		308,904,858		337,233,536		364,406,041		387,019,803		394,441,014
\$	496,535,751	\$	565,190,100	\$	591,442,751	\$	617,158,581	\$	646,271,793	\$	663,711,742
\$	(7,499,058)	\$	-	\$	-	\$	-	\$	-	\$	-
	(3,787,775)		-		-		-		-		-
\$	(11,286,833)	\$	-	\$	-	\$	-	\$	-	\$	-
\$	256,285,242	\$	254,209,215	\$	252,752,540	\$	259,251,990	\$	269,270,728	\$	279,003,539
	308,904,858		337,233,536		364,406,041		387,019,803		394,441,014		398,789,508
\$	565,190,100	\$	591,442,751	\$	617,158,581	\$	646,271,793	\$	663,711,742	\$	677,793,047

City of Gillette, Wyoming  
 General Fund Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

<b>Fiscal Year</b>	<b>Severance Taxes</b>	<b>Property Taxes</b>	<b>Automobile Taxes</b>	<b>Sales &amp; Use Taxes</b>	<b>Gasoline Taxes</b>	<b>Cigarette Taxes</b>	<b>Other Taxes</b>	<b>Total Taxes</b>
2011	\$ 970,441	\$ 1,648,246	\$ 759,881	\$ 42,392,407	\$ 578,590	\$ 264,730	\$ 1,044,436	\$ 47,658,731
2012	\$ 1,067,407	\$ 1,743,283	\$ 802,519	\$ 48,689,382	\$ 635,686	\$ 236,949	\$ 751,572	\$ 53,926,798
2013	\$ 1,096,377	\$ 1,763,744	\$ 806,551	\$ 43,149,383	\$ 690,479	\$ 228,501	\$ 718,029	\$ 48,453,064
2014	\$ 1,135,505	\$ 1,832,001	\$ 867,828	\$ 49,198,315	\$ 1,072,083	\$ 222,692	\$ 755,880	\$ 55,084,304
2015	\$ 1,101,729	\$ 1,949,432	\$ 923,993	\$ 54,129,253	\$ 1,134,685	\$ 229,454	\$ 747,052	\$ 60,215,598
2016	\$ 1,107,316	\$ 2,100,922	\$ 1,046,612	\$ 37,012,709	\$ 1,156,578	\$ 214,427	\$ 735,427	\$ 43,373,991
2017	\$ 1,107,006	\$ 2,282,253	\$ 896,185	\$ 29,917,814	\$ 1,348,449	\$ 187,027	\$ 756,783	\$ 36,495,517
2018	\$ 1,106,950	\$ 2,125,450	\$ 891,300	\$ 36,167,074	\$ 1,310,202	\$ 188,313	\$ 922,658	\$ 42,711,947
2019	\$ 1,106,221	\$ 2,219,506	\$ 1,007,845	\$ 42,020,705	\$ 1,200,165	\$ 188,292	\$ 794,796	\$ 48,537,530
2020	\$ 1,106,221	\$ 2,315,292	\$ 1,117,725	\$ 43,071,165	\$ 1,188,716	\$ 191,861	\$ 812,478	\$ 49,803,458
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% Change 2011 - 2020	14.0%	40.5%	47.1%	1.6%	105.5%	-27.5%	-22.2%	4.5%

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**City of Gillette, Wyoming**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2011	2012	2013	2014
Total All Governmental Funds				
Non spendable	\$ 111,772	\$ 126,042	\$ 155,613	\$ 157,318
Restricted	22,162	13,761	13,788	13,817
Committed	19,749,041	22,406,471	23,923,930	29,040,814
Assigned	12,162,321	7,316,230	14,946,932	6,952,460
Unassigned	10,639,683	12,366,300	2,284,206	7,592,509
<b>Total Fund Balance - Governmental Funds</b>	<b>\$ 42,684,979</b>	<b>\$ 42,228,804</b>	<b>\$ 41,324,469</b>	<b>\$ 43,756,918</b>

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 209,851	\$ 220,154	\$ 214,418	\$ 227,521	\$ 212,257	\$ 228,673	
4,343	8,026,893	171,789	121,777	121,197	2,731	
26,358,184	24,700,520	15,348,710	17,659,545	21,072,126	28,356,630	
22,437,032	13,490,105	25,372,791	25,292,678	38,609,977	32,484,215	
3,033,318	4,690,638	8,820,711	15,466,678	12,284,111	18,214,391	
<b>\$ 52,042,728</b>	<b>\$ 51,128,310</b>	<b>\$ 49,928,419</b>	<b>\$ 58,768,199</b>	<b>\$ 72,299,668</b>	<b>\$ 79,286,640</b>	

**City of Gillette, Wyoming**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
<i>General Fund</i>				
Taxes	\$ 47,658,731	\$ 53,926,798	\$ 48,453,064	\$ 55,084,304
Intergovernmental	5,842,993	5,016,801	5,121,117	6,022,098
Licenses and Permits	320,003	295,160	291,708	290,033
Charges for Services	641,662	855,350	1,320,627	2,785,521
Fines and Fees	426,360	472,650	406,517	391,716
Investment Income (Loss)	173,414	76,331	(25,671)	175,523
Miscellaneous	561,663	1,000,558	801,030	1,111,286
Special Assessment Revenue	168,756	133,387	84,534	58,186
<b>Total Revenues</b>	<b>\$ 55,793,582</b>	<b>\$ 61,777,035</b>	<b>\$ 56,452,926</b>	<b>\$ 65,918,667</b>
<b>Expenditures</b>				
<i>General Fund</i>				
Current				
Administration/General Government	\$ 10,674,604	\$ 10,653,872	\$ 13,118,976	\$ 13,617,537
Police/Public Safety	9,339,427	9,756,812	9,759,974	9,810,440
Public Works	19,835,193	21,085,752	15,230,303	17,596,106
Culture and Recreation	1,944,549	2,420,144	4,921,238	4,282,751
Miscellaneous	15,535,677	6,689,176	10,531,853	11,970,067
Debt Service				
Principal	31,571	32,373	33,772	34,558
Interest	16,871	16,068	14,670	13,883
<b>Total Expenditures</b>	<b>\$ 57,377,892</b>	<b>\$ 50,654,197</b>	<b>\$ 53,610,786</b>	<b>\$ 57,325,342</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (1,584,310)</b>	<b>\$ 11,122,838</b>	<b>\$ 2,842,140</b>	<b>\$ 8,593,325</b>
<b>Other Financing Sources (Uses)</b>				
<i>General Fund</i>				
Proceeds from Certificates of Participation	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	538,690
Transfers Out	(5,633,508)	(11,579,013)	(3,746,475)	(6,699,566)
Proceeds from Special Assessment Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,633,508)</b>	<b>\$ (11,579,013)</b>	<b>\$ (3,746,475)</b>	<b>\$ (6,160,876)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (7,217,818)</b>	<b>\$ (456,175)</b>	<b>\$ (904,335)</b>	<b>\$ 2,432,449</b>
Debt Service as a Percentage of Noncapital Expenditures	0.08%	0.10%	0.09%	0.08%
Fund Balance, Beginning July 1	\$ 49,902,797	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469
Fund Balance, Ending June 30	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 60,215,598	\$ 43,373,991	\$ 36,495,517	\$ 42,711,947	\$ 48,537,530	\$ 49,803,458	
7,165,775	7,153,524	6,701,647	4,056,951	5,161,421	4,255,643	
361,710	282,099	247,743	283,027	272,658	308,839	
2,894,186	2,842,597	2,965,029	3,296,056	3,609,268	5,607,557	
444,771	424,677	372,367	363,872	353,823	311,978	
108,679	212,988	142,513	404,105	1,514,618	1,716,120	
347,769	139,684	538,005	636,920	670,712	708,402	
56,643	39,209	131,275	13,994	178,355	526,151	
<b>\$ 71,595,131</b>	<b>\$ 54,468,769</b>	<b>\$ 47,594,096</b>	<b>\$ 51,766,872</b>	<b>\$ 60,298,385</b>	<b>\$ 63,238,148</b>	
\$ 14,397,204	\$ 13,956,973	\$ 11,916,234	\$ 11,145,476	\$ 11,683,187	\$ 12,231,646	
10,384,584	10,544,363	9,467,994	9,749,739	10,178,923	10,572,848	
15,142,517	19,846,187	8,079,928	11,168,994	11,582,833	12,024,204	
3,170,268	3,422,281	2,220,609	2,879,640	2,925,299	3,353,122	
14,331,633	16,829,447	12,806,587	2,904,784	4,776,837	12,596,611	
34,714	36,087	1,131,884	1,097,727	1,163,627	1,972,681	
13,728	234,948	286,899	259,335	257,372	232,582	
<b>\$ 57,474,648</b>	<b>\$ 64,870,286</b>	<b>\$ 45,910,135</b>	<b>\$ 39,205,695</b>	<b>\$ 42,568,078</b>	<b>\$ 52,983,694</b>	
<b>\$ 14,120,483</b>	<b>\$ (10,401,517)</b>	<b>\$ 1,683,961</b>	<b>\$ 12,561,177</b>	<b>\$ 17,730,307</b>	<b>\$ 10,254,454</b>	
\$ -	\$ 11,650,000	\$ -	\$ -	\$ -	\$ -	
178,885	2,675,925	152,407	100	113,901	208,879	
(6,013,558)	(5,038,591)	(3,036,259)	(3,721,497)	(5,746,177)	(3,477,019)	
-	-	-	-	1,324,117	-	
-	199,765	-	-	109,321	658	
<b>\$ (5,834,673)</b>	<b>\$ 9,487,099</b>	<b>\$ (2,883,852)</b>	<b>\$ (3,721,397)</b>	<b>\$ (4,198,838)</b>	<b>\$ (3,267,482)</b>	
<b>\$ 8,285,810</b>	<b>\$ (914,418)</b>	<b>\$ (1,199,891)</b>	<b>\$ 8,839,780</b>	<b>\$ 13,531,469</b>	<b>\$ 6,986,972</b>	
0.08%	0.62%	3.84%	4.26%	3.87%	5.63%	
\$ 43,756,918	\$ 52,042,728	\$ 51,128,310	\$ 49,928,419	\$ 58,768,199	\$ 72,299,668	
\$ 52,042,728	\$ 51,128,310	\$ 49,928,419	\$ 58,768,199	\$ 72,299,668	\$ 79,286,640	

**City of Gillette, Wyoming**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Real Property		Personal Property <sup>1</sup>	State-Assessed Property (Public Utilities) <sup>1</sup>	Industrial Property <sup>1</sup>	Less Tax-Exempt Property
		Residential <sup>1</sup>	Commercial <sup>1</sup>				
2011	2010	\$ 229,943,446	\$ 61,091,541	\$ 462,372,171	\$ 63,598,959	\$ 8,732,533	n/a
2012	2011	\$ 234,056,585	\$ 62,886,370	\$ 466,218,920	\$ 60,099,469	\$ 9,637,244	n/a
2013	2012	\$ 240,905,920	\$ 63,805,952	\$ 502,162,587	\$ 66,634,746	\$ 10,223,434	n/a
2014	2013	\$ 246,539,836	\$ 66,152,832	\$ 504,177,662	\$ 64,741,256	\$ 11,317,184	n/a
2015	2014	\$ 254,210,964	\$ 82,161,959	\$ 516,458,473	\$ 62,593,889	\$ 12,042,753	n/a
2016	2015	\$ 265,258,394	\$ 88,258,439	\$ 514,064,127	\$ 61,198,625	\$ 12,183,217	n/a
2017	2016	\$ 281,627,847	\$ 92,982,875	\$ 464,278,849	\$ 67,660,286	\$ 10,601,857	n/a
2018	2017	\$ 275,778,864	\$ 94,876,198	\$ 332,211,394	\$ 68,943,276	\$ 11,419,612	n/a
2019	2018	\$ 272,776,026	\$ 94,498,702	\$ 288,335,256	\$ 71,389,766	\$ 12,865,269	n/a
2020	2019	\$ 282,687,454	\$ 99,405,296	\$ 291,276,058	\$ 71,787,677	\$ 12,981,483	n/a

<sup>1</sup> Data is for Campbell County, information for the City of Gillette is not available. The City of Gillette makes up approximately 69.1% of Campbell County's population.

n/a Campbell County Assessor does not track this information

**Notes:** Properties within the City limits are assessed on January 1st of each year by the Campbell County Assessor's office. Properties are assessed at various percentages with estimated actual value based on the primary use.

Residential Property - 9.5% Fair Market Value  
Commercial Property- 9.5% Fair Market Value  
Industrial Property- 11.5% Fair Market Value

**Source:** Campbell County Assessor's Office

Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate	Total Assessed Value for the City of Gillette	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Taxable Value
\$ 825,738,650	8.000	\$ 202,242,746	\$ 2,022,427,460	10.0%
\$ 832,898,588	8.000	\$ 208,221,068	\$ 2,082,210,680	10.0%
\$ 883,732,639	8.000	\$ 209,944,856	\$ 2,099,448,560	10.0%
\$ 892,928,770	8.000	\$ 214,341,272	\$ 2,143,412,720	10.0%
\$ 927,468,038	8.000	\$ 230,429,209	\$ 2,304,292,090	10.0%
\$ 940,962,802	8.000	\$ 245,280,561	\$ 2,452,805,610	10.0%
\$ 917,151,714	8.000	\$ 259,525,401	\$ 2,595,254,010	10.0%
\$ 783,229,344	8.000	\$ 279,311,596	\$ 2,793,115,960	10.0%
\$ 739,865,019	8.000	\$ 276,596,342	\$ 2,765,963,420	10.0%
\$ 758,137,968	8.000	\$ 287,013,552	\$ 2,870,135,520	10.0%

**City of Gillette, Wyoming**  
**Property Tax Rate per \$1,000 of Assessed Valuation**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	City	School	County	State	Other	Total
<b>MILLS</b>						
2011	8.000	32.000	11.051	12.000	4.720	67.771
2012	8.000	32.000	11.051	12.000	4.370	67.421
2013	8.000	32.000	11.051	12.000	4.461	67.512
2014	8.000	32.000	11.051	12.000	4.693	67.744
2015	8.000	32.000	11.051	12.000	4.686	67.737
2016	8.000	32.000	11.051	12.000	4.537	67.588
2017	8.000	32.000	11.140	12.000	4.412	67.552
2018	8.000	32.000	11.170	12.000	4.296	67.466
2019	8.000	32.000	11.202	12.000	4.405	67.607
2020	8.000	32.000	11.253	12.000	4.659	67.912

<b>TAX LEVIES</b>						
2011	\$ 2,579,139	\$ 173,618,086	\$ 59,957,921	\$ 65,106,782	\$ 23,709,620	\$ 324,971,548
2012	\$ 2,779,956	\$ 186,850,095	\$ 64,527,513	\$ 70,068,786	\$ 26,048,071	\$ 350,274,421
2013	\$ 2,654,504	\$ 177,902,002	\$ 61,437,344	\$ 66,713,251	\$ 25,760,441	\$ 334,467,542
2014	\$ 2,717,158	\$ 181,942,245	\$ 62,832,617	\$ 68,228,342	\$ 26,641,502	\$ 342,361,864
2015	\$ 2,959,437	\$ 198,663,655	\$ 68,607,252	\$ 74,498,871	\$ 28,159,905	\$ 372,889,120
2016	\$ 2,519,536	\$ 169,232,091	\$ 58,913,922	\$ 63,462,034	\$ 23,993,937	\$ 318,121,520
2017	\$ 1,989,794	\$ 133,843,937	\$ 46,719,900	\$ 50,191,477	\$ 17,968,967	\$ 250,714,075
2018	\$ 2,111,649	\$ 141,704,636	\$ 49,605,558	\$ 53,139,323	\$ 19,506,559	\$ 266,067,725
2019	\$ 2,142,528	\$ 143,044,971	\$ 50,302,658	\$ 53,641,864	\$ 20,826,454	\$ 269,968,475
2020	\$ 2,038,068	\$ 135,744,490	\$ 47,382,965	\$ 50,904,184	\$ 20,276,834	\$ 256,346,541

**Notes:** The City of Gillette is allowed to assess up to 8.000 Mills per Wyoming State Statute; there are no components associated with the City's direct property tax rate of 8.000 Mills.

**Source:** Campbell County Treasurer's Office/Campbell County Assessor's Office

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**City of Gillette, Wyoming  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	Fiscal Year 2020		
		Assessed Valuation	Rank	Percentage of Total City Valuation
City of Gillette	Power System	\$ 3,355,648	1	1.17%
Burlington Northern Santa Fe Railway	Railroad Company	\$ 2,276,180	2	0.79%
Menard Inc	Retail	\$ 1,661,376	3	0.58%
MFG Remington LLC	Apartment Complex/Real Estate	\$ 1,434,193	4	0.50%
Liebherr-America Inc	Commercial Machinery Repair	\$ 1,199,577	5	0.42%
L & H Industrial, Inc.	Welding/Industrial	\$ 1,041,427	6	0.36%
Black Hills Gas Distribution WY	Natural Gas Distribution	\$ 1,019,114	7	0.36%
Wal-Mart Real Estate Business Trust	Retail	\$ 979,497	8	0.34%
Wyoming Machinery Co	Commercial Machinery Sales & Repair	\$ 844,664	9	0.29%
Gillette Retirement LLC	Continuing Care Retirement Communities	\$ 819,880	10	0.29%
Total		<u>\$ 14,631,556</u>		<u>5.10%</u>

**Total City Assessed Valuation** **\$ 287,013,552**

**Source:** Campbell County Assessor's Office

<sup>1</sup> The City of Gillette did not compile a Statistical Section for the Financial Report in 2011, and thus does not have historical data to refer to. Neither the Campbell County Assessor or the State Department of Revenue are able to provide this historical data for Fiscal Year 2011.

**Fiscal Year 2011<sup>1</sup>**

<u>Assessed</u>		<u>Percentage of</u>
<u>Valuation</u>	<u>Rank</u>	<u>Total City</u>
		<u>Valuation</u>

<u>\$</u>	<u>-</u>	<u>0.00%</u>
-----------	----------	--------------

**\$ 202,242,746**

**City of Gillette, Wyoming  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2011	2010	\$ 1,680,378	\$ 1,558,555	92.75%	\$ 92,366	\$ 1,650,921	98.25%	\$ 29,457
2012	2011	\$ 1,753,910	\$ 1,642,663	93.66%	\$ 83,265	\$ 1,725,928	98.40%	\$ 27,982
2013	2012	\$ 1,763,257	\$ 1,678,751	95.21%	\$ 84,201	\$ 1,762,952	99.98%	\$ 305
2014	2013	\$ 1,801,939	\$ 1,749,349	97.09%	\$ 52,314	\$ 1,801,663	99.98%	\$ 276
2015	2014	\$ 1,929,664	\$ 1,890,235	97.96%	\$ 39,429	\$ 1,929,664	99.99%	\$ -
2016	2015	\$ 2,125,291	\$ 2,061,891	97.02%	\$ 62,612	\$ 2,124,503	99.96%	\$ 788
2017	2016	\$ 2,249,380	\$ 2,214,623	98.46%	\$ 32,284	\$ 2,246,907	99.89%	\$ 2,473
2018	2017	\$ 2,161,452	\$ 2,088,912	96.65%	\$ 68,901	\$ 2,157,813	99.83%	\$ 3,639
2019	2018	\$ 2,250,032	\$ 2,159,110	95.96%	\$ 85,909	\$ 2,245,019	99.78%	\$ 5,013
2020	2019	\$ 2,273,548	\$ 2,236,696	98.38%	\$ -	\$ 2,236,696	98.38%	\$ 36,852

**Source:** Campbell County Treasurer's Office

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**City of Gillette, Wyoming**  
**Taxable Sales by Major Business Class, Campbell County, WY**  
**Last Ten Fiscal Years**

Category	Fiscal Year			
	2011	2012	2013	2014
Agriculture / Forestry	\$ 437,860	\$ 596,200	\$ 587,400	\$ 670,733
Mining	\$ 938,596,520	\$ 1,076,846,327	\$ 949,196,000	\$ 1,178,258,083
Contract Construction	\$ 80,439,700	\$ 63,142,782	\$ 47,446,717	\$ 62,583,333
Manufacturing	\$ 106,303,540	\$ 109,037,800	\$ 79,636,183	\$ 93,448,367
Retail Trade	\$ 739,768,020	\$ 747,460,455	\$ 665,802,967	\$ 692,062,683
Wholesale Trade	\$ 419,190,860	\$ 617,623,145	\$ 518,981,083	\$ 534,587,550
Finance / Insurance	\$ 5,399,040	\$ 7,182,055	\$ 2,060,050	\$ 2,084,217
Public Administration	\$ 153,885,720	\$ 193,622,764	\$ 173,049,917	\$ 195,701,700
Utilities	\$ 223,550,160	\$ 147,902,909	\$ 80,461,450	\$ 84,462,267
Transportation / Warehousing	\$ 10,277,580	\$ 10,219,727	\$ 10,627,433	\$ 10,896,233
Information	\$ 28,029,280	\$ 32,546,182	\$ 32,102,250	\$ 31,557,183
Real Estate / Rental / Leasing	\$ 147,850,120	\$ 174,626,000	\$ 182,424,017	\$ 223,136,350
Professional Services	\$ 7,042,360	\$ 7,752,273	\$ 6,364,650	\$ 6,761,333
Administrative / Support / Waste	\$ 7,273,160	\$ 6,531,564	\$ 9,573,150	\$ 7,070,733
Educational Services	\$ 72,840	\$ 91,327	\$ 94,533	\$ 101,450
Health Care / Social Assistance	\$ 62,920	\$ 36,945	\$ 52,850	\$ 69,567
Arts, Entertainment & Recreation	\$ 2,297,820	\$ 2,667,436	\$ 2,379,150	\$ 2,452,533
Accommodation / Food Services	\$ 110,211,880	\$ 116,697,236	\$ 112,660,600	\$ 125,905,033
Other Services	\$ 222,801,700	\$ 232,772,145	\$ 189,522,850	\$ 199,170,983
<b>Total</b>	<b>\$ 3,203,491,080</b>	<b>\$ 3,547,355,272</b>	<b>\$ 3,063,023,250</b>	<b>\$ 3,450,980,331</b>

**Notes:** This information is based upon Sales Tax Distribution by Major Business Class (using North American Industry Classification System (NAICS) Coding), and is only available on a county-wide basis; thus this schedule has information for Campbell County as a whole. The population of the City of Gillette is approximately 69.1% of the entire county's population.

**Source:** Wyoming Department of Revenue

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 716,296	\$ 737,360	\$ 640,620	\$ 624,380	\$ 521,920	\$ 523,620
\$ 1,420,173,026	\$ 745,995,340	\$ 513,985,460	\$ 697,313,500	\$ 864,986,660	\$ 804,955,220
\$ 63,802,348	\$ 50,098,060	\$ 28,100,160	\$ 26,899,180	\$ 34,800,940	\$ 31,010,160
\$ 104,950,591	\$ 57,805,900	\$ 89,826,100	\$ 156,225,520	\$ 156,790,260	\$ 121,822,540
\$ 719,212,626	\$ 579,732,680	\$ 517,949,240	\$ 602,647,120	\$ 661,484,300	\$ 772,583,380
\$ 610,714,713	\$ 404,406,120	\$ 334,365,100	\$ 374,607,020	\$ 387,220,980	\$ 310,048,140
\$ 1,603,948	\$ 1,996,620	\$ 1,085,720	\$ 872,600	\$ 1,282,220	\$ 925,240
\$ 262,655,235	\$ 181,610,940	\$ 162,053,520	\$ 185,158,640	\$ 212,633,860	\$ 225,371,500
\$ 79,892,139	\$ 85,451,720	\$ 76,150,840	\$ 73,725,500	\$ 75,713,640	\$ 68,171,280
\$ 15,191,339	\$ 8,818,520	\$ 7,464,580	\$ 7,460,560	\$ 11,452,480	\$ 12,671,060
\$ 32,401,304	\$ 27,308,180	\$ 25,959,680	\$ 24,362,920	\$ 26,549,120	\$ 29,459,920
\$ 188,324,852	\$ 155,116,300	\$ 86,477,960	\$ 86,392,180	\$ 95,652,560	\$ 168,787,220
\$ 6,304,487	\$ 7,208,240	\$ 6,596,520	\$ 6,293,560	\$ 5,746,000	\$ 8,516,760
\$ 8,511,843	\$ 10,396,080	\$ 6,437,300	\$ 3,893,660	\$ 9,900,040	\$ 7,294,080
\$ 89,530	\$ 90,420	\$ 111,800	\$ 330,360	\$ 124,940	\$ 148,480
\$ 69,617	\$ 41,980	\$ 39,100	\$ 29,120	\$ 22,360	\$ 46,800
\$ 2,373,096	\$ 2,273,620	\$ 2,409,040	\$ 2,431,140	\$ 2,426,960	\$ 2,291,560
\$ 154,045,478	\$ 131,713,360	\$ 111,534,000	\$ 118,787,560	\$ 130,551,320	\$ 130,698,860
\$ 216,359,670	\$ 161,543,320	\$ 141,514,260	\$ 161,290,640	\$ 200,137,560	\$ 179,635,140
\$ 3,887,392,138	\$ 2,612,344,760	\$ 2,112,701,000	\$ 2,529,345,160	\$ 2,877,998,120	\$ 2,874,960,960

**City of Gillette, Wyoming  
 Direct and Overlapping Sales Tax Rates  
 Last Ten Fiscal Years**

Fiscal Year <sup>2</sup>	Campbell County <sup>1</sup>	State of Wyoming	TOTAL*
2011	1.00%	4.00%	5.00%
2012	2.00%	4.00%	6.00%
2013	2.00%	4.00%	6.00%
2014	2.00%	4.00%	6.00%
2015	1.00%	4.00%	5.00%
2016	1.00%	4.00%	5.00%
2017	1.00%	4.00%	5.00%
2018	1.00%	4.00%	5.00%
2019	1.00%	4.00%	5.00%
2020	1.00%	4.00%	5.00%

<sup>1</sup> The Campbell County-wide Optional One Percent tax rate may be changed only with the approval of the voters.

<sup>2</sup> Special Purpose Tax of 1.00% - also approved by voters of Campbell County  
 (Effective 10/01/11, Fiscal Year 2012, and collected in full in Fiscal Year 2015; 1% Special Purpose came off 4/1/15)

**Note:** The One Percent Optional Tax Rate may be changed only with the approval of voters.

**Source:** Wyoming Department of Revenue

\*Used to calculate Taxable Sales in Schedule 13

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**City of Gillette, Wyoming**  
**Principal Sales Tax Remitters by Business Activity, Campbell County, Wyoming**  
**Current Year and Nine Years Ago**

Business Activity	Fiscal Year 2020		
	Rank	Tax Liability	Percentage of Total County Liability
Support activities for mining	1	\$ 20,932,949	14.59%
Coal Mining	2	\$ 17,189,786	11.98%
Executive, legislative and general government	3	\$ 11,234,053	7.83%
Building material and supplies dealers	4	\$ 9,336,113	6.51%
Machinery and equipment rental and leasing	5	\$ 7,545,937	5.26%
Machinery and supply merchant wholesalers	6	\$ 6,224,925	4.34%
Auto parts, accessories, and tire stores	7	\$ 4,653,783	3.24%
Other general merchandise stores	8	\$ 4,373,717	3.05%
Automotive repair and maintenance	9	\$ 4,141,468	2.89%
Commercial machinery repair and maintenance	10	\$ 4,133,250	2.88%
Petroleum merchant wholesalers		\$ -	-
Power generation and supply		\$ -	-
<b>Total</b>		<b>\$ 89,765,981</b>	<b>62.55%</b>
<b>Total Campbell County</b>		<b>\$ 143,501,329</b>	

**Notes:** Due to confidentiality issues, the names of the ten largest sales tax remitters are not available. The categories presented are intended to provide alternative information regarding the sources of the city's/county's revenue. This information is only available on a county-wide basis, so this schedule has information for Campbell County as a whole. The population of the City of Gillette is approximately 69.1% of the entire county's population.

**Source:** Wyoming Department of Revenue

<b>Fiscal Year 2011</b>		
Rank	Tax Liability	Percentage of Total County Liability
2	\$ 15,814,086	9.90%
1	\$ 30,513,978	19.10%
3	\$ 7,670,922	4.80%
4	\$ 7,473,964	4.68%
10	\$ 5,341,415	3.34%
8	\$ 5,948,077	3.72%
	\$ -	-
6	\$ 6,517,749	4.08%
	\$ -	-
9	\$ 5,845,772	3.66%
5	\$ 6,844,523	4.28%
7	\$ 6,220,417	3.89%

\$ 98,190,903 61.45%

**\$ 159,797,417**

**City of Gillette, Wyoming**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Bonded Debt	Notes Payable	Certificates of Participation	Wyoming State Land and Investment Loans	Wastewater Fund	Power Fund
2011	\$ -	\$ 632,339	\$ -	\$ 13,779,859	\$ -	\$ -
2012	\$ -	\$ 599,966	\$ -	\$ 13,118,534	\$ -	\$ -
2013	\$ -	\$ 566,194	\$ -	\$ 12,441,620	\$ -	\$ -
2014	\$ -	\$ 531,636	\$ -	\$ 11,742,670	\$ -	\$ -
2015	\$ -	\$ 496,922	\$ -	\$ 11,035,381	\$ -	\$ -
2016	\$ -	\$ 460,835	\$ 11,650,000	\$ 10,306,388	\$ 1,440,465	\$ -
2017	\$ -	\$ 423,951	\$ 10,555,000	\$ 9,558,564	\$ 2,645,046	\$ -
2018	\$ -	\$ 386,224	\$ 9,495,000	\$ 8,801,817	\$ 2,645,046	\$ -
2019	\$ -	\$ 1,631,714	\$ 8,410,000	\$ 8,009,750	\$ 2,517,077	\$ -
2020 <sup>1</sup>	\$ -	\$ 774,033	\$ 7,295,000	\$ 7,205,116	\$ 2,389,595	\$ -

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>1</sup> 2020 Percentage of Personal Income calculated using 2019 Personal Income figures from Demographic and Economic Statistics, as 2020 Personal Income figures are not yet available.

**Source:** City of Gillette, Wyoming Audited Financial Statements  
Regional Economic Information System, Bureau of Economic Analysis

**Business-Type Activities**

<b>Wy. Water Development</b>						
<b>Commission Loans</b>		<b>Capital Leases-Power Fund</b>				
<b>Water Fund</b>	<b>Leases</b>	<b>Premiums/ (Discounts)</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>1</sup></b>	<b>Per Capita</b>	
\$ 1,456,311	\$ 75,715,000	\$ -	\$ 91,583,509	4.05%	\$ 3,053	
\$ 3,619,887	\$ 74,335,000	\$ -	\$ 91,673,387	3.74%	\$ 3,044	
\$ 16,162,201	\$ 72,920,000	\$ -	\$ 102,090,015	4.16%	\$ 3,331	
\$ 19,362,016	\$ 71,460,000	\$ -	\$ 103,096,322	4.38%	\$ 3,222	
\$ 29,591,655	\$ 93,380,000	\$ 2,773,086	\$ 137,277,044	5.10%	\$ 4,221	
\$ 40,131,770	\$ 91,020,000	\$ 2,627,963	\$ 157,637,421	6.66%	\$ 5,174	
\$ 44,328,358	\$ 88,610,000	\$ 2,459,648	\$ 158,580,567	7.02%	\$ 5,091	
\$ 44,328,358	\$ 86,140,000	\$ 2,272,751	\$ 154,069,196	4.98%	\$ 4,777	
\$ 44,328,358	\$ 83,600,000	\$ 2,070,230	\$ 150,567,129	4.63%	\$ 4,728	
\$ 44,328,358	\$ 80,985,000	\$ 1,851,701	\$ 144,828,803	4.45%	\$ 4,543	

**City of Gillette, Wyoming  
 Computation of Direct and Overlapping Debt  
 Last Ten Fiscal Years**

	Fiscal Year			
	2011	2012	2013	2014
Overlapping Net Debt Outstanding				
Campbell County School District	\$ -	\$ -	\$ -	\$ -
Campbell County Hospital District	\$ -	\$ -	\$ -	\$ -
Estimated percentage applicable	n/a	n/a	n/a	n/a
City's Estimated Share of Overlapping Debt	\$ -	\$ -	\$ -	\$ -
City Direct Debt <sup>1</sup>	\$ 632,339	\$ 599,966	\$ 566,194	\$ 531,636
Total Direct and Overlapping Debt	\$ 632,339	\$ 599,966	\$ 566,194	\$ 531,636

**Notes:** These figures represent only that debt which is payable through a general tax levy on the assessed value of the property within Campbell County.

<sup>1</sup> Beginning in 2016, these figures includes Certificates of Participation (COP's) issued to fund construction of Ph II of Student Housing at Gillette College. The COP's were not included on this schedule in previous years.

**Source:** Campbell County Treasurer's Office

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 496,922	\$ 12,110,835	\$ 10,978,951	\$ 9,881,224	\$ 10,041,714	\$ 8,069,033	
\$ 496,922	\$ 12,110,835	\$ 10,978,951	\$ 9,881,224	\$ 10,041,714	\$ 8,069,033	

**City of Gillette, Wyoming  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2020**

Assessed Value	\$ 287,013,552
Debt Limitation (4% of Assessed Value)	\$ 11,480,542
Debt Applicable to Limitation	\$ -
Legal Debt Margin	\$ 11,480,542

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Debt Limit	\$ 8,089,710	\$ 8,328,843	\$ 8,397,794	\$ 8,573,651
Total Net Debt Applicable to Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 8,089,710	\$ 8,328,843	\$ 8,397,794	\$ 8,573,651
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 9,217,168	\$ 9,811,222	\$ 10,381,016	\$ 11,172,464	\$ 11,063,854	\$ 11,480,542
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,217,168	\$ 9,811,222	\$ 10,381,016	\$ 11,172,464	\$ 11,063,854	\$ 11,480,542
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



**City of Gillette, Wyoming**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Years</u>	<u>General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2011 - 2020	\$ -	\$ -	\$ -

Note: The City of Gillette does not currently have, nor has it had for the past ten fiscal years, any reportable outstanding bonded debt.

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**City of Gillette, Wyoming  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Date of Incorporation 1891  
Form of Government Mayor - Council

	Fiscal Year			
	2011	2012	2013	2014
Population (CY Basis) <sup>1</sup>	30,000	30,121	30,646	32,000
Unemployment Rate <sup>2</sup>	4.7%	4.6%	3.9%	3.4%
Median Age <sup>3 6</sup>	29.4	29.9	30.2	30.2
Personal Income (thousands of dollars) <sup>4 6</sup>	\$ 2,263,302	\$ 2,453,949	\$ 2,455,481	\$ 2,352,749
Per Capita Personal Income <sup>4 6</sup>	\$ 48,579	\$ 51,250	\$ 50,969	\$ 48,691
New Single-Family Residential:				
Number of Permits	262	225	143	128
Valuation	\$83,991,719	\$91,337,481	\$ 61,339,415	\$ 57,346,683
New Commercial/Industrial:				
Number of Permits	35	36	28	28
Valuation	\$32,003,194	\$29,860,712	\$ 40,107,881	\$ 45,800,319
Rental Vacancy Rates: <sup>1 7</sup>				
Building rentals	6.3%	7.5%	9.1%	1.3%
Mobile Home Parks	8.3%	8.4%	6.6%	6.3%
Homeowner Vacancy Rate <sup>6 8</sup>	n/a	n/a	n/a	n/a
Rental Vacancy Rate <sup>6 8</sup>	n/a	n/a	n/a	n/a
Area in Square Miles <sup>1</sup>	18.64	19.42	19.42	19.42
Number of Schools (In City of Gillette Only) <sup>5</sup>				
Elementary Schools	8	8	9	9
Junior High Schools	2	2	2	2
High Schools	1	1	1	1
Alternative Transitional Center (For at-risk Students)	1	1	1	1
Total Number of Schools	12	12	13	13
County School Enrollment <sup>5</sup>	8,248	8,368	8,524	8,714
County Student - Teacher Ratio <sup>5</sup>				
Elementary Schools	19.08:1	19.00:1	19.18:1	18.90:1
Secondary Schools	14.91:1	15.33:1	15.46:1	15.06:1

**Source:**

<sup>1</sup> City of Gillette, Planning Division

<sup>2</sup> U.S. Bureau of Labor Statistics

<sup>3</sup> Campbell County Economic Development Corporation and U.S. Census Bureau

<sup>4</sup> Regional Economic Information System, Bureau of Economic Analysis

<sup>5</sup> Campbell County School District

<sup>6</sup> n/a: Data is not yet available. The schedule will be completed as the information becomes available.

<sup>7</sup> Beginning in FY19, the City of Gillette Planning Division no longer collects this data.

<sup>8</sup> Wyoming Department of Administration & Information Economic Analysis Division. This data is only available on a County wide basis, and is presented on a calendar year basis, ending in December 31 of the previous year.

Fiscal Year					
2015	2016	2017	2018	2019	2020
32,520	30,467	31,147	32,252	31,843	31,879
3.8%	6.2%	5.7%	4.3%	3.7%	9.6%
30.4	30.9	30.9	33.5	n/a	n/a
\$ 2,690,020	\$ 2,367,290	\$ 2,258,500	\$ 3,092,300	\$ 3,251,830	n/a
\$ 54,653	\$ 48,507	\$ 48,842	\$ 51,064	\$ 53,438	n/a
142	53	14	30	27	24
\$ 56,780,306	\$ 22,809,688	\$ 5,676,085	\$ 7,448,000	\$ 6,967,500	\$ 7,045,199
30	27	12	16	9	22
\$ 95,279,433	\$ 55,090,590	\$ 13,677,262	\$ 6,261,000	\$ 7,061,500	\$ 7,062,266
5.9%	22.4%	21.5%	7.5%	n/a	n/a
9.1%	22.6%	16.7%	16.9%	n/a	n/a
n/a	1.8%	2.1%	2.1%	3.0%	2.6%
n/a	7.6%	6.6%	7.6%	13.6%	18.8%
21.66	21.66	21.71	23.15	23.15	23.19
9	9	10	10	11	11
2	2	2	2	2	2
1	1	1	2	2	2
1	1	1	1	1	1
13	13	14	15	16	16
8,986	9,038	8,567	8,603	8,612	8,718
18.90:1	18.80:1	18.22:1	18.82:1	18.98:1	18.48:1
15.06:1	16.23:1	15.76:1	15.23:1	17.04:1	17.45:1

**City of Gillette, Wyoming**  
**Principle Employers in Campbell County <sup>1</sup>**  
**Current Year and Nine Years Ago**

Industry	Fiscal Year 2020 <sup>2</sup>	
	Employees	Percentage of Total County Employment
Mining	5,905	23.29%
Total Government	4,824	19.03%
Retail Trade	2,398	9.46%
Construction	2,010	7.93%
Accommodation and Food Services	2,256	8.90%
Wholesale Trade	1,520	6.00%
Health Care and Social Assistance	1,053	4.15%
Transportation and Warehousing	940	3.71%
Administrative and Waste Services	817	3.22%
Other Services, Except Public Administration	736	2.90%
Professional and Technical Services	634	2.50%
Manufacturing	552	2.18%
Finance and Insurance	401	1.58%
Utilities	334	1.32%
Real Estate and Rental and Leasing	335	1.32%
Information	245	0.97%
Management of companies and enterprises	177	0.70%
Arts, Entertainment and Recreation	144	0.57%
Educational Services	72	0.28%
<b>Total</b>	<b>25,353</b>	<b>100.00%</b>
<b>Total Campbell County Employment</b>	<b>25,353</b>	

Sources:

Department of Employment and Workforce Services, State of Wyoming

<sup>1</sup> Information for principle employers by specific employer is not available. Employees by industry is utilized instead. The City of Gillette makes up approximately 69.1% of Campbell County's population.

<sup>2</sup> Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2020 ends on December 31, 2019).

<sup>3</sup> Not Disclosable per Dept. of Employment and Workforce Services, State of Wyoming.

Fiscal Year 2011 <sup>2</sup>

Employees	Percentage of Total County Employment
8,565	30.88%
4,627	16.68%
2,346	8.46%
2,345	8.45%
1,911	6.89%
1,665	6.00%
984	3.55%
915	3.30%
775	2.79%
1,008	3.63%
748	2.70%
538	1.94%
386	1.39%
266	0.96%
292	1.05%
212	0.76%
ND <sup>3</sup>	-
99	0.36%
58	0.21%
<b>27,740</b>	<b>100.00%</b>

**27,740**

**City of Gillette, Wyoming**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2011	2012	2013	2014
<b>General Government</b>				
Finance, Human Resources, Safety	11.75	11.75	12	21.25
Judicial and Legal	8	8	10.5	10.5
City Hall, Buildings & Grounds	8	9	9	9
Planning & Building Inspection	15	14	14	13
Streets, Traffic	17	17	19	19
Parks	10	10	12	12
Central Administration	17.75	16.75	16.75	17.5
Other	22	22	23	23
<b>Police</b>				
Officers and Civilians	68	68	68	67
Dispatch	9	9	9	9
Animal Control/Shelter	6	6	6	6
Other - Grant Funded Positions	3	3	3	3
Code Enforcement	2	2	2	2
Engineering	12	12	12	12
Warehouse & Purchasing	4	4	4	4
Vehicle Maintenance	6	7	7	7
Utilities Administration	21	22	22	12.75
Solid Waste Collection	9	9	9	9
Water & Water Treatment	16	16	18	18
Power	15	15	16	16
Wastewater	11	11	11	11
<b>Total FTE Employees</b>	<b>291.5</b>	<b>292.5</b>	<b>303.25</b>	<b>302</b>
<b>Total Temporary/Seasonal positions <sup>1</sup></b>	<b>35.5</b>	<b>21.0</b>	<b>22.6</b>	<b>19.8</b>

<sup>1</sup> Seasonal/Intern positions are reported as authorized positions rather than as full time equivalents through Fiscal Year 2011; started reporting FTE's beginning in Fiscal Year 2012.

<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
21.75	22.75	20.5	21	22	22
11.5	11.75	10	9	8	8
9	9	7	7	8	8
11	11	8	8.5	8.5	8
18	18	17	18	18	18
12	12	10	10	10	10
19.75	19.75	14.5	14	13	13
23	23	17	17.5	19.5	19
68	69	61	65	65	67
9	11.5	11	11	11	11
7	7	6	7	7	7
4	4	2	2	2	2
2	2	1	1.5	1.5	2
12	12	8	10	10	10
4	4	3	4	4	4
7	7	7	7	7	7
14.75	16.75	16.75	16	17	18
9	9	9	9	9	9
18	18	16	17	17	15
16	18	17	17	16	16
12	14	13	13	16	16
308.75	319.5	274.75	284.5	289.5	290
19.0	19.5	11.0	6.0	14.8	37.0



**City of Gillette, Wyoming**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Police				
Stations	1	1	1	1
Patrol units	38	38	38	38
Public Works				
Refuse collection trucks	8	8	8	8
Streets (miles)	202.9	205.4	209.4	214.4
City parks (acres)	419.3	419.3	421.6	661.1
Bike paths (miles)	40.9	44.9	46.0	46.0
Storm sewers (miles)	90.31	90.31	90.31	96.95
Traffic signals	n/a	59	63	64
Utilities Department				
Water				
Water lines (miles)	262.7	267.3	289.3	291.4
Fire hydrants	2,097	2,150	2,251	2,269
Storage capacity (thousands of gallons)	22,000	22,000	22,000	22,000
Electric				
Electric lines (miles)-includes both transmission & distribution	329.3	336.1	337.9	344.0
Streetlights	2,789	2,927	3,157	3,233
Transformers	2,725	2,762	3,085	3,108
Number of substations	10	10	10	10
Wastewater				
Sanitary sewers (miles)	182.4	183.2	187.4	190.5
Number of manholes	3,629	3,649	3,667	3,690
Treatment capacity (thousands of gallons)	5,120	5,120	5,120	5,120

n/a - Data is not available. This table will be completed as data becomes available in future years.

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
38	38	38	38	43	45
8	8	8	8	8	8
221.1	222.9	222.9	232.8	233.1	233.3
661.1	661.1	661.2	678.5	677.9	677.9
50.8	60.4	75.6	75.7	76.9	77.8
101.17	99.63	101.40	101.50	103.30	103.40
75	98	119	123	137	142
310.7	340.3	357.6	372.6	375.8	376.1
2,305	2,322	2,324	2,348	2,372	2,378
22,000	22,300	22,300	22,300	22,300	24,400
365.0	365.0	374.0	376.0	375.0	375.2
3,346	3,383	3,418	3,556	3,571	3,586
3,227	3,260	3,377	3,347	3,348	3,324
10	10	9	9	9	9
190.5	188.4	188.4	188.4	196.0	196.5
3,718	3,776	3,776	3,779	3,926	3,927
5,120	5,120	5,120	5,120	5,120	5,120

**City of Gillette, Wyoming**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2011	2012	2013	2014
<b>General Government</b>				
Building permits issued	2,721	1,015	866	799
Building inspections conducted	11,471	10,715	9,515	8,176
Gas, Electrical, Plumbing & Mechanical Permits	2,095	2,024	1,795	1,537
Contractor Licences	1,204	1,189	1,161	1,281
<b>Police <sup>1</sup></b>				
Incidents	34,458	34,738	35,536	33,533
Incident reports taken	8,365	8,586	9,824	8,933
Traffic citations	6,315	8,726	4,682	4,058
Physical arrests	3,106	3,506	3,906	3,686
<b>Public Works</b>				
Refuse collected (In Tons per Year)	11,962	12,714	12,667	13,213
Curbside Yard Waste collected (In Tons per Year)	444	545	624	1,281
Acres of parks mowed	n/a	n/a	2,142	2,480
Miles of streets plowed	n/a	n/a	33,972	54,469
<b>Utilities Department</b>				
Meters read - all Utilities (Water, Electric)	289,289	292,484	304,278	309,233
Utility bills mailed	184,546	189,237	194,474	194,687
<b>Wastewater <sup>1</sup></b>				
Daily average flows (Million Gallons per Day)	3.3400	3.1200	3.0200	3.1800
Compost sold (In Yards per Year) <sup>1</sup>	1,463	2,385	2,705	3,164
Yard Waste collected-drop-off site (In Tons per Year)	n/a	n/a	n/a	2,031
<b>Electric</b>				
Amount billed	\$ 23,910,313	\$ 24,086,469	\$ 25,278,925	\$ 26,555,552
<b>Water</b>				
New connections	233	252	125	155
Average Daily Water Production (In millions of gallons) <sup>1</sup>	4.1	4.6	5.1	4.3
Average Daily Consumption per Capita (gallons) <sup>1,2</sup>	148	155	167	140
Peak Water Demand (in millions of gallons)	11.7	13.3	11.1	11.0

<sup>1</sup> Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2020 ends on December 31, 2019)

<sup>2</sup> As of FY 2015 changed this data to Average Daily Consumption per Capita (gallons) to provide more useful data

n/a - Data not available. This chart will be completed as information becomes available.

Fiscal Year					
2015	2016	2017	2018	2019	2020
856	548	491	459	528	1,840
10,430	5,367	3,592	5,447	4,317	4,296
1,717	1,051	823	1,171	981	1,136
1,387	1,325	1,244	1,230	1,192	1,261
36,433	37,005	31,884	28,809	29,216	31,236
9,172	8,583	7,366	6,604	7,359	8,023
4,310	4,729	3,837	3,386	3,373	3,398
3,934	4,672	3,816	3,260	3,210	2,369
13,565	13,073	11,606	11,307	12,632	13,107
692	715	705	747	789	873
3,245	1,643	1,905	3,585	3,666	3,370
34,825	27,065	34,295	40,413	47,972	53,206
309,936	312,420	312,156	316,692	315,408	320,184
199,073	200,928	209,181	200,703	174,259	197,509
3.2500	3.0000	3.0200	3.0000	3.2000	3.0180
2,789	4,460	4,247	2,186	1,804	2,079
4,560	4,918	4,318	4,319	3,908	3,218
\$ 27,410,894	\$ 30,159,956	\$ 31,237,842	\$ 31,892,517	\$ 31,805,355	\$ 31,268,569
259	72	(31)	123	214	85
4.0	4.4	4.6	4.6	4.0	5.5
126	137	140	144	133	167
11.0	10.8	11.9	11.9	9.7	11.5

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## INDEPENDENT AUDITOR'S 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*

To The Honorable Mayor and City Council Members  
**City of Gillette, Wyoming**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Gillette, Wyoming (City)** as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the **City of Gillette, Wyoming's** basic financial statements, and have issued our report thereon dated December 11, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the **City of Gillette, Wyoming'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 **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 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.

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 of Gillette, Wyoming's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*Bennett, Weber & Hermstad, LLP*

Gillette, Wyoming  
December 11, 2020

# **BENNETT, WEBER & HERMSTAD, LLP**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To The Honorable Mayor and City Council Members  
**City of Gillette, Wyoming**

### **Report on Compliance for Each Major Federal Program**

We have audited the **City of Gillette, Wyoming's (City)** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the **City's** major federal programs for the year ended June 30, 2020. The **City's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

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

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

## **Opinion on Each Major Federal Program**

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

## **Report on Internal Control over Compliance**

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

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

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

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

*Bennett, Weber & Hermsstad, LLP*

Gillette, Wyoming  
December 11, 2020



**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, **2020**

(Page 1 of 2)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>Department of Health and Human Services</u>			
Passed Through the State of Wyoming Department of Family Services			
Low Income Home Energy Assistance Program	93.568	-	\$ <b>153,854</b>
Passed Through the State of Wyoming Association of Sheriffs and Chiefs of Police			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance - 2018, 2019 and 2020	93.243	-	<b>7,844</b>
Total Department of Health and Human Services			<b>\$ 161,698</b>
<u>Department of Homeland Security</u>			
Passed Through the State of Wyoming, Office of Homeland Security and Emergency Management			
Homeland Security Grant Program	97.067	17-GPD-GIL-LP-HLE17	\$ <b>2,566</b>
<u>Department of Justice</u>			
Direct Awards:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program - 2018 and 2019	16.607	-	\$ <b>1,175</b>
Passed Through the State of Wyoming Division of Criminal Investigation			
Edward Byrne Memorial Justice Assistance			
Grant Program - 2017 and 2018	16.738	-	\$ <b>43,390</b>
Passed Through the State of Wyoming Office of Attorney General			
Crime Victim Assistance	16.575	2018-VA-GX-0051	\$ <b>77,494</b>
Violence Against Women Formula Grants	16.588	2018-WF-AX-0011	<b>23,229</b>
Total Passed Through the State of Wyoming Office of Attorney General			<b>\$ 100,723</b>
Total Pass Through Awards			<b>\$ 144,113</b>
Total Department of Justice			<b>\$ 145,288</b>

(Continued)

The accompanying notes are an integral part of this schedule.

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, **2020**

(Page 2 of 2)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>Department of Transportation</u>			
Passed Through the State of Wyoming, Department of Transportation			
Highway Safety Cluster			
National Priority Safety Program - 2019 and 2020	20.616	-	\$ <b>39,207</b>
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	-	\$ <b>74,747</b>
Total Department of Transportation			\$ <b>113,954</b>
<u>Executive Office of the President</u>			
Passed Through the State of Wyoming			
Division of Criminal Investigation			
High Intensity Drug Trafficking Areas			
Program - 2019 and 2020	95.001	-	\$ <b>1,448</b>
<u>Department of the Interior</u>			
Passed Through State of Wyoming Department of Environmental Quality			
Abandoned Mine Land Reclamation Program	15.252	-	\$ <b>427,458</b>
Passed Through State of Wyoming Department of State Parks and Cultural Resources, State Historic Preservation Office			
Historic Preservation Fund Grants-In-Aid	15.904	-	\$ <b>3,273</b>
Total Department of Interior			\$ <b>430,731</b>
<u>Department of Energy</u>			
Passed Through Wyoming Business Council Community Development Division, State Energy Office			
State Energy Program	81.041	DE-EE0008670	\$ <b>25,000</b>
<u>Environmental Protection Agency</u>			
Passed Through Campbell County Conservation District			
Non-Point Source Implementation Grants	66.460	NPS2017A	\$ <b>198</b>
Total Expenditures of Federal Awards			\$ <b>880,883</b>

The accompanying notes are an integral part of this schedule.

**CITY OF GILLETTE, WYOMING**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, **2020**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Gillette, Wyoming under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Gillette, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Gillette, Wyoming.

Note 2. Summary of Significant Accounting Policies

- (A) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (B) Pass through identifying numbers are presented where available.
- (C) The City of Gillette, Wyoming did not elect to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3. Amounts Passed Through to Subrecipients

The accompanying Schedule does not reflect any amounts as *Passed Through to Subrecipients*, as the City of Gillette, Wyoming did not subgrant (pass through) any federal awards to subrecipients.

Note 4. Loans Outstanding

The City had previously received federal loan proceeds. There were no current year loan proceeds received during the year ended June 30, 2020. Following is the balance of the federal portion of the loans at June 30, 2020.

Program	CFDA Number	Amount
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant CWSRF Loan #50	66.458	\$ <b>6,265,824</b>



**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, **2020**

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**Section II. Financial Statement Findings**

A. Internal Control Findings

There were no internal control findings.

B. Compliance Findings

There were no compliance findings.

**Section III. Federal Award Findings and Questioned Costs**

There are no findings and questioned costs in 2020.

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**CITY OF GILLETTE, WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Year Ended June 30, **2020**

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1) Prior Year Findings:

There were no prior year findings.

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