

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

For the fiscal year ended  
June 30, 2021

Prepared by:  
Finance Department

**CITY OF GILLETTE, WYOMING**

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# CITY OF GILLETTE, WYOMING

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# INTRODUCTORY SECTION



# CITY OF GILLETTE

## Finance Division

201 E. 5th Street • Gillette, Wyoming 82716

Phone 307.686.5208

[www.gillettewy.gov](http://www.gillettewy.gov)

December 21, 2021

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, 2021.

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, 2021. 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 increased over the last five years, with a significant uptick last year based on the most recent census data. The city currently occupies 23.19 square miles and serves an estimated population of 33,403. 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 affected the world economy, reduced travel and manufacturing at the national and global levels caused the demand for local mineral production to fall to near-historic lows, creating a bleak outlook for the local economy. Over the past six months, the global economy has continued to recover from the pandemic, causing an acute shortage of energy, which, in combination with a world-wide natural gas supply crunch and record-high prices, has helped reignite the demand for coal. Though the immediate coal future is positive, the long-term outlook for coal remains grim, with national and state economists continuing to predict a dismal future for the energy industry. As such, 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 (ITC) 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. The ITC is one of just a few facilities in the world where researchers have the ability to pull power directly from a coal-fired power plant for testing. Construction on the Center is complete, and 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 were delayed because of the pandemic. The ITC was also the testing site for a global competition to develop CO2 emission conversion technologies. The competition's winners were announced in April 2021.

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. As the economy continues to recover, the City is experiencing increasingly lower unemployment rates, with the latest estimates at 2.9%, lower than pre-pandemic levels. Per capita personal income saw only a slight decrease through the pandemic, maintaining at levels that were 8% higher than the dramatic decline in 2016. City-issued building permits are on the rise, increasing by 10% over the prior year. The City's population stabilized and grew after the significant loss in 2016, with the most recent census data indicating an 9.6% increase in the last five years.

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 \$36.5M in 2010 to \$43.1M 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 remained at a consistently low level for the entirety of FY2021. However, the first five months of FY2022 have shown a different trend, with sales tax collections coming in 23% higher than the same time frame the year before due to increased mineral production as discussed earlier.

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 eighth consecutive year of rate increases in the Sewer Fund. The net positions in the Water, Power and Solid Waste Funds were adequate to meet their reserve standards so these rates 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 September 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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized ACFR 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 ACFR 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.

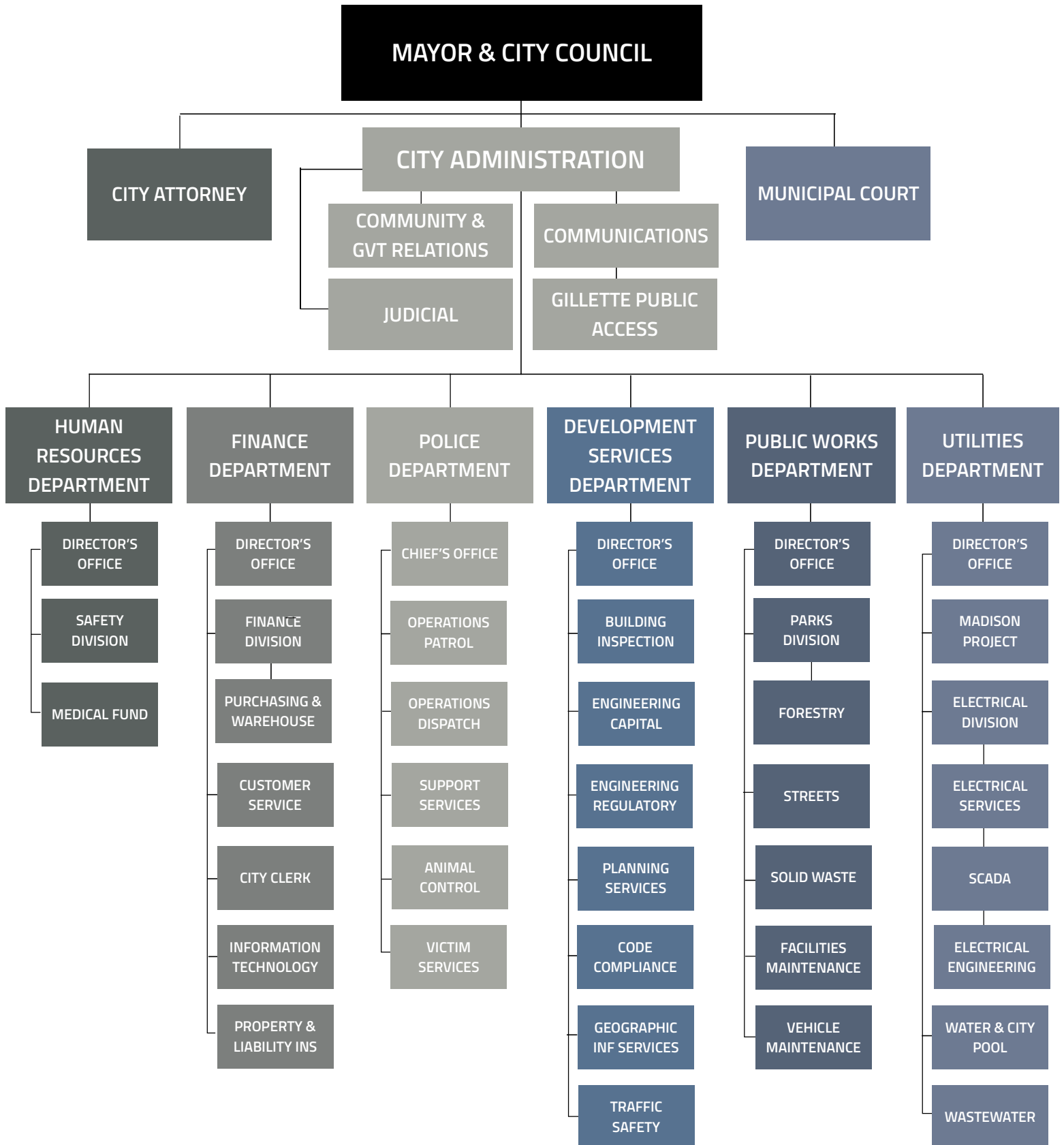
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. It should be noted 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 administration, 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



City of Gillette  
Elected and Appointed Officials  
June 30, 2021

**ELECTED OFFICIALS**

Mayor		Louise Carter-King
City Council	Ward I	Gregory Schreurs Eric Hanson
	Ward II	Billy Montgomery Tim Carsrud
	Ward III	Nathan McLeland Shay Lundvall

**APPOINTED OFFICIALS**

Interim City Administrator	Sawley Wilde
City Attorney	Anthony Reyes
Municipal Court Judges	Jeremy Michaels

**DEPARTMENT HEADS**

Chief of Police	Chuck Deaton
Development Services Director	Ry Muzzarelli
Finance Director	Michelle Henderson
Interim Human Resources Director	Déca Wasson
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, 2020

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

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

**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

Tamara J. Hermstad, CPA  
Ryan J. Gemar, CPA  
Richard L. Klein, CPA  
Paula S. Steiger, CPA  
Jennifer Besich, CPA, EA

sbw@sbwcpas.com  
www.gilletteaccountant.com

319 S. Gillette Avenue, Suite 200  
P.O. Box 2256  
Gillette, WY 82717-2256  
Telephone (307) 682-5250  
Fax (307) 682-6938

## **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, 2021, 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, 2021, 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 required supplementary information on pages 80 through 82, 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 and statistical section are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 20, 2021, 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 20, 2021



## 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, 2021. 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 \$675,035 (*net position*). Of this amount, \$91,537 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net position decreased by \$2,758. The governmental-type net position increased by \$522 primarily due to decreased expenses compared to the prior fiscal year and increased investments in capital assets. The business-type net position decreased by \$3,281 due to a significant increase in expenses which was partially offset by increased 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 \$69,085, a decrease of \$10,202 in comparison with the prior year. Approximately 34 percent of this fund balance, \$23,331, 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 \$1 while the committed fund balance was \$20,817 and the assigned fund balance was \$24,713. 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 \$46,269 during the current fiscal year. The largest cause for the decrease is due to the payment made to the State of Wyoming for the majority of the capital loan for the Gillette Regional Water Supply Project as well as a decrease in the net pension liability. Additionally, payments were made to: the State Land and Investment Board for the Waste Water Treatment Plant debt; 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, and 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 44-79 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 80-82. Individual fund statements for the Nonmajor Enterprise Funds and Internal Service Funds are presented on pages 83-90 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 \$675,035 at the close of the most recent fiscal year. Governmental activities net position was \$279,526 and business-type activities net position was \$395,509.

<b>City of Gillette's Net Position</b>						
Rounded to \$000,s						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	88,435	98,302	101,177	146,508	189,612	244,810
Capital Assets	228,411	219,594	401,308	401,804	629,719	621,398
<b>Total Assets</b>	<b>316,846</b>	<b>317,897</b>	<b>502,486</b>	<b>548,312</b>	<b>819,331</b>	<b>866,208</b>
Deferred Outflows of Resources						
<b>Relating to Pensions</b>	2,688	3,828	656	514	3,345	4,342
Long-term Liabilities Outstanding:	19,473	21,943	99,708	143,508	119,182	165,451
Other Liabilities:	14,738	14,818	6,603	5,354	21,341	20,172
<b>Total Liabilities</b>	<b>34,211</b>	<b>36,761</b>	<b>106,311</b>	<b>148,862</b>	<b>140,522</b>	<b>185,623</b>
Deferred Inflows of Resources						
<b>Relating to Pensions</b>	5,797	5,960	1,322	1,174	7,119	7,134
Net Position:						
Net Investment in Capital Assets	220,313	209,201	306,649	264,274	526,962	473,476
Restricted:	612	680	55,924	97,396	56,536	98,076
Unrestricted:	58,601	69,123	32,936	37,119	91,537	106,241
<b>Total Net Position</b>	<b>279,526</b>	<b>279,004</b>	<b>395,509</b>	<b>398,790</b>	<b>675,035</b>	<b>677,793</b>

The largest portion of the City of Gillette's net position (78 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 (eight percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$91,537) 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.

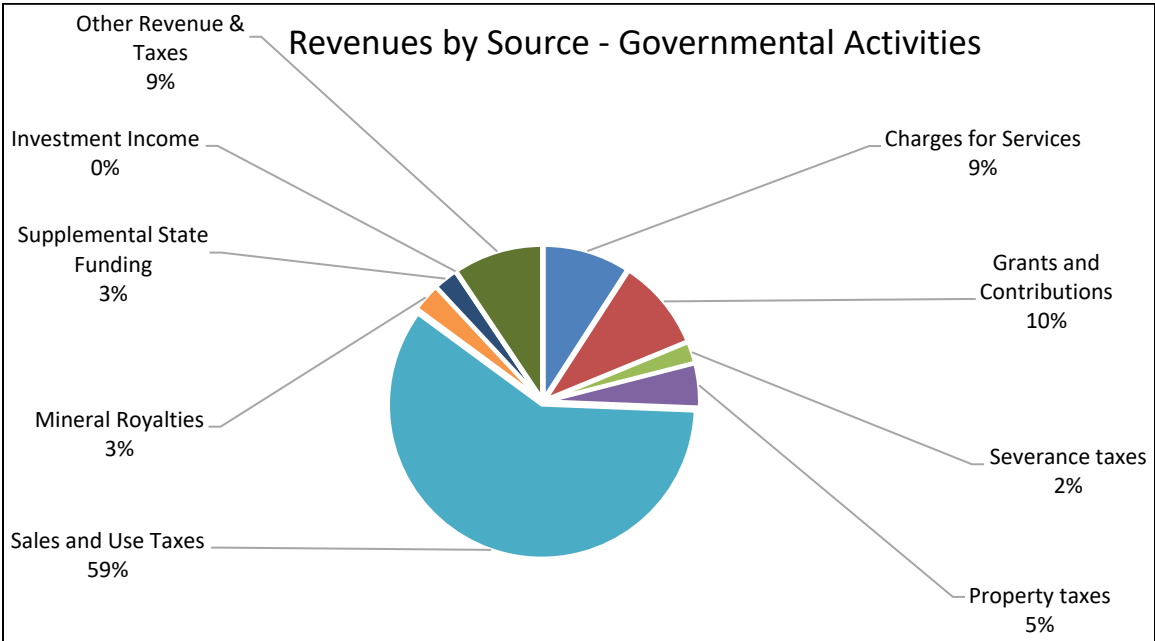
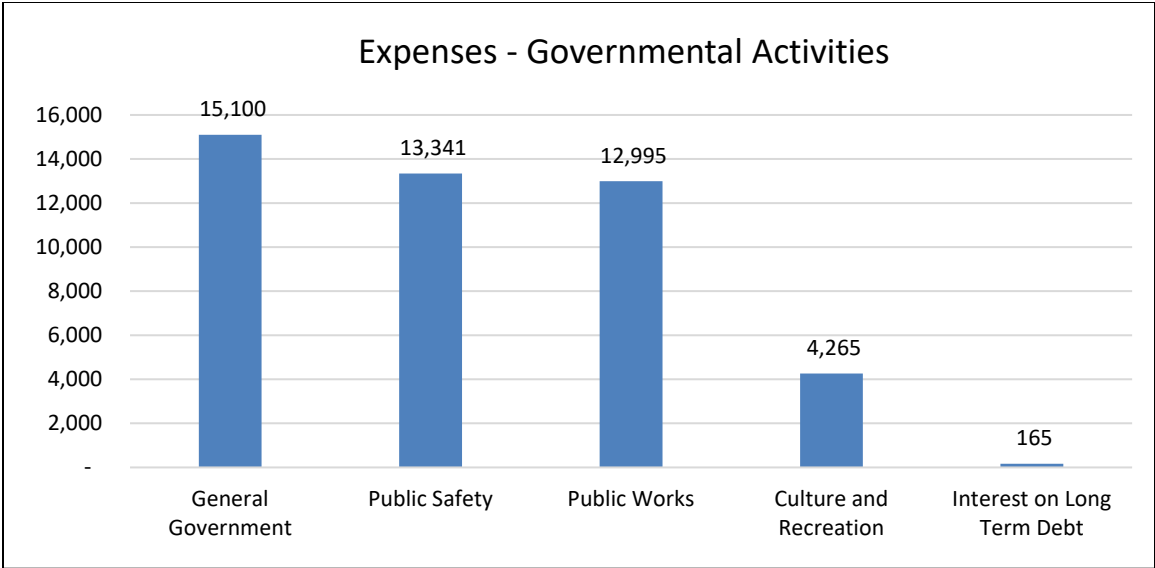
The government's net position decreased by \$2,758, or less than one percent during the current fiscal year. Most of the decrease is due to decreased sales tax collections and return on investments along with increased expenses in the business-type activities in comparison to the prior fiscal year. These decreases are offset by investments in capital assets, net of related debt, which increased substantially from the prior year. 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; Improvements at the Wastewater Treatment Facility and the Annual Water and Sewer Main Replacement projects.

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

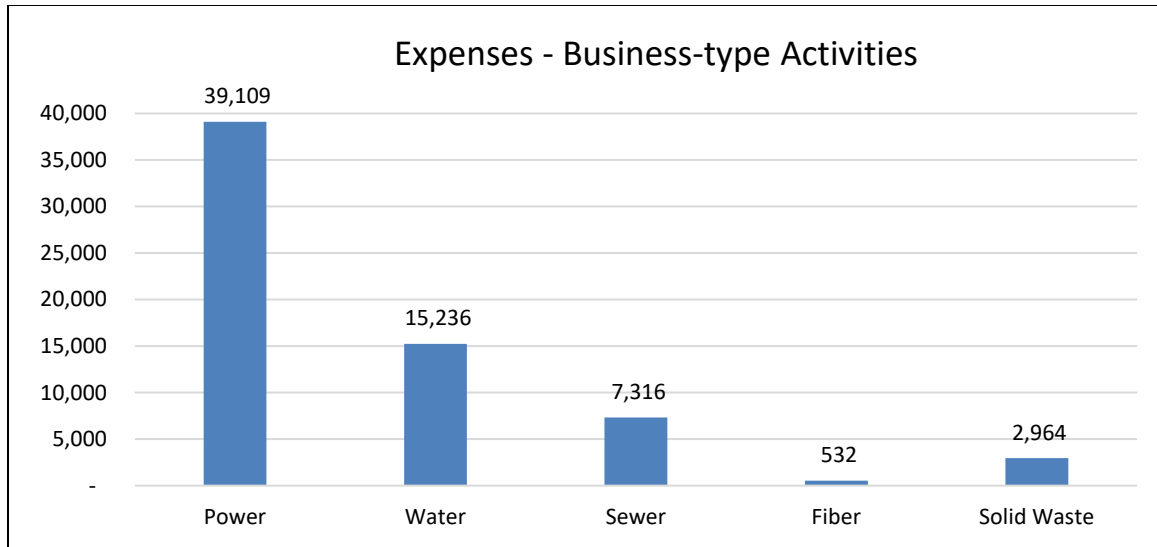
Rounded to \$,000s

	Governmental activities		Business-type activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenues:						
Program revenues:						
Charges for Services	4,743	6,514	52,098	49,767	56,840	56,281
Operating Grants and Contributions	3,757	370	222	-	3,979	370
Capital grants and contributions	1,250	180	3,418	3,566	4,668	3,746
General revenues:						
Severance taxes	1,160	1,106	-	-	1,160	1,106
Property taxes	2,389	2,315	-	-	2,389	2,315
Sales and Use Taxes	30,865	43,071	-	68	30,865	43,139
Other taxes	3,579	3,311	-	-	3,579	3,311
Mineral Royalties	1,543	1,536	-	-	1,543	1,536
Supplemental State Funding	1,311	1,414	-	-	1,311	1,414
Investment Income (Loss)	4	1,766	(148)	3,312	(144)	5,078
Other revenue	1,300	1,179	773	808	2,073	1,986
Special Assessment Revenue	-	-	-	-	-	-
Total revenues	51,902	62,761	56,363	57,522	108,265	120,283
Expenses:						
General Government	15,100	18,632	-	-	15,100	18,632
Public Safety	13,341	12,712	-	-	13,341	12,712
Public Works	12,995	14,120	-	-	12,995	14,120
Culture and Recreation	4,265	4,109	-	-	4,265	4,109
Interest on Long Term Debt	165	221	-	-	165	221
Power	-	-	39,109	31,084	39,109	31,084
Water	-	-	15,236	13,704	15,236	13,704
Sewer	-	-	7,316	7,468	7,316	7,468
Fiber	-	-	532	740	532	740
Solid Waste	-	-	2,964	3,412	2,964	3,412
Total Expenses	45,867	49,794	65,157	56,408	111,023	106,202
Increase/(decrease) in net position before transfers	6,036	12,967	(8,794)	1,114	(2,758)	14,081
Transfers	(5,513)	(3,234)	5,513	3,234	-	-
Increase/(decrease) in net position	522	9,733	(3,281)	4,348	(2,758)	14,081
Net position - Beginning of Fiscal Year	279,004	269,271	398,790	394,441	677,793	663,712
Net position - End of Fiscal Year	279,526	279,004	395,509	398,790	675,035	677,793

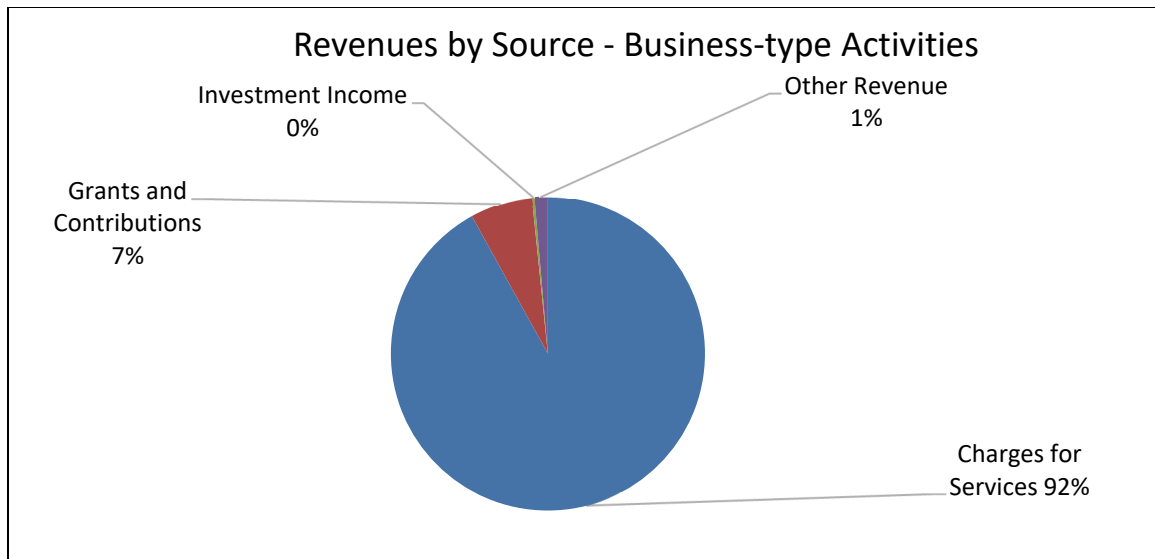
**Governmental activities.** Governmental activities increased the City of Gillette's net position by \$522. The increase in governmental activities resulted mainly from decreased spending. Due to the economic downturn from a few years ago, the City has continued to budget conservatively in line with projected sales and use tax receipts. Near the end of FY2020 sales tax began to decline and this decline continued during FY2021 due to decreased production in the energy industry as well as the pandemic. With the forecasted decrease in sales tax revenue the City reduced their budgeted expenses accordingly. Additionally, the City experienced significant decreases in investment income when compared to the prior fiscal year. These revenue decreases were partially offset by CARES Act funding the City received for COVID relief. There were capital asset transfers from governmental to business-type activities of \$5,513. 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 decreased the City of Gillette’s net position by \$3,281. Decreases in the business-type activity net position resulted primarily from increased expenses in the Power Fund. The Power Fund experienced a significant cost increase due to extraordinary circumstances from Winter Storm Uri in February 2021. The storm affected large parts of the United States and caused blackouts for many homes and businesses across the country, which led to dramatic increases in natural gas and electric energy costs. The Water Fund experienced increased expenses when compared to last fiscal year due to increased maintenance costs. The remaining business-type funds experienced decreased expenses as compared to last year. The overall increase in expenses were partially offset by an increase in net investments in capital assets including power line, sewer line, fiber line and water line construction. There were capital asset transfers from the governmental to business-type activities of \$5,513. 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 \$69,085, a decrease of \$10,202 in comparison with the prior year. As stated in the discussion of the Governmental activities above, this decrease was driven mainly by decreased sales and use tax collections and unfavorable 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 until the end of FY2020 when revenues declined sharply due to the pandemic. Sales tax collections have remained fairly consistent since that time but at a much lower level than the majority of FY2020 . Approximately 34 percent of the ending fund balance (\$23,331) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The unassigned fund balance increased by \$5,117 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 (\$12,833), along with the completion of contracts/projects in progress as of June 30, 2021 (\$7,739).

*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 \$12,250; Water Fund \$12,631; Sewer Fund \$3,766; Solid Waste Fund \$2,151; and the Fiber Fund (\$146). 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 decrease in the total of the net position from FY2020 to FY2021 for the proprietary funds was \$3,728 reflecting an increase in expenses offset by 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 \$28,363 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 FY2019/2020 budget, which for various reasons, were not completed by the City's June 30, 2020 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 FY2020/2021 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 FY2020, and therefore had to be carried over into FY2021, were: Dalbey Park to Gillette College Pathway Project, beautification along Boxelder, park development at the Energy Capital Sports Complex, 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 \$18,098. Total revenues were below budget by \$1,984 mainly due to sales and use tax receipts and investment income that was lower than the adjusted budget for the year. Expenditures were lower than budget by \$20,037 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, 2021 is \$629,719 (net of accumulated depreciation). This represents a net increase (additions, disposals, and depreciation) of \$8,321 or 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 four percent for governmental activities and decreased by less than one percent for business-type activities.

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

- Traffic signal installation at the intersection of 4J and Lakeway
- Continued park development at the Energy Capital Sports Complex
- Foothills Boulevard realignment
- Upgrades to Pump Station No. 1
- Power Line construction including Primary Cable Replacement and conversion of Overhead Line to Underground
- Extension of the Fiber Optic Network
- Improvements 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	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Land	13,451	13,446	662	662	14,113	14,108
Construction in Progress	14,819	13,264	25,920	24,617	40,739	37,881
Infrastructure	151,038	147,026	241,630	241,757	392,668	388,783
Buildings & Improvements	41,777	39,327	116,118	117,061	157,896	156,388
Machinery & Equipment	3,665	3,235	13,729	14,761	17,394	17,996
Allocation of Vehicle Maintenance	3,660	3,296	3,250	2,946	6,910	6,242
<b>Total Assets</b>	<b>228,411</b>	<b>219,594</b>	<b>401,308</b>	<b>401,804</b>	<b>629,719</b>	<b>621,398</b>

Additional information on the City of Gillette's capital assets can be found in note 3.C on pages 59-61 of this report.

**Long-term debt.** At the end of FY2021, the City of Gillette had total long-term debt outstanding of \$119,182 which is a decrease of \$46,269 during the current fiscal year. The main reason for the decrease was due to the loan payment of \$40M to the State of Wyoming for the Gillette Madison Pipeline Project. 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 and the payment made for debt related to the Certificates of Participation for Student Housing Phase II Project.

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 \$11,611. 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, 2021, the City's assessed valuation was \$290,282.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
<b>Long-term Liabilities:</b>						
Accrued Sick Leave	32	46	21	31	53	78
Customer Deposits	-	-	772	779	772	779
Certificate of Participation	6,155	7,295	-	-	6,155	7,295
Net Pension Liability	12,609	13,827	5,541	5,938	18,150	19,765
Subtotal	18,796	21,169	6,334	6,748	25,130	27,917
<b>Capital Loan Agreements</b>						
Special Assessment Debt	677	774	-	-	677	774
Gillette Madison Pipeline	-	-	4,328	44,328	4,328	44,328
Electric Facilities Improvement - Lease Revenue Bonds	-	-	78,270	80,985	78,270	80,985
Plus Bond Premium	-	-	1,642	1,852	1,642	1,852
Southern Industrial Addition	-	-	2,260	2,390	2,260	2,390
Wastewater Treatment Facility Improvements	-	-	6,874	7,205	6,874	7,205
Subtotal	677	774	93,375	136,760	94,052	137,534
<b>Total Long-term Debt</b>	<b>19,473</b>	<b>21,943</b>	<b>99,708</b>	<b>143,508</b>	<b>119,182</b>	<b>165,451</b>

Additional information on the City of Gillette's long-term debt can be found in note 3.F on pages 63-69 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 6.9 percent, which is a decrease compared to the rate a year ago (based upon Campbell County statistical data). This compares unfavorably to both the state's average unemployment rate of 5.4 percent and to the national average rate of 6.1 percent.

All of these factors were considered in preparing the City of Gillette's budget for the 2022 fiscal year.

During the current fiscal year, unassigned fund balance for all governmental funds is \$23,331. The City has appropriated \$20,817 for several major projects and an additional \$24,713 for the operating budget in the 2022 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 2022 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 2021 budget year. The City Council approved a rate increase effective May 1, 2021, for the Sewer Fund. The Sewer rates were adjusted by 15%.

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, 2021

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 7,439,823	\$ 9,537,524	\$ 16,977,347
Cash With Fiscal Agent	94	392,658	392,752
Investments	75,770,562	81,562,106	157,332,668
Accounts Receivable (Net of Allowance for Uncollectibles)	-	1,991,301	1,991,301
Taxes Receivable	3,004,766	-	3,004,766
Unbilled Accounts Receivable	-	2,582,958	2,582,958
Accrued Interest Receivable	42,074	116,622	158,696
Special Assessment Receivable, Restricted	610,822	-	610,822
Other Receivables	259,288	421,931	681,219
Internal Balances	(93,213)	93,213	-
Due From Other Entities	959,506	285,687	1,245,193
Inventories	441,226	4,193,159	4,634,385
Capital Assets:			
Nondepreciable Capital Assets	28,270,338	26,581,640	54,851,978
Depreciable Capital Assets, Net	200,140,406	374,726,852	574,867,258
<b>Total Assets</b>	<b>\$ 316,845,692</b>	<b>\$ 502,485,651</b>	<b>\$ 819,331,343</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 2,688,351	\$ 656,259	\$ 3,344,610
<b>LIABILITIES</b>			
Vouchers Payable	\$ 813,740	\$ 3,349,807	\$ 4,163,547
Contracts and Retainage Payable	1,943,291	1,255,415	3,198,706
Estimated Claims Payable	418,715	160,773	579,488
Accrued Interest Payable	63,602	578,550	642,152
Other Accrued Liabilities	1,882,434	1,133,100	3,015,534
Advance Payments Received on Grants	2,864,364	-	2,864,364
Advance Payments Received for Repairs	-	125,000	125,000
Due To Other Entities	6,751,961	-	6,751,961
Current Portion of Long-Term Debt	1,261,026	4,313,134	5,574,160
Noncurrent Liabilities:			
Long-Term Debt and Other Liabilities	5,602,685	89,854,496	95,457,181
Net Pension Liability	12,609,445	5,540,762	18,150,207
<b>Total Liabilities</b>	<b>\$ 34,211,263</b>	<b>\$ 106,311,037</b>	<b>\$ 140,522,300</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 5,796,825	\$ 1,321,886	\$ 7,118,711
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 220,312,547	\$ 306,649,038	\$ 526,961,585
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	-	44,440,437	44,440,437
Student Housing Project	94	-	94
Gillette Historic Preservation Commission	1,043	-	1,043
Special Assessment Debt	610,822	-	610,822
Unrestricted	58,601,443	32,935,544	91,536,987
<b>Total Net Position</b>	<b>\$ 279,525,955</b>	<b>\$ 395,508,987</b>	<b>\$ 675,034,942</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 15,100,267	\$ 4,519,502	\$ 671,948	\$ 147,988
Public Safety	13,341,118	63,916	2,665,262	25,000
Public Works	12,995,454	159,525	242,563	1,077,165
Culture and Recreation	4,265,042	-	177,159	-
<b>Debt Service:</b>				
Interest and Other Charges	164,702	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 45,866,583</b>	<b>\$ 4,742,943</b>	<b>\$ 3,756,932</b>	<b>\$ 1,250,153</b>
<b>Business-type Activities:</b>				
Power	\$ 39,108,592	\$ 34,429,617	\$ 76,425	\$ 1,370,133
Water	15,235,936	7,975,213	55,024	1,873,947
Sewer	7,315,849	6,358,370	57,913	173,950
Fiber	532,187	184,053	43	-
Solid Waste	2,964,298	3,150,282	32,932	-
<b>Total Business-type Activities</b>	<b>\$ 65,156,862</b>	<b>\$ 52,097,535</b>	<b>\$ 222,337</b>	<b>\$ 3,418,030</b>
<b>Total Primary Government</b>	<b>\$ 111,023,445</b>	<b>\$ 56,840,478</b>	<b>\$ 3,979,269</b>	<b>\$ 4,668,183</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 (Loss)				
Other Revenue				
<b>Transfers</b>				
<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
\$ (9,760,829)	\$ -	\$ (9,760,829)
(10,586,940)	-	(10,586,940)
(11,516,201)	-	(11,516,201)
(4,087,883)	-	(4,087,883)
(164,702)	-	(164,702)
\$ (36,116,555)	\$ -	\$ (36,116,555)
\$ -	\$ (3,232,417)	\$ (3,232,417)
-	(5,331,752)	(5,331,752)
-	(725,616)	(725,616)
-	(348,091)	(348,091)
-	218,916	218,916
\$ -	\$ (9,418,960)	\$ (9,418,960)
\$ (36,116,555)	\$ (9,418,960)	\$ (45,535,515)
\$ 1,160,406	\$ -	\$ 1,160,406
2,389,269	-	2,389,269
1,622,797	-	1,622,797
30,864,973	-	30,864,973
1,075,567	-	1,075,567
672,374	-	672,374
176,163	-	176,163
32,422	-	32,422
1,543,164	-	1,543,164
1,310,576	-	1,310,576
952,954	-	952,954
4,254	(147,833)	(143,579)
347,486	772,838	1,120,324
(5,513,434)	5,513,434	-
\$ 36,638,971	\$ 6,138,439	\$ 42,777,410
\$ 522,416	\$ (3,280,521)	\$ (2,758,105)
279,003,539	398,789,508	677,793,047
\$ 279,525,955	\$ 395,508,987	\$ 675,034,942



**CITY OF GILLETTE, WYOMING**

**BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND**

June 30, 2021

<b>ASSETS</b>	
Cash	\$ 6,666,646
Cash With Fiscal Agent	94
Investments	72,549,252
Taxes Receivable	3,004,766
Accrued Interest Receivable	42,074
Other Receivable	68,725
Due From Other Entities	959,506
Inventories	222,528
<b>Total Assets</b>	<b>\$ 83,513,591</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Vouchers Payable	\$ 692,260
Contracts and Retainage Payable	1,943,291
Other Accrued Liabilities	1,840,991
Advance Payments Received on Grants	2,864,364
Due To Other Funds	335,977
Due To Other Entities	6,751,961
<b>Total Liabilities</b>	<b>\$ 14,428,844</b>
<b>FUND BALANCE</b>	
Nonspendable	\$ 222,528
Restricted	1,143
Committed	20,816,702
Assigned	24,713,222
Unassigned	23,331,152
<b>Total Fund Balance</b>	<b>\$ 69,084,747</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 83,513,591</b>

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, 2021

Total Governmental Fund Balance	\$	<b>69,084,747</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>610,822</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Nondepreciable capital assets	\$	<b>28,270,338</b>
Depreciable assets		<b>331,959,702</b>
Less: accumulated depreciation		<u><b>(135,479,562)</b></u>
		<b>224,750,478</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>7,721,651</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>(28,431)</b>
Net pension liability		<b>(12,609,445)</b>
Certificates of Participation		<b>(6,155,000)</b>
Accrued interest on Certificates of Participation		<u><b>(63,602)</b></u>
		<b>(18,856,478)</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>(676,791)</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>2,688,351</b>
Deferred inflows of resources related to pensions		<u><b>(5,796,825)</b></u>
		<b>(3,108,474)</b>
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b>279,525,955</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, 2021

(Page 1 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Severance	\$ 1,106,585	\$ 1,106,585	\$ 1,160,406	\$ 53,821
Property	2,296,108	2,296,108	2,389,269	93,161
Automobile	963,000	963,000	1,622,797	659,797
Sales and Use	31,850,000	31,850,000	30,864,973	(985,027)
Gasoline	1,261,000	1,261,000	1,075,567	(185,433)
Franchise	764,570	764,570	672,374	(92,196)
Cigarette	198,000	198,000	176,163	(21,837)
Lodging	-	-	32,422	32,422
<b>Total Taxes</b>	<b>\$ 38,439,263</b>	<b>\$ 38,439,263</b>	<b>\$ 37,993,971</b>	<b>\$ (445,292)</b>
Intergovernmental:				
Local and County Sources	\$ 213,799	\$ 336,299	\$ 317,405	\$ (18,894)
State Sources	3,522,116	3,522,116	3,883,131	361,015
Federal Sources	1,790,807	4,577,429	3,896,560	(680,869)
<b>Total Intergovernmental</b>	<b>\$ 5,526,722</b>	<b>\$ 8,435,844</b>	<b>\$ 8,097,096</b>	<b>\$ (338,748)</b>
Other:				
Licenses and Permits	\$ 283,846	\$ 283,846	\$ 286,165	\$ 2,319
Charges for Services	3,892,683	4,080,465	3,949,199	(131,266)
Fines and Fees	337,800	337,800	265,968	(71,832)
Investment Income	1,024,886	1,024,886	2,897	(1,021,989)
Miscellaneous	531,330	594,754	589,097	(5,657)
Special Assessment Revenue	40,983	40,983	69,177	28,194
<b>Total Other</b>	<b>\$ 6,111,528</b>	<b>\$ 6,362,734</b>	<b>\$ 5,162,503</b>	<b>\$ (1,200,231)</b>
<b>Total Revenues</b>	<b>\$ 50,077,513</b>	<b>\$ 53,237,841</b>	<b>\$ 51,253,570</b>	<b>\$ (1,984,271)</b>
<b>EXPENDITURES</b>				
General Government:				
Salaries and Benefits	\$ 8,508,148	\$ 8,514,919	\$ 8,417,662	\$ 97,257
Contractual Services	3,110,426	3,190,131	2,818,374	371,757
Supplies and Materials	1,098,721	1,110,943	888,031	222,912
Capital Outlay	313,000	1,024,316	708,524	315,792
<b>Total General Government</b>	<b>\$ 13,030,295</b>	<b>\$ 13,840,309</b>	<b>\$ 12,832,591</b>	<b>\$ 1,007,718</b>
Public Safety:				
Salaries and Benefits	\$ 9,605,101	\$ 9,600,690	\$ 8,985,783	\$ 614,907
Contractual Services	949,977	1,014,992	804,874	210,118
Supplies and Materials	567,550	565,909	440,309	125,600
Capital Outlay	85,400	120,927	94,697	26,230
<b>Total Public Safety</b>	<b>\$ 11,208,028</b>	<b>\$ 11,302,518</b>	<b>\$ 10,325,663</b>	<b>\$ 976,855</b>

(Continued)

**CITY OF GILLETTE, WYOMING**

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

Year Ended June 30, 2021

(Page 2 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Works:				
Salaries and Benefits	\$ 1,267,243	\$ 1,267,243	\$ 1,247,033	\$ 20,210
Contractual Services	921,702	935,742	951,243	(15,501)
Supplies and Materials	831,144	831,144	690,786	140,358
Capital Outlay	14,526,900	25,326,292	10,536,542	14,789,750
<b>Total Public Works</b>	<b>\$ 17,546,989</b>	<b>\$ 28,360,421</b>	<b>\$ 13,425,604</b>	<b>\$ 14,934,817</b>
Culture and Recreation:				
Salaries and Benefits	\$ 1,176,220	\$ 1,197,838	\$ 1,181,680	\$ 16,158
Contractual Services	434,068	434,068	401,814	32,254
Supplies and Materials	590,469	590,469	573,697	16,772
Capital Outlay	-	5,753,664	3,391,446	2,362,218
<b>Total Culture and Recreation</b>	<b>\$ 2,200,757</b>	<b>\$ 7,976,039</b>	<b>\$ 5,548,637</b>	<b>\$ 2,427,402</b>
Miscellaneous:				
Joint Powers Fire Board Funding	\$ 2,882,601	\$ 2,883,933	\$ 2,856,572	\$ 27,361
Joint Powers Public Land Board Funding	1,056,128	1,084,378	981,514	102,864
Other	2,951,200	8,021,291	7,354,685	666,606
Debt Service:				
Principal	1,140,000	1,140,000	1,237,242	(97,242)
Interest and Other Charges	166,780	166,780	176,482	(9,702)
<b>Total Miscellaneous</b>	<b>\$ 8,196,709</b>	<b>\$ 13,296,382</b>	<b>\$ 12,606,495</b>	<b>\$ 689,887</b>
<b>Total Expenditures</b>	<b>\$ 52,182,778</b>	<b>\$ 74,775,669</b>	<b>\$ 54,738,990</b>	<b>\$ 20,036,679</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,105,265)	\$ (21,537,828)	\$ (3,485,420)	\$ 18,052,408
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 57,925	\$ 57,925	\$ 53,016	\$ (4,909)
Transfers (Out)	(1,050,000)	(6,820,005)	(6,770,005)	50,000
Proceeds From Sale of Capital Assets	-	-	516	516
<b>Total Other Financing (Uses)</b>	<b>\$ (992,075)</b>	<b>\$ (6,762,080)</b>	<b>\$ (6,716,473)</b>	<b>\$ 45,607</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,097,340)</b>	<b>\$ (28,299,908)</b>	<b>\$ (10,201,893)</b>	<b>\$ 18,098,015</b>
FUND BALANCE, BEGINNING JULY 1	79,286,640	79,286,640	79,286,640	-
FUND BALANCE, ENDING JUNE 30	\$ 76,189,300	\$ 50,986,732	\$ 69,084,747	\$ 18,098,015

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, 2021

(Page 1 of 2)

Net Change in Fund Balance - Total Governmental Fund	<b>\$(10,201,893)</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.	<b>(69,177)</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>\$ 18,477,397</b>
Depreciation	<b><u>(10,472,888)</u></b>
	<b>8,004,509</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>(224,522)</b>
Capital contributions and local annexations representing the acquisition value of infrastructure and capital assets annexed and received by the City during the fiscal year ended June 30, 2021. Capital assets and any related capital contributions are not financial resources and are not reported in the funds.	<b>671,912</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>836,741</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>11,780</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>14,261</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>97,242</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, **2021**

(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>\$ 1,140,000</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>241,563</b>
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 522,416</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

June 30, 2021

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 2,986,619	\$ 2,786,123	\$ 2,202,123
Cash With Fiscal Agent	392,658	-	-
Investments	10,060,440	13,402,287	2,424,935
Accounts Receivable, Net of Allowance for Uncollectibles	1,177,167	354,182	291,104
Unbilled Accounts Receivable	1,537,096	678,492	245,326
Accrued Interest Receivable	41,833	72,526	-
Other Receivables	38,237	8,038	37,206
Due From Other Entities	241,412	41,575	2,700
Due From Other Funds	200,000	-	-
Inventories	2,946,812	1,075,114	18,174
<b>Total Current Assets</b>	<b>\$ 19,622,274</b>	<b>\$ 18,418,337</b>	<b>\$ 5,221,568</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	-	44,436,408	-
<b>Total Restricted Assets</b>	<b>\$ 7,983,968</b>	<b>\$ 44,436,408</b>	<b>\$ -</b>
<b>Capital Assets</b>			
Land	\$ 200,903	\$ 194,417	\$ 266,404
Infrastructure	59,080,939	221,450,710	52,276,622
Buildings and Improvements	99,259,801	38,575,405	18,473,993
Machinery and Equipment	13,897,655	17,071,271	3,067,392
Construction in Progress	1,415,601	21,228,161	3,240,430
Less Accumulated Depreciation	(60,781,026)	(67,445,225)	(29,311,991)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>\$ 113,073,873</b>	<b>\$ 231,074,739</b>	<b>\$ 48,012,850</b>
<b>Total Noncurrent Assets</b>	<b>\$ 121,057,841</b>	<b>\$ 275,511,147</b>	<b>\$ 48,012,850</b>
<b>Total Assets</b>	<b>\$ 140,680,115</b>	<b>\$ 293,929,484</b>	<b>\$ 53,234,418</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 347,429	\$ 135,111	\$ 115,812
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers Payable	\$ 2,150,998	\$ 853,595	\$ 48,191
Contracts and Retainage Payable	12,236	758,759	484,420
Estimated Claims Payable	-	-	-
Accrued Interest Payable	431,001	-	147,549
Other Accrued Liabilities	731,001	151,593	148,756
Advance Payments Received for Repairs	-	-	-
Due to Other Funds	-	-	-
Current Maturities of Long-Term Liabilities	3,460,000	-	853,134
<b>Total Current Liabilities</b>	<b>\$ 6,785,236</b>	<b>\$ 1,763,947</b>	<b>\$ 1,682,050</b>
<b>NONCURRENT LIABILITIES</b>			
Customer Deposits	\$ 463,158	\$ -	\$ -
Accrued Sick Leave Payable	1,789	-	8,309
Capital Loan Payable	2,128,941	4,328,358	6,029,124
Lease Revenue Bonds	76,892,376	-	-
Net Pension Liability	2,933,344	1,140,744	977,782
<b>Total Noncurrent Liabilities</b>	<b>\$ 82,419,608</b>	<b>\$ 5,469,102</b>	<b>\$ 7,015,215</b>
<b>Total Liabilities</b>	<b>\$ 89,204,844</b>	<b>\$ 7,233,049</b>	<b>\$ 8,697,265</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 699,822	\$ 272,154	\$ 233,272
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 30,889,320	\$ 225,987,622	\$ 40,654,306
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	-	44,440,437	-
Unrestricted	12,249,590	12,631,333	3,765,387
<b>Total Net Position</b>	<b>\$ 51,122,878</b>	<b>\$ 286,559,392</b>	<b>\$ 44,419,693</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
\$ 1,017,344	\$ 8,992,209	\$ 1,318,492	\$ 10,310,701
-	392,658	-	392,658
1,634,311	27,521,973	4,841,067	32,363,040
168,848	1,991,301	-	1,991,301
122,044	2,582,958	-	2,582,958
2,263	116,622	-	116,622
53,962	137,443	475,051	612,494
-	285,687	-	285,687
-	200,000	335,977	535,977
-	4,040,100	371,757	4,411,857
\$ 2,998,772	\$ 46,260,951	\$ 7,342,344	\$ 53,603,295
\$ -	\$ 7,983,968	\$ -	\$ 7,983,968
-	44,436,408	-	44,436,408
\$ -	\$ 52,420,376	\$ -	\$ 52,420,376
\$ -	\$ 661,724	\$ -	\$ 661,724
6,052,686	338,860,957	-	338,860,957
-	156,309,199	-	156,309,199
413,333	34,449,651	19,000,496	53,450,147
35,724	25,919,916	-	25,919,916
(604,512)	(158,142,754)	(12,090,431)	(170,233,185)
\$ 5,897,231	\$ 398,058,693	\$ 6,910,065	\$ 404,968,758
\$ 5,897,231	\$ 450,479,069	\$ 6,910,065	\$ 457,389,134
\$ 8,896,003	\$ 496,740,020	\$ 14,252,409	\$ 510,992,429
\$ 57,907	\$ 656,259	\$ -	\$ 656,259
\$ 202,955	\$ 3,255,739	\$ 215,548	\$ 3,471,287
-	1,255,415	-	1,255,415
-	-	579,488	579,488
-	578,550	-	578,550
72,745	1,104,095	70,448	1,174,543
-	-	125,000	125,000
200,000	200,000	-	200,000
-	4,313,134	-	4,313,134
\$ 475,700	\$ 10,706,933	\$ 990,484	\$ 11,697,417
\$ -	\$ 463,158	\$ -	\$ 463,158
-	10,098	5,930	16,028
-	12,486,423	-	12,486,423
-	76,892,376	-	76,892,376
488,892	5,540,762	-	5,540,762
\$ 488,892	\$ 95,392,817	\$ 5,930	\$ 95,398,747
\$ 964,592	\$ 106,099,750	\$ 996,414	\$ 107,096,164
\$ 116,638	\$ 1,321,886	\$ -	\$ 1,321,886
\$ 5,867,991	\$ 303,399,239	\$ 6,910,065	\$ 310,309,304
-	7,983,968	-	7,983,968
-	3,500,000	-	3,500,000
-	44,440,437	-	44,440,437
2,004,689	30,650,999	6,345,930	36,996,929
<u>\$ 7,872,680</u>	<u>\$ 389,974,643</u>	<u>\$ 13,255,995</u>	<u>\$ 403,230,638</u>
	5,534,344		
	\$ 395,508,987		



**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, 2021

Total Net Position of the Proprietary Funds		<b>\$389,974,643</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>\$ 4,248,781</b>
	Liability and Property Injury Insurance	<b>375,395</b>
	Health Insurance	<b>910,168</b>
Net Adjustment to Increase Net Position - Total Enterprise Funds		<b>5,534,344</b>
Total Net Position - Business-Type Activities		<b>\$395,508,987</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, 2021

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
OPERATING REVENUES	\$ 31,546,453	\$ 7,975,213	\$ 6,358,370
INTERFUND SERVICE REVENUES	2,883,164	-	-
Total Operating Revenues	\$ 34,429,617	\$ 7,975,213	\$ 6,358,370
OPERATING EXPENSES			
Cost of Power Purchased	\$ 21,748,115	\$ -	\$ -
Salaries and Benefits	3,097,420	1,435,335	1,459,734
Contractual Services	3,029,294	2,305,380	1,598,413
Materials	157,194	1,253,321	443,123
Claims	-	-	-
Repairs and Maintenance	1,527,940	2,539,525	857,210
Supplies	336,801	393,852	172,814
Depreciation	4,266,176	7,201,107	2,548,793
Total Operating Expenses	\$ 34,162,940	\$ 15,128,520	\$ 7,080,087
Operating Income (Loss)	\$ 266,677	\$ (7,153,307)	\$ (721,717)
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Equipment	\$ -	\$ (74,439)	\$ (1,845)
Federal Grants	72,885	52,510	53,965
Other Income	553,890	110,241	104,466
Interest Expense	(4,927,798)	-	(162,847)
Investment Income (Loss)	41,360	(185,663)	(2,706)
Total Nonoperating Revenues (Expenses)	\$ (4,259,663)	\$ (97,351)	\$ (8,967)
(Loss) Before Contributions and Transfers	\$ (3,992,986)	\$ (7,250,658)	\$ (730,684)
Intergovernmental, Federal Direct Payments for Build America Bonds	1,370,133	-	-
Capital Contributions and Local Annexations	-	178,160	173,950
Capital Contributions, Intergovernmental, Federal, State and Local Sources	-	1,695,787	-
Transfers In	656,085	3,404,073	1,775,725
Transfers (Out)	(1,098,632)	(644,112)	(435,239)
Changes in Net Position	\$ (3,065,400)	\$ (2,616,750)	\$ 783,752
NET POSITION, BEGINNING JULY 1	54,188,278	289,176,142	43,635,941
NET POSITION, ENDING JUNE 30	\$ 51,122,878	\$ 286,559,392	\$ 44,419,693
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
\$ 3,334,335	\$ 49,214,371	\$ 8,925,706	\$ 58,140,077
-	2,883,164	-	2,883,164
<u>\$ 3,334,335</u>	<u>\$ 52,097,535</u>	<u>\$ 8,925,706</u>	<u>\$ 61,023,241</u>
\$ -	\$ 21,748,115	\$ -	\$ 21,748,115
694,230	6,686,719	679,396	7,366,115
2,345,385	9,278,472	842,248	10,120,720
-	1,853,638	-	1,853,638
-	-	6,485,618	6,485,618
2,175	4,926,850	219,499	5,146,349
149,326	1,052,793	106,933	1,159,726
186,408	14,202,484	1,280,121	15,482,605
\$ 3,377,524	\$ 59,749,071	\$ 9,613,815	\$ 69,362,886
\$ (43,189)	\$ (7,651,536)	\$ (688,109)	\$ (8,339,645)
\$ -	\$ (76,284)	\$ 34,305	\$ (41,979)
29,140	208,500	33,608	242,108
4,241	772,838	-	772,838
-	(5,090,645)	-	(5,090,645)
(502)	(147,511)	1,035	(146,476)
\$ 32,879	\$ (4,333,102)	\$ 68,948	\$ (4,264,154)
\$ (10,310)	\$ (11,984,638)	\$ (619,161)	\$ (12,603,799)
-	1,370,133	-	1,370,133
-	352,110	-	352,110
-	1,695,787	25,000	1,720,787
1,180,380	7,016,263	1,878,709	8,894,972
-	(2,177,983)	-	(2,177,983)
\$ 1,170,070	\$ (3,728,328)	\$ 1,284,548	\$ (2,443,780)
6,702,610	393,702,971	11,971,447	405,674,418
<u>\$ 7,872,680</u>	<u>\$ 389,974,643</u>	<u>\$ 13,255,995</u>	<u>\$ 403,230,638</u>
	5,534,344		
	\$ 395,508,987		

**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, **2021**

Total Changes in Net Position - Total Enterprise Funds **\$ (3,728,328)**

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>\$ 243,620</b>
	Liability and Property Injury Insurance	<b>(312)</b>
	Health Insurance	<b><u>204,499</u></b>

Net Adjustment to Increase Net Position - Total Enterprise Funds **447,807**

**Total Change in Net Position - Business-Type Activities **\$ (3,280,521)****

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 31,416,432	\$ 7,723,137	\$ 6,289,595
Receipts from Interfund Services Provided	2,883,164	-	-
Payments to Suppliers	(21,078,778)	-	-
Payments to Employees	(3,261,217)	(1,491,334)	(1,521,234)
Payments for Goods and Services	(5,195,503)	(6,517,227)	(3,114,658)
Internal Activity - Payments (To) Other Funds	-	-	-
Other	550,111	108,080	108,261
Net Cash Provided By (Used In ) Operating Activities	\$ 5,314,209	\$ (177,344)	\$ 1,761,964
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal Grants	\$ 72,885	\$ 52,510	\$ 51,265
Increase (Decrease) in Net Amount Due (To) From Other Funds	200,000	-	-
Transfers In	656,085	3,404,073	1,775,725
Transfers (Out)	(1,098,632)	(644,112)	(435,239)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ (169,662)	\$ 2,812,471	\$ 1,391,751
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Taxes Collected	\$ -	\$ 60,183	\$ -
Payments for Capital Acquisitions	(3,259,992)	(5,732,413)	(2,808,101)
Proceeds from Sale of Capital Assets	-	-	-
Proceeds from Capital Grant	-	1,892,750	-
Payments on Capital Loan	(153,549)	(40,000,000)	(511,613)
Payments on Lease Revenue Bonds	(6,573,306)	-	-
Net Cash (Used In) Capital and Related Financing Activities	\$ (9,986,847)	\$ (43,779,480)	\$ (3,319,714)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Increase) Decrease in Investments	\$ (1,873,056)	\$ 40,849,097	\$ 1,118
Investment Income	230,636	635,312	5,777
Net Cash Provided By (Used In) Investing Activities	\$ (1,642,420)	\$ 41,484,409	\$ 6,895
Net Increase (Decrease) in Cash	\$ (6,484,720)	\$ 340,056	\$ (159,104)
Cash and Cash With Fiscal Agent, Beginning July 1	9,863,997	2,446,067	2,361,227
Cash and Cash With Fiscal Agent, Ending June 30	\$ 3,379,277	\$ 2,786,123	\$ 2,202,123
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>			
Operating Income (Loss)	\$ 266,677	\$ (7,153,307)	\$ (721,717)
Adjustments:			
Depreciation	4,266,176	7,201,107	2,548,793
Other Income	553,890	110,241	104,466
Changes in Assets and Liabilities:			
Accounts and Other Receivables	(42,028)	(196,415)	(40,361)
Due To/From Other Funds	-	-	-
Inventories	(177,990)	(562,299)	(818)
Deferred Outflows of Resources Relating to Pensions	(75,532)	(29,374)	(25,178)
Vouchers Payable	669,337	479,328	(66,899)
Accrued Expenses and Customer Deposits	(14,658)	24,577	7,567
Estimated Claims Payable	-	-	-
Advanced Payments Received for Repairs	-	-	-
Net Pension Liability	(210,111)	(81,710)	(70,037)
Deferred Inflows of Resources Relating to Pensions	78,448	30,508	26,148
Net Cash Provided By (Used In) Operating Activities	\$ 5,314,209	\$ (177,344)	\$ 1,761,964
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Contributions of Capital and Local Annexations	\$ -	\$ 178,160	\$ 173,950
Net (Decrease) In Fair Value of Investments	\$ (183,495)	\$ (789,073)	\$ (8,483)

See Notes to the Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 3,282,216	\$ 48,711,380	\$ -	\$ 48,711,380
-	2,883,164	11,479,195	14,362,359
-	(21,078,778)	-	(21,078,778)
(721,533)	(6,995,318)	(676,210)	(7,671,528)
(2,507,829)	(17,335,217)	(9,459,358)	(26,794,575)
-	-	(50,810)	(50,810)
14,741	781,193	-	781,193
\$ 67,595	\$ 6,966,424	\$ 1,292,817	\$ 8,259,241
\$ 29,140	\$ 205,800	\$ 33,608	\$ 239,408
(200,000)	-	-	-
1,180,380	7,016,263	1,878,709	8,894,972
-	(2,177,983)	-	(2,177,983)
\$ 1,009,520	\$ 5,044,080	\$ 1,912,317	\$ 6,956,397
\$ -	\$ 60,183	\$ -	\$ 60,183
(811,901)	(12,612,407)	(1,990,535)	(14,602,942)
-	-	102,252	102,252
-	1,892,750	-	1,892,750
-	(40,665,162)	-	(40,665,162)
-	(6,573,306)	-	(6,573,306)
\$ (811,901)	\$ (57,897,942)	\$ (1,888,283)	\$ (59,786,225)
\$ (13,848)	\$ 38,963,311	\$ (1,429,864)	\$ 37,533,447
15,599	887,324	8,746	896,070
\$ 1,751	\$ 39,850,635	\$ (1,421,118)	\$ 38,429,517
\$ 266,965	\$ (6,036,803)	\$ (104,267)	\$ (6,141,070)
750,379	15,421,670	1,422,759	16,844,429
\$ 1,017,344	\$ 9,384,867	\$ 1,318,492	\$ 10,703,359
\$ (43,189)	\$ (7,651,536)	\$ (688,109)	\$ (8,339,645)
186,408	14,202,484	1,280,121	15,482,605
4,241	772,838	-	772,838
(32,378)	(311,182)	2,428,489	2,117,307
-	-	(50,810)	(50,810)
-	(741,107)	(81,005)	(822,112)
(12,589)	(142,673)	-	(142,673)
(20,184)	1,061,582	73,479	1,135,061
7,230	24,716	3,186	27,902
-	-	125,000	125,000
-	-	(1,797,534)	(1,797,534)
(35,019)	(396,877)	-	(396,877)
13,075	148,179	-	148,179
\$ 67,595	\$ 6,966,424	\$ 1,292,817	\$ 8,259,241
\$ -	\$ 352,110	\$ 25,000	\$ 377,110
\$ (18,364)	\$ (999,415)	\$ (7,711)	\$ (1,007,126)

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

June 30, 2021

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
<b>ASSETS</b>		
Investments, at Fair Value:		
Money Market Mutual Funds	\$ 4,985,617	\$ -
Due From Other Entities	-	9,100
<b>Total Assets</b>	<b>\$ 4,985,617</b>	<b>\$ 9,100</b>
<b>NET POSITION</b>		
Held in Trust Restricted for Retiree Health Benefit Plan	\$ 4,985,617	\$ -
Restricted for Individuals, Organizations, and Other Governments	-	9,100
<b>Total Net Position</b>	<b>\$ 4,985,617</b>	<b>\$ 9,100</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, 2021

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
<b>ADDITIONS</b>		
Contributions:		
Participants	\$ -	\$ 158,945
Investment Earnings:		
Interest, Dividends and Other	530	-
<b>Total Additions</b>	<b>\$ 530</b>	<b>\$ 158,945</b>
<b>DEDUCTIONS</b>		
Benefits Paid to Retiree Participant or Eligible Spouse	\$ 585,162	\$ -
Administrative Expenses	13,542	-
Participant Reimbursements	-	157,044
<b>Total Deductions</b>	<b>\$ 598,704</b>	<b>\$ 157,044</b>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>\$ (598,174)</b>	<b>\$ 1,901</b>
<b>NET POSITION, BEGINNING July 1</b>	<b>5,583,791</b>	<b>7,199</b>
<b>NET POSITION, ENDING June 30</b>	<b>\$ 4,985,617</b>	<b>\$ 9,100</b>

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. The Mayor and Council members are elected to serve a four-year term.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity as Amended by GASB Statements Nos. 39 and 61*, entities over which the City has significant operational or financial relationships such as boards, commissions and authorities are considered component units. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the City). Blended requires the component unit's balances and transactions to be reported with the balances and transactions of the City.

The Consolidated Wyoming Municipalities Electric Power System Joint Powers Board ("The Board") was established in 1984 by a Joint Powers Agreement between the City of Gillette and Torrington. It was amended in 2007 to include Basin, Wyoming. This Joint Powers Board was created under a Wyoming statute that allows Wyoming municipalities who owned electrical systems before March 1, 1975, to finance expansions to their electrical systems by bonds issued by the Joint Powers Board. The Joint Powers Board has nine members, three of whom are appointed by Gillette, three by Torrington, and three by Basin. The Board has authority to issue revenue bonds to finance specified projects; the bonds are considered to be Conduit Debt of The Board, and as such the assets and corresponding debt are reported by the entity responsible for repayment. Since The Board does not meet the definition of a component unit, the financial transactions of The Board are not included in these financial statements.

The City used The 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. The purchase of the power plant and simple-cycle gas turbine facility and the related debt have been included in the City's Power Enterprise Fund in the accompanying 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.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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.

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.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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.

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.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

#### 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 funds." 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 2020 and prior years which were collectible during the year ended June 30, 2021. 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 \$44,436,408 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. Impairments

The City evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The City will consider an asset impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life-cycle of the capital asset. The City will recognize an impairment loss when the City considers a capital asset impaired and will recognize the capital asset at the lower of carrying value or fair value.

#### 7. 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)

#### 8. 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.

#### 9. 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.

#### 10. 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.

#### 11. 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.

#### 12. 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, 2021 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 208 days but the weighted average maturity of this fund for the City is 1 day at June 30, 2021, 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, 2021:

##### Primary Government

- Certificates of Deposit of \$3,000,000 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 \$95,397,854, application of the June 30, 2021 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 \$27,574,690 and U.S. and Supra-National Agencies/Federal Agencies of \$31,360,124 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 \$4,985,617, 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 Funds (Continued)**

Investments - As of June 30, 2021, 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		7/2/21
Certificate of Deposit	2,000,000	N/A		5/21/22
Wyoming State Asset Reserve (WYO-STAR)	95,397,854	N/A	1	
US Treasury Notes				
1.500% 10/31/19 (CUSIP912828YP9)	236,138			10/31/21
US Treasury Notes				
1.875% 3/31/17 (CUSIP912828W89)	724,608			3/31/22
US Treasury Notes				
0.125% 7/31/20 (CUSIP91282CAC5)	200,031			7/31/22
US Treasury Notes				
1.375% 10/15/19 (CUSIP912828YK0)	1,990,931			10/15/22
US Treasury Notes				
0.125% 10/31/20 CUSIP91282CAR2)	1,999,375			10/31/22
US Treasury Notes				
1.625% 5/31/16 (CUSIP912828R69)	1,098,255			5/31/23
US Treasury Notes				
2.750% 7/31/18 (CUSIP912828Y61)	1,083,270			7/31/23
US Treasury Notes				
2.625% 12/31/18 (CUSIP912828SU0)	1,896,530			12/31/23
US Treasury Notes				
2.500% 1/31/19 (CUSIP9128285Z9)	712,125			1/31/24
US Treasury Notes				
2.375% 2/28/19 (CUSIP9128286G0)	842,125			2/29/24
US Treasury Notes				
1.875% 8/31/17 (CUSIP9128282U3)	2,920,750			8/31/24
US Treasury Notes				
1.500% 10/31/19 (CUSIP912828YM6)	309,563			10/31/24
US Treasury Notes				
2.250% 1/2/18 (CUSIP9128283P3)	825,338			12/31/24
US Treasury Notes				
0.375% 12/31/20 (CUSIP91282CBC4)	416,899			12/31/25
US Treasury Notes				
0.375% 12/31/20 (CUSIP91282CBC4)	613,086			12/31/25
US Treasury Notes				
0.375% 1/31/21 (CUSIP91282CBH3)	441,000			1/31/26
US Treasury Notes				
0.500% 2/28/21 (CUSIP91282CBO3)	359,411			2/28/26
Asian Development Bank Supranatl				
0.625% 4/7/20 (CUSIP045167ET6)	351,293	AAA		4/7/22
African Development Bank Supranatl				
0.750% 4/13/20 (CUSIP008281BC0)	403,210	AAA		4/3/23
Intl Bk of Recon and Dev Note				
0.125% 4/20/21 (CUSIP459058JV6)	209,489	AAA		4/20/23
Asian Development Bank Notes				
0.250% 7/14/20 (CUSIP045167EV1)	274,607	AAA		7/14/23
Asian Development Bank Notes				
0.250% 10/6/20 (CUSIP045167EX7)	369,412	AAA		10/6/23
Intl Bk Recon & Develop Notes				
0.250% 11/24/20 (CUSIP459058JM6)	214,383	AAA		11/24/23
Asian Development Bank Corporate				
0.375% 6/9/21 (CUSIP045167FE8)	283,979	AAA		6/11/24
Inter-American Devel Bk Notes				
1.750% 1/16/20 (CUSIP4581X0DK1)	311,510	AAA		3/14/25
Asian Development Bank Notes				
0.500% 2/4/21 (CUSIP045167EZ2)	462,515	AAA		2/4/26
FHMS K043 A2				
3.062% 3/1/15 (CUSIP3137BGK24)	252,515	AAA		12/1/24
FHMS KJ30 A1				
0.526% 7/1/20 (CUSIP3137FUZN7)	191,833	AAA		1/1/25
FHMS KJ32 A1				
0.516% 11/1/20 (CUSIP3137F72U8)	110,294	AAA		6/1/25
Federal Farm Credit Bank Notes				
0.250% 5/2/20 (CUSIP3133ELE75)	800,983	AAA		6/2/22
Federal Home Loan Bank Notes				
0.250% 6/12/20 (CUSIP3130AJPU7)	200,246	AAA		6/3/22

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government (Continued)</b>				
Freddie Mac Notes 0.125% 7/23/20 (CUSIP3137EAET2)	\$ 179,998	AAA		7/25/22
Federal Homes Loan Banks Notes 1.375% 2/21/20 (CUSIP3130AJ7E3)	1,334,990	AAA		2/17/23
Freddie Mac Notes 0.375% 4/20/20 (CUSIP3137EAE08)	300,833	AAA		4/20/23
Freddie Mac Notes 0.375% 5/7/20 (CUSIP3137EAER6)	285,757	AAA		5/5/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G0403)	235,086	AAA		5/22/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G0403)	250,092	AAA		5/22/23
Freddie Mac Notes 0.250% 6/26/20 (CUSIP3137EAES4)	360,067	AAA		6/26/23
Fannie Mae Notes 0.250% 7/10/20 (CUSIP3135G05G4)	284,955	AAA		7/10/23
Fannie Mae Notes 0.300% 8/10/20 (CUSIP3135G05R0)	299,943	AAA		8/10/23
Freddie Mac Notes 0.250% 12/4/20 (CUSIP3137EAFA2)	998,123	AAA		12/4/23
Federal Farm Credit Bank Notes 0.875% 4/8/20 (CUSIP3133ELVX9)	301,612	AAA		4/8/24
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	309,553	AAA		2/12/25
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	1,135,027	AAA		2/12/25
Fannie Mae Notes 0.625% 4/24/20 (CUSIP3135G03U5)	599,261	AAA		4/22/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	297,686	AAA		6/17/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	744,215	AAA		6/17/25
Freddie Mac Notes 0.375% 7/23/20 (CUSIP3137EAEU9)	177,632	AAA		7/21/25
Fannie Mae Notes 0.375% 8/27/20 (CUSIP3135G05X7)	419,108	AAA		8/25/25
Fannie Mae Notes 0.375% 8/27/20 (CUSIP3135G05X7)	493,069	AAA		8/25/25
Federal Home Loan Bank Notes 0.375% 9/11/20 (CUSIP3130AK5E2)	59,041	AAA		9/4/25
Freddie Mac Notes 0.375% 9/25/20 (CUSIP3137EAEX3)	408,969	AAA		9/23/25
Fannie Mae Notes 0.500% 11/12/20 (CUSIP3135G06G3)	222,553	AAA		11/7/25
Fannie Mae Notes 0.500% 11/12/20 (CUSIP3135G06G3)	395,649	AAA		11/7/25
US Treasury Notes 1.500% 10/31/19 (CUSIP912828YP9)	391,889			10/31/21
US Treasury Notes 2.500% 1/15/19 (CUSIP912828V8)	151,946			1/15/22
US Treasury Notes 1.500% 2/2/15 (CUSIP912828H86)	216,781			1/31/22
US Treasury Notes 1.875% 3/31/17 (CUSIP912828W89)	831,019			3/31/22
US Treasury Notes 0.125% 7/31/20 (CUSIP91282CAC5)	100,016			7/31/22
US Treasury Notes 0.125% 7/31/20 (CUSIP91282CAC5)	435,068			7/31/22
US Treasury Notes 1.375% 10/15/19 (CUSIP912828YK0)	345,366			10/15/22
US Treasury Notes 0.125% 11/30/20 (CUSIP91282CAX9)	189,911			11/30/22

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 3. Detailed Notes on All Funds (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)	\$ 581,110			12/31/23
US Treasury Notes 2.125% 2/28/17 (CUSIP912828W48)	313,875			2/29/24
US Treasury Notes 2.000% 6/30/17 (CUSIP912828XX3)	261,445			6/30/24
US Treasury Notes 1.875% 8/31/17 (CUSIP912828U3)	704,110			8/31/24
US Treasury Notes 2.625% 4/2/18 (CUSIP9128284F4)	155,739			3/31/25
US Treasury Notes 0.375% 12/31/20 (CUSIP91282CBC4)	171,664			12/31/25
US Treasury Notes 0.375% 12/31/20 (CUSIP91282CBC4)	220,711			12/31/25
Asian Development Bank Supranatl 0.625% 4/7/20 (CUSIP045167ET6)	115,425	AAA		4/7/22
African Development Bank Supranatl 0.750% 4/3/20 (CUSIP008281BC0)	201,605	AAA		4/3/23
Intl Bk of Recon and Dev Note 0.125% 4/20/21 (CUSIP459058JV6)	69,830	AAA		4/20/23
Asian Development Bank Notes 0.250% 7/14/20 (CUSIP045167EV1)	99,857	AAA		7/14/23
Asian Development Bank Notes 0.250% 10/6/20 (CUSIP045167EX7)	124,801	AAA		10/6/23
Intl Bk Recon & Develop Notes 0.250% 11/24/20 (CUSIP459058JM6)	69,799	AAA		11/24/23
Asian Development Bank Corporate 0.375% 6/9/21 (CUSIP045167FE8)	94,660	AAA		6/11/24
Inter-American Devel Bk Notes 1.750% 1/16/20 (CUSIP4581X0DK1)	103,837	AAA		3/14/25
Inter-American Devel Bk Notes 1.750% 4/16/20 (CUSIP4581X0DK1)	155,755	AAA		3/14/25
Asian Development Bank Notes 0.500% 2/4/21 (CUSIP045167EZ2)	152,532	AAA		2/4/26
FHMS K043 A2 3.062% 3/1/15 (CUSIP3137BGK24)	91,335	AAA		12/1/24
FHMS KJ30 A1 0.526% 7/1/20 (CUSIP3137FUZN7)	67,142	AAA		1/1/25
FHMS KJ32 A1 0.516% 11/1/20 (CUSIP3137F2U8)	35,452	AAA		6/1/25
Federal Home Loan Bank Notes 0.250% 6/12/20 (CUSIP3130AJPU7)	100,123	AAA		6/3/22
Federal Home Loan Bank Notes 2.125% 6/1/12 (CUSIP313379O69)	178,308	AAA		6/10/22
Freddie Mac Notes 0.125% 7/23/20 (CUSIP3137EAET2)	59,999	AAA		7/25/22
Federal Home Loan Bank Notes 1.375% 2/21/20 (CUSIP3130AJ7E3)	463,680	AAA		2/17/23
Freddie Mac Notes 0.375% 4/20/20 (CUSIP3137EAE08)	100,278	AAA		4/20/23
Freddie Mac Notes 0.375% 5/7/20 (CUSIP3137EAER6)	375,996	AAA		5/5/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G0403)	80,029	AAA		5/22/23
Freddie Mac Notes 0.250% 6/26/20 (CUSIP3137EAES4)	135,025	AAA		6/26/23
Fannie Mae Notes 0.250% 7/10/20 (CUSIP3135G05G4)	94,985	AAA		7/10/23
Fannie Mae Notes 0.300% 8/10/20 (CUSIP3135G05R0)	99,981	AAA		8/10/23

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government (Continued)</b>				
Freddie Mac Notes 0.250% 9/4/20 (CUSIP3137EAEW5)	\$ 64,961	AAA		9/8/23
Freddie Mac Notes 0.250% 9/4/20 (CUSIP3137EAEW5)	84,949	AAA		9/8/23
Fannie Mae Notes 0.250% 11/25/20 (CUSIP3135G06H1)	84,882	AAA		11/27/23
Freddie Mac Notes 0.250% 12/4/20 (CUSIP3137EAF2)	89,831	AAA		12/4/23
Federal Farm Credit Bank Notes 0.875% 4/8/20 (CUSIP3133ELVX9)	100,537	AAA		4/8/24
Freddie Mac Notes 1.500% 12/14/20 (CUSIP3137EAE0)	103,184	AAA		2/12/25
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAE0)	232,165	AAA		2/12/25
Fannie Mae Notes 0.625% 4/24/20 (CUSIP3135G03U5)	284,649	AAA		4/22/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	99,229	AAA		6/17/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	148,843	AAA		6/17/25
Freddie Mac Notes 0.375% 7/23/20 (CUSIP3137EAEU9)	59,211	AAA		7/21/25
Fannie Mae Notes 0.375% 8/27/20 (CUSIP3135G05X7)	98,614	AAA		8/25/25
Fannie Mae Notes 0.375% 8/27/20 (CUSIP3135G05X7)	138,059	AAA		8/25/25
Federal Home Loan Bank Notes 0.375% 9/11/20 (CUSIP3130AK5E2)	19,680	AAA		9/4/25
Freddie Mac Notes 0.375% 9/25/20 (CUSIP3137EAEX3)	137,966	AAA		9/23/25
Fannie Mae Notes 0.500% 11/12/20 (CUSIP3135G06G3)	89,021	AAA		11/7/25
US Treasury Notes 1.875% 3/31/17 (CUSIP912828W89)	587,794			3/31/22
US Treasury Notes 0.125% 7/31/20 (CUSIP91282CAC5)	100,016			7/31/22
US Treasury Notes 1.375% 10/15/19 (CUSIP912828YK0)	711,047			10/15/22
US Treasury Notes 0.125% 10/31/20 (CUSIP91282CAR2)	129,960			10/31/22
US Treasury Notes 1.625% 5/31/16 (CUSIP912828R69)	703,089			5/31/23
US Treasury Notes 2.625% 12/31/18 (CUSIP912828U0)	713,180			12/31/23
US Treasury Notes 2.500% 1/31/19 (CUSIP912828Z9)	295,400			1/31/24
US Treasury Notes 2.125% 2/28/17 (CUSIP912828W48)	601,594			2/29/24
US Treasury Notes 1.875% 8/31/17 (CUSIP912828U3)	938,813			8/31/24
US Treasury Notes 2.625% 4/2/18 (CUSIP9128284F4)	268,516			3/31/25
US Treasury Notes 0.375% 12/31/20 (CUSIP91282CBC4)	24,524			12/31/25
US Treasury Notes 0.375% 12/31/20 (CUSIP91282CBC4)	245,234			12/31/25
US Treasury Notes 0.375% 1/31/21 (CUSIP91282CBH3)	318,500			1/31/26
US Treasury Notes 0.500% 2/28/21 (CUSIP91282CBO3)	196,938			2/28/26

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government (Continued)</b>				
Asian Development Bank Supranatl 0.625% 4/7/20 (CUSIP045167ET6)	\$ 115,425	AAA		4/7/22
African Development Bank Supranatl 0.750% 4/3/20 (CUSIP008281BC0)	201,605	AAA		4/3/23
Intl Bk of Recon and Dev Note 0.125% 4/20/21 (CUSIP459058JV6)	69,830	AAA		4/20/23
Asian Development Bank Notes 0.250% 7/14/20 (CUSIP045167EV1)	99,857	AAA		7/14/23
Asian Development Bank Notes 0.250% 10/6/20 (CUSIP045167EX7)	124,801	AAA		10/6/23
Intl Bk Recon & Develop Notes 0.250% 11/24/20 (CUSIP459058JM6)	69,799	AAA		11/24/23
Asian Development Bank Corporate 0.375% 6/9/21 (CUSIP045167FE8)	94,660	AAA		6/11/24
Inter-American Devel Bk Notes 1.750% 1/16/20 (CUSIP4581X0DK1)	103,837	AAA		3/14/25
Asian Development Bank Notes 0.500% 2/4/21 (CUSIP045167EZ2)	152,532	AAA		2/4/26
FHMS K043 A2 3.062% 3/1/15 (CUSIP3137BGK24)	91,335	AAA		12/1/24
FHMS KJ30 A1 0.526% 7/1/20 (CUSIP3137FUZN7)	67,142	AAA		1/1/25
FHMS KJ32 A1 0.516% 11/1/20 (CUSIP3137F2U8)	35,452	AAA		6/1/25
Federal Home Loan Bank Notes 0.250% 6/12/20 (CUSIP3130AJPU7)	100,123	AAA		6/3/22
Freddie Mac Notes 0.125% 7/23/20 (CUSIP3137EAET2)	59,999	AAA		7/25/22
Federal Home Loan Bank Notes 1.375% 2/21/20 (CUSIP3130AJ7E3)	422,917	AAA		2/17/23
Freddie Mac Notes 0.375% 4/20/20 (CUSIP3137EAE08)	100,278	AAA		4/20/23
Freddie Mac Notes 0.375% 5/7/20 (CUSIP3137EAER6)	95,252	AAA		5/5/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G0403)	80,029	AAA		5/22/23
Fannie Mae Notes 0.250% 5/22/20 (CUSIP3135G0403)	300,110	AAA		5/22/23
Freddie Mac Notes 0.250% 6/26/20 (CUSIP3137EAES4)	145,027	AAA		6/26/23
Fannie Mae Notes 0.250% 7/10/20 (CUSIP3135G05G4)	94,985	AAA		7/10/23
Fannie Mae Notes 0.300% 8/10/20 (CUSIP3135G05R0)	99,981	AAA		8/10/23
Freddie Mac Notes 0.250% 8/21/20 (CUSIP3137EAEV7)	144,944	AAA		8/24/23
Federal Farm Credit Bank Notes 0.875% 4/8/20 (CUSIP3133ELVX9)	100,537	AAA		4/8/24
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	211,528	AAA		2/12/25
Freddie Mac Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	335,349	AAA		2/12/25
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	99,229	AAA		6/17/25

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
<b>Primary Government (Continued)</b>				
Fannie Mae Notes 0.500% 6/19/20 (CUSIP3135G04Z3)	\$ 124,036	AAA		6/17/25
Freddie Mac Notes 0.375% 7/23/20 (CUSIP3137EAEU9)	59,211	AAA		7/21/25
Freddie Mac Notes 0.375% 7/23/20 (CUSIP3137EAEU9)	246,711	AAA		7/21/25
Fannie Mae Notes 0.375% 8/27/20 (CUSIP3135G05X7)	138,059	AAA		8/25/25
Federal Home Loan Bank Notes 0.375% 9/11/20 (CUSIP3130AK5E2)	19,680	AAA		9/4/25
Freddie Mac Notes 0.375% 9/25/20 (CUSIP3137EAEX3)	137,966	AAA		9/23/25
Fannie Mae Notes 0.500% 11/12/20 (CUSIP3135G06G3)	89,021	AAA		11/7/25
Federal Farm Credit Bank Notes 0.700% 6/20/20 (CUSIP3133ELQ49)	295,018			6/30/25
Federal Home Loan Bank Notes 1.100% 4/19/21 (CUSIP3130ALYT5)	598,866			4/29/26
Federal Home Loan Mortgage Corp Notes 1.500% 2/14/20 (CUSIP3137EAEP0)	299,202			2/12/25
Federal Home Loan Mortgage Corp Notes 0.450% 7/8/20 (CUSIP3134GV4V7)	299,988			4/8/24
Federal Farm Credit Bank Notes 0.700% 6/30/20 (CUSIP3133ELQ49)	2,000,120			6/30/25
Federal Home Loan Mortgage Corp Notes 0.450% 7/8/20 (CUSIP3134GV4V7)	1,999,920			4/8/24
Federal National Mortgage Assn Note 0.420% 7/7/20 (CUSIP3136G4YJ6)	2,000,060			7/7/23
<b>Total Primary Government</b>	<b>\$ 157,332,668</b>			
<b>Fiduciary Funds</b>				
Fidelity Money Market Fund Government Portfolio (CUSIP316175603)	\$ 4,985,617	AAAm	1	
<b>Total Investments</b>	<b>\$ 162,318,285</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, 2021 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	\$ 1,763,045	\$ 548,460	\$ 424,755	\$ 243,855	\$ 2,980,115
Less: Allowance for Uncollectibles	(585,878)	(194,278)	(133,651)	(75,007)	(988,814)
<b>Total Accounts Receivable, Net</b>	<b>\$ 1,177,167</b>	<b>\$ 354,182</b>	<b>\$ 291,104</b>	<b>\$ 168,848</b>	<b>\$ 1,991,301</b>

**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, 2021 was as follows:

	Balance June 30, 2020	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2021
<b>Governmental Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 13,446,142	\$ 4,763	\$ -	\$ 13,450,905
Construction In Progress	13,264,379	17,967,841	(16,412,787)	14,819,433
Total Nondepreciable Capital Assets	\$ 26,710,521	\$ 17,972,604	\$ (16,412,787)	\$ 28,270,338
Depreciable Capital Assets:				
Infrastructure	\$ 251,396,835	\$ 12,691,497	\$ (1,022,988)	\$ 263,065,344
Buildings and Improvements	51,338,663	3,860,025	(310,557)	54,888,131
Machinery and Equipment	13,466,341	1,037,970	(498,084)	14,006,227
Allocation of Vehicle Maintenance	10,761,788	1,138,238	(722,364)	11,177,662
Total Depreciable Capital Assets	\$ 326,963,627	\$ 18,727,730	\$ (2,553,993)	\$ 343,137,364
Less Accumulated Depreciation For:				
Infrastructure	\$(104,370,664)	\$ (8,679,550)	\$ 1,022,988	\$(112,027,226)
Buildings and Improvements	(12,011,276)	(1,239,877)	140,244	(13,110,909)
Machinery and Equipment	(10,231,841)	(553,461)	443,875	(10,341,427)
Allocation of Vehicle Maintenance	(7,466,042)	(750,894)	699,540	(7,517,396)
Total Accumulated Depreciation	\$(134,079,823)	\$ (11,223,782)	\$ 2,306,647	\$(142,996,958)
Total Depreciable Capital Assets, Net	\$ 192,883,804	\$ 7,503,948	\$ (247,346)	\$ 200,140,406
Governmental Activities Capital Assets, Net	\$ 219,594,325	\$ 25,476,552	\$ (16,660,133)	\$ 228,410,744



**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

	Balance June 30, 2020	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2021
<b>Business-type Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 661,724	\$ -	\$ -	\$ 661,724
Construction in Progress	24,616,933	11,566,672	(10,263,689)	25,919,916
Total Nondepreciable Capital Assets	\$ 25,278,657	\$ 11,566,672	\$ (10,263,689)	\$ 26,581,640
Depreciable Capital Assets:				
Infrastructure	\$ 330,238,031	\$ 8,886,404	\$ (263,478)	\$ 338,860,957
Buildings and Improvements	153,635,569	2,673,630	-	156,309,199
Machinery and Equipment	34,133,557	616,410	(300,316)	34,449,651
Allocation of Vehicle Maintenance	7,111,066	877,297	(165,529)	7,822,834
Total Depreciable Capital Assets	\$ 525,118,223	\$ 13,053,741	\$ (729,323)	\$ 537,442,641
Less Accumulated Depreciation For:				
Infrastructure	\$ (88,480,963)	\$ (9,007,080)	\$ 256,686	\$ (97,231,357)
Buildings and Improvements	(36,574,670)	(3,616,079)	-	(40,190,749)
Machinery and Equipment	(19,372,148)	(1,579,324)	230,824	(20,720,648)
Allocation of Vehicle Maintenance	(4,165,180)	(529,227)	121,372	(4,573,035)
Total Accumulated Depreciation	\$(148,592,961)	\$(14,731,710)	\$ 608,882	\$(162,715,789)
Total Depreciable Capital Assets, Net	\$ 376,525,262	\$ (1,677,969)	\$ (120,441)	\$ 374,726,852
Business-Type Activities Capital Assets, Net	\$ 401,803,919	\$ 9,888,703	\$ (10,384,130)	\$ 401,308,492

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

<b>Governmental Activities</b>	
General Government	\$ 1,626,117
Public Safety	395,160
Public Works	7,599,679
Culture and Recreation	1,602,826
Total Depreciation Expense - Governmental Activities	\$ 11,223,782
<b>Business-type Activities</b>	
Power	\$ 4,364,854
Water	7,281,652
Sewer	2,712,295
Solid Waste	185,434
Fiber	187,475
Total Depreciation Expense - Business-Type Activities	\$ 14,731,710

**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) 2021 Projects and the Foothills Boulevard Realignment Project as well as roadway improvements included in the Water and Sewer Main Replacement Projects. Also included are the traffic signal installation at the intersection of 4J and Lakeway and improvements at the Energy Capital Sports Complex. Actual signed contracts for these projects approximate \$21,600,000 and will be funded by the General Fund, taxes and grants. The remaining commitment on these contracts is approximately \$6,300,000 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 Goldenrod Sanitary Sewer Extension, Pump Station No. 1 Upgrade, Donkey Creek Pump Station No. 1 VFD Room Addition, improvements at the Waste Water Treatment Facility and the Gillette Regional Water Supply Project (Madison Pipeline). Actual signed contracts for these projects approximate \$68,000,000 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 \$21,700,000.

During the final pump testing of the three new Madison wells, a portion of the City of Gillette's original 30" Madison line was damaged by the Contractor. This damage has caused additional delays to completing the project due to the limited options for discharging water produced as part of the pump testing activities. The City of Gillette is in the process of a claim pursuant to its contract with the contractor. An accurate schedule for project completion cannot be given at this time.

The Gillette Madison Pipeline Project, when complete, will bring water from wells located in the Madison formation to Gillette via a 50-mile pipeline. The total cost of the Gillette Madison Pipeline Project is estimated to be \$217,600,000. 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 \$18,300,000.

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

The composition of due to/from other funds as of June 30, 2021 is as follows:

	Receivables	Payables
Major Funds:		
General Fund	\$ -	\$ 335,977
Enterprise Funds		
Power Fund	200,000	-
Total Major Funds	\$ 200,000	\$ 335,977
Nonmajor Funds:		
Enterprise Funds		
Fiber Fund	\$ -	\$ 200,000
Internal Service Funds		
Health Insurance Fund	335,977	-
Total Nonmajor Funds	\$ 335,977	\$ 200,000
Total	\$ 535,977	\$ 535,977

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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Interfund Transfers Governmental Funds:

	General Fund
Transfers In	\$ 53,016
Transfers (Out)	(6,770,005)
Net Interfund Transfers	\$ (6,716,989)

Interfund Transfers Business-Type Funds:

	Power Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Transfers In	\$ 656,085	\$ 3,404,073	\$ 1,775,725	\$ 1,180,380	\$ 1,878,709	\$ 8,894,972
Transfers (Out)	(1,098,632)	(644,112)	(435,239)	-	-	(2,177,983)
Net Interfund Transfers	\$ (442,547)	\$ 2,759,961	\$ 1,340,486	\$ 1,180,380	\$ 1,878,709	\$ 6,716,989

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 \$2,740,000 at June 30, 2021. Of this total, approximately \$53,000 represents actual vested amounts. Of this vested amount, approximately \$24,000 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 \$29,000 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 \$1,307,000 at June 30, 2021. This amount has been recorded as a liability in the appropriate funds and is included as other accrued liabilities on the balance sheet.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**F. Long-Term Debt**

A summary of the changes in long-term liabilities for the year ended June 30, 2021 is presented below:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
Accrued Sick Leave Payable	\$ 46,263	\$ 1,020	\$ (15,363)	\$ 31,920	\$ 1,026
Special Assessment Debt					
With Governmental Commitment	774,033	-	(97,242)	676,791	90,000
Certificates of Participation	7,295,000	-	(1,140,000)	6,155,000	1,170,000
Net Pension Liability	13,827,300	-	(1,217,855)	12,609,445	-
<b>Total Governmental Activities</b>	<b>\$ 21,942,596</b>	<b>\$ 1,020</b>	<b>\$ (2,470,460)</b>	<b>\$ 19,473,156</b>	<b>\$ 1,261,026</b>
<b>Business-Type Activities:</b>					
Accrued Sick Leave Payable	\$ 31,300	\$ -	\$ (10,627)	\$ 20,673	\$ 8,134
Customer Deposits	779,492	-	(7,334)	772,158	309,000
Capital Loans	53,923,069	493,264	(40,953,910)	13,462,423	976,000
Net Pension Liability	5,937,639	-	(396,877)	5,540,762	-
	\$ 60,671,500	\$ 493,264	\$ (41,368,748)	\$ 19,796,016	\$ 1,293,134
Lease Revenue Bonds	\$ 80,985,000	\$ -	\$ (2,715,000)	\$ 78,270,000	\$ 2,820,000
Plus Bond Premium	1,851,701	-	(209,325)	1,642,376	200,000
<b>Total Lease Revenue Bonds</b>	<b>\$ 82,836,701</b>	<b>\$ -</b>	<b>\$ (2,924,325)</b>	<b>\$ 79,912,376</b>	<b>\$ 3,020,000</b>
<b>Total Business-Type Activities</b>	<b>\$ 143,508,201</b>	<b>\$ 493,264</b>	<b>\$ (44,293,073)</b>	<b>\$ 99,708,392</b>	<b>\$ 4,313,134</b>

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 a long-term capital loan agreement with the State of Wyoming, Wyoming State Loan and Investment Board as follows:

	General Fund			
	Balance June 30, 2020	Principal Additions	Principal Deletions	Balance June 30, 2021
Special Assessment Debt with Governmental Commitment				
Interstate Industrial DWSRF Loan #196	\$ 774,033	\$ -	\$ (97,242)	\$ 676,791

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 \$8 million for the fiscal year ended June 30, 2021. 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, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2022	\$ 90,000	\$ 16,944	\$ 106,944
2023	92,275	14,669	106,944
2024	94,582	12,362	106,944
2025	96,947	9,997	106,944
2026	99,370	7,574	106,944
2027-2028	203,617	7,610	211,227
<b>Total payments</b>	<b>\$ 676,791</b>	<b>\$ 69,156</b>	<b>\$ 745,947</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
2022	\$ 1,170,000	\$ 138,136	\$ 1,308,136	\$ 63,602
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>\$ 6,155,000</b>	<b>\$ 389,298</b>	<b>\$ 6,544,298</b>	<b>\$ 63,602</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, 2020	Principal Additions	Principal Deletions	Balance June 30, 2021	Accrued Interest Payable June 30, 2021
<b>Sewer Fund</b>					
Wastewater Treatment Facility Improvements					
CWSRF Loan #50	\$ 7,205,116	\$ -	\$ (824,256)	\$ 6,380,860	\$ 147,549
CCL - 19003CL	-	493,264	-	493,264	-
<b>Total Sewer Fund</b>	<b>\$ 7,205,116</b>	<b>\$ 493,264</b>	<b>\$ (824,256)</b>	<b>\$ 6,874,124</b>	<b>\$ 147,549</b>
<b>Water Fund</b>					
Gillette Madison Pipeline	\$ 44,328,358	\$ -	\$ (40,000,000)	\$ 4,328,358	\$ -
<b>Power Fund</b>					
Electric Facilities Improvement					
Lease Revenue Bonds (Wygen III)	\$ 61,655,000	\$ -	\$ (1,825,000)	\$59,830,000	\$ 338,440
Lease Revenue Bonds (CTII)	19,330,000	-	(890,000)	18,440,000	76,833
Southern Industrial Addition	2,389,595	-	(129,654)	2,259,941	15,728
<b>Total Power Fund</b>	<b>\$ 83,374,595</b>	<b>\$ -</b>	<b>\$ (2,844,654)</b>	<b>\$80,529,941</b>	<b>\$ 431,001</b>
<b>Total Proprietary Funds</b>	<b>\$134,908,069</b>	<b>\$ 493,264</b>	<b>\$ (43,668,910)</b>	<b>\$91,732,423</b>	<b>\$ 578,550</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 \$1.2 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, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2022	\$ 845,000	\$ 159,877	\$ 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	933,128	71,749	1,004,877
2027-2028	1,937,695	68,975	2,006,670
<b>Total payments</b>	<b>\$ 6,380,860</b>	<b>\$ 650,195</b>	<b>\$ 7,031,055</b>

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Loan CCL-19003CL is for the design and construction of the Wastewater Treatment Facility Improvements Project. 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. This loan is secured by a pledge and assignment of revenues from the City's Sewer Fund which total customer net revenues were approximately \$6.4 million for the fiscal year ended June 30, 2021. The City intends to repay this loan from wastewater user fees and/or Optional 1% Sales Tax Revenue. Loan CCL-19003CL contains a provision that in the event of default, the outstanding amount becomes immediately due.

#### 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, which was timely made by the City. 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 City of Gillette submitted a request to extend this reversion date to July 1, 2024. This request was approved by the WWDC in November, 2021. The 2022 Wyoming State Legislature will consider the recommendation in the 2022 legislative session. Final approval of the reversion date extension is expected in the Spring of 2022. 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, 2024, respectively, if approved by the Wyoming State Legislature. The City intends to repay this loan from Capital Facilities Tax funding, which the voters approved in May 2011.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

#### 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 JPB obligates the City to repay the bond debt over a 30 year period, along with operating costs as defined in various 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 City intends to pay the bonds 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.

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

Year Ending			Total	35%	Net	Estimated	New
June 30,	Principal	Interest	Debt	Interest	Debt	Subsidy	Estimated
			Service	Subsidy	Service	Loss	Net
							Payment
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	2,215,000	3,557,710	5,772,710	(1,245,198)	4,527,512	89,654	4,617,166
2027-2031	12,600,000	15,428,742	28,028,742	(5,400,061)	22,628,681	388,804	23,017,485
2032-2036	15,635,000	10,751,980	26,386,980	(3,763,192)	22,623,788	270,949	22,894,737
2037-2040	21,360,000	4,410,922	25,770,922	(1,543,823)	24,227,099	111,155	24,338,254
<b>Total Payments</b>	<b>\$ 59,830,000</b>	<b>\$ 49,664,250</b>	<b>\$ 109,494,250</b>	<b>\$ (17,382,487)</b>	<b>\$ 92,111,763</b>	<b>\$ 1,251,538</b>	<b>\$ 93,363,301</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 JPB obligates the City to repay the bond debt over a 20 year period, along with operating costs as defined in various 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 City intends to pay the bonds 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
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	1,140,000	720,250	1,860,250
2027-2031	6,600,000	2,688,250	9,288,250
2032-2034	6,665,000	767,250	7,432,250
<b>Total payments</b>	<b>\$18,440,000</b>	<b>\$ 7,573,500</b>	<b>\$26,013,500</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	(1,217,084)
<b>Amortizable amount</b>	<b>\$ 1,642,376</b>

This difference (of which \$200,000 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 \$31.5 million for the fiscal year ended June 30, 2021. 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 Addition BRC loan are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2022	\$ 131,000	\$ 22,550	\$ 153,550
2023	132,260	21,290	153,550
2024	133,582	19,968	153,550
2025	134,918	18,632	153,550
2026	136,268	17,282	153,550
2027-2031	702,052	65,698	767,750
2032-2036	737,864	29,886	767,750
2037	151,997	1,545	153,542
<b>Total payments</b>	<b>\$ 2,259,941</b>	<b>\$ 196,851</b>	<b>\$ 2,456,792</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, 2010 the City has not participated in a conduit debt obligation. Prior to June 30, 2010 the City is not able to determine the original issue amounts or the aggregate principal amounts still payable under these prior 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, 2021, the City's assessed valuation was \$290,281,695 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, 2021, not disclosed elsewhere, and not apparent from the description in the fund statements, is presented as follows:

	General Fund
<b>Nonspendable:</b>	
Inventory	\$ 222,528
<b>Restricted For:</b>	
Criminal Forfeiture	\$ 6
Gillette Historical Preservation Commission	1,043
Student Housing Phase II	94
<b>Total Restricted Fund Balance</b>	<b>\$ 1,143</b>
<b>Committed For:</b>	
Cash Reserves	\$ 12,832,992
Capital Projects Through Signed Contracts	7,739,170
Memorial Donations	18,989
Lodging Tax	225,551
<b>Total Committed Fund Balance</b>	<b>\$ 20,816,702</b>
<b>Assigned For:</b>	
Budgeted Carryover of Capital Projects	\$ 20,896,304
Cash In Lieu of Parkland	8,400
Cash In Lieu of Drainage	257,185
State Forfeiture	76,615
Mayor's Art Council	180,882
Demolition	50,000
Animal Control	97,193
Little League	2,332
Keep America Beautiful	7,160
Congressional Tour	27,905
Future Real Estate Transactions	109,246
Additional Overpass	3,000,000
<b>Total Assigned</b>	<b>\$ 24,713,222</b>
Unassigned	\$ 23,331,152
<b>Total Fund Balance</b>	<b>\$ 69,084,747</b>

H. Restricted Net Position

- a) Net position restricted in the Governmental Activities total \$610,916 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 \$47,940,437 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 \$44,440,437 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, 2021 is presented below:

	General Fund
Severance Tax	\$ 1,160,406
Property Taxes	2,389,269
Automobile Taxes	1,622,797
Sales and Use Taxes	16,904,307
1% Optional Sales Tax	13,960,666
Gasoline Tax	1,075,567
Franchise Tax (gross receipt based)	672,374
Cigarette Tax	176,163
Lodging Tax	32,422
	<b>\$ 37,993,971</b>

**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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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>
Boiler Explosion and Machinery Breakdown	<b>\$ 100,000,000</b>
Boiler and Machinery at Newly Acquired Locations	<b>\$ 25,000,000</b>
Cyber Insurance Annual Policy and Program Aggregate Limit	<b>\$ 25,000,000</b>
Pollution Liability Policy Program Aggregate	<b>\$ 25,000,000</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 \$150,000 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 \$579,488, 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, 2021, 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, 2020 to June 30, 2021	<b>\$ 2,377,022</b>	<b>\$ 4,957,374</b>	<b>\$ 6,754,908</b>	<b>\$ 579,488</b>
June 30, 2019 to June 30, 2020	\$ 576,611	\$ 7,877,030	\$ 6,076,619	\$ 2,377,022

#### 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, 2021.

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 \$14,000,000 which is approximately 27% percent of general fund revenues during the year ended June 30, 2021. 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, 2021 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, 2021, the City's total payroll for all employees included in both Plans was approximately \$18,534,000. Total covered payroll was approximately \$16,929,000. 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, 2021, member contributions were required to be 9.0% of compensation and employer contributions were required to be 9.12% of compensation from July 1, 2020 through June 30, 2021. 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, 2021 were approximately \$2,302,000.

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, 2021, 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, 2021 were approximately \$727,000.

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

At June 30, 2021 the City reported a liability of \$18,150,207 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. 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, 2020 to the contributions of all participating employers for the same period. At December 31, 2020, the City's proportions were as follows:

	Liability At December 31, 2020	Increase (Decrease) From Proportion At December 31, 2019
Public Employees' Pension Plan	.7498%	0.0066%
Law Enforcement Pension Plan	2.7214%	0.0516%

For the year ended June 30, 2021, the City recognized pension expense of approximately \$698,000 under the Public Employee Pension Plan. At June 30, 2021, 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	\$ 309,681	\$ 139,063
Net differences between projected and actual earnings on Plan investments	-	3,572,837
Change in proportion and differences between employer contributions and proportionate share of contributions	362,921	175,997
Change in assumption	98,967	-
Contributions subsequent to the measurement date	553,904	-
<b>Total</b>	<b>\$ 1,325,473</b>	<b>\$ 3,887,897</b>



## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

An amount of \$553,904 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, 2022. 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,	
2022	<b>\$ (1,008,811)</b>
2023	<b>\$ (262,359)</b>
2024	<b>\$ (1,438,824)</b>
2025	<b>\$ (406,334)</b>

For the year ended June 30, 2021, the City recognized pension expense of approximately \$319,000 under the Law Enforcement Pension Plan. At June 30, 2021, 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	<b>\$ 452,204</b>	<b>\$ 97,890</b>
Net differences between projected and actual earnings on Plan investments	-	<b>1,127,263</b>
Change in proportion and differences between employer contributions and proportionate share of contributions	<b>277,822</b>	<b>386,138</b>
Change in assumption	<b>1,117,887</b>	<b>1,619,523</b>
Contributions subsequent to the measurement date	<b>171,224</b>	-
<b>Total</b>	<b>\$ 2,019,137</b>	<b>\$ 3,230,814</b>

An amount of \$171,224 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, 2022. 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,	
2022	<b>\$ (164,928)</b>
2023	<b>\$ (394,632)</b>
2024	<b>\$ (697,554)</b>
2025	<b>\$ (125,787)</b>

#### *Actuarial Assumptions*

The Public Employees' Pension Plan liability in the January 1, 2021 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, 2021 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 %	1.00 %	1.34 %
Equity	48.50 %	5.23 %	7.34 %
Market Alternatives	19.00 %	3.47 %	4.50 %
Private Markets	9.50 %	4.53 %	5.82 %
Cash	2.00 %	(1.00)%	(1.00)%
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, 2020 and 2019. The discount rate used to measure the total pension liability for the law enforcement plan remained at 7.00% as of December 31, 2020 and 2019. 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%	\$ 25,534,541
Current discount rate	7.00%	\$ 16,296,360
1% increase	8.00%	\$ 8,587,017

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%	\$ 4,900,196
Current discount rate	7.00%	\$ 1,853,847
1% increase	8.00%	\$ (636,443)

*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, 2021
Retirees with over 30 years of service	34
Retirees with over 20 years of service	43
Terminated employees with less than 20 year of service with an account balance	49
Employees accruing benefits	25
<b>Total Participants</b>	<b>151</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 August 2021, the voters of Campbell County approved the creation of a new college district, Gillette Community College District, at a special election. As of the report date, the specific details of this new college district are still under discussion and therefore, its effects on the City of Gillette, Wyoming are unknown.

In early 2020, the City, like the rest of the Country, began to feel the effects of the COVID-19 pandemic. The City has been closely monitoring the situation. Additionally, the City is exploring alternative revenue streams from both Federal and State sources to help mitigate the effects. The pandemic has developed rapidly 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.

**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%
2020	.749823400%	\$ 16,296,360	\$ 13,650,000	119.39%	79.24%

\*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%
2020	2.721355900%	\$ 1,853,847	\$ 4,578,000	40.49%	91.82%

\*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%
2021	\$ 1,159,000	\$ 1,159,000	\$ -	\$ 12,704,000	9.12%

\*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%
2021	\$ 363,000	\$ 363,000	\$ -	\$ 4,225,000	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 initial December 31, 2015 measurement date and the December 31, 2020 measurement date.

*Changes in assumptions*

Health care trend rates were updated along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the WRS December 31, 2016 actuarial experience study. There have been various assumption changes in discount rates, investment rate of return rates, inflation rates, and payroll growth rates from the initial December 31, 2015 measurement date through December 31, 2020 measurement date. See the tables below:

Public Employee Pension Plan

Measurement Date (Plan Year End)	2015	2016	2017	2018	2019	2020
Discount Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%
Investment Rate of Return Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%
Inflation Increase Rate	3.25%	3.25%	3.25%	2.25%	2.25%	2.25%
Salary Increase Rates	4.25%-6.00%	4.25%-6.00%	4.25%-6.00%	4.75%-8.75%	2.50%-6.50%	2.50%-6.50%
Payroll Growth Rate	4.25%	4.25%	4.25%	2.50%	2.50%	2.50%

Law Enforcement Pension Plan

Measurement Date (Plan Year End)	2015	2016	2017	2018	2019	2020
Discount Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%
Investment Rate of Return Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%
Inflation Increase Rate	3.25%	3.25%	3.25%	2.25%	2.25%	2.25%
Salary Increase Rates	4.25%-6.00%	4.75%-8.00%	4.25%-8.00%	4.75%-8.75%	4.75%-8.75%	4.75%-8.75%
Payroll Growth Rate	4.25%	4.25%	4.25%	2.50%	2.50%	2.50%

**NONMAJOR ENTERPRISE FUNDS**



**CITY OF GILLETTE, WYOMING**

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

June 30, 2021

	Solid Waste	Fiber	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,017,344	\$ -	\$ 1,017,344
Investments	1,634,311	-	1,634,311
Accounts Receivable, Net of Allowance For Uncollectibles	168,848	-	168,848
Unbilled Accounts Receivable	122,044	-	122,044
Accrued Interest Receivable	2,263	-	2,263
Other Receivables	-	53,962	53,962
<b>Total Current Assets</b>	<b>\$ 2,944,810</b>	<b>\$ 53,962</b>	<b>\$ 2,998,772</b>
<b>CAPITAL ASSETS</b>			
Infrastructure	\$ -	\$ 6,052,686	\$ 6,052,686
Machinery and Equipment	32,151	381,182	413,333
Construction in Progress	-	35,724	35,724
Less Accumulated Depreciation	(1,340)	(603,172)	(604,512)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>\$ 30,811</b>	<b>\$ 5,866,420</b>	<b>\$ 5,897,231</b>
<b>Total Assets</b>	<b>\$ 2,975,621</b>	<b>\$ 5,920,382</b>	<b>\$ 8,896,003</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 57,907	\$ -	\$ 57,907
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers Payable	\$ 173,715	\$ 29,240	\$ 202,955
Other Accrued Liabilities	72,745	-	72,745
Due to Other Funds	-	200,000	200,000
<b>Total Current Liabilities</b>	<b>\$ 246,460</b>	<b>\$ 229,240</b>	<b>\$ 475,700</b>
<b>NONCURRENT LIABILITIES</b>			
Net Pension Liability	\$ 488,892	\$ -	\$ 488,892
<b>Total Liabilities</b>	<b>\$ 735,352</b>	<b>\$ 229,240</b>	<b>\$ 964,592</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to Pensions	\$ 116,638	\$ -	\$ 116,638
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 30,811	\$ 5,837,180	\$ 5,867,991
Unrestricted	2,150,727	(146,038)	2,004,689
<b>Total Net Position</b>	<b>\$ 2,181,538</b>	<b>\$ 5,691,142</b>	<b>\$ 7,872,680</b>

**CITY OF GILLETTE, WYOMING**

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

Year Ended June 30, 2021

	Solid Waste	Fiber	Total
<b>OPERATING REVENUES</b>	<b>\$ 3,150,282</b>	<b>\$ 184,053</b>	<b>\$ 3,334,335</b>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	\$ 694,230	\$ -	\$ 694,230
Contractual Services	1,999,923	345,462	2,345,385
Repairs and Maintenance	2,175	-	2,175
Supplies	149,326	-	149,326
Depreciation	1,340	185,068	186,408
<b>Total Operating Expenses</b>	<b>\$ 2,846,994</b>	<b>\$ 530,530</b>	<b>\$ 3,377,524</b>
<b>Operating Income (Loss)</b>	<b>\$ 303,288</b>	<b>\$ (346,477)</b>	<b>\$ (43,189)</b>
<b>NONOPERATING REVENUES</b>			
Federal Grants	\$ 29,140	\$ -	\$ 29,140
Other Income	-	4,241	4,241
Investment (Loss)	(502)	-	(502)
<b>Total Nonoperating Revenues</b>	<b>\$ 28,638</b>	<b>\$ 4,241</b>	<b>\$ 32,879</b>
<b>Income (Loss) Before Transfers</b>	<b>\$ 331,926</b>	<b>\$ (342,236)</b>	<b>\$ (10,310)</b>
<b>Transfers In</b>	<b>-</b>	<b>1,180,380</b>	<b>1,180,380</b>
<b>Changes in Net Position</b>	<b>\$ 331,926</b>	<b>\$ 838,144</b>	<b>\$ 1,170,070</b>
<b>NET POSITION, BEGINNING JULY 1</b>	<b>1,849,612</b>	<b>4,852,998</b>	<b>6,702,610</b>
<b>NET POSITION, ENDING JUNE 30</b>	<b>\$ 2,181,538</b>	<b>\$ 5,691,142</b>	<b>\$ 7,872,680</b>

**CITY OF GILLETTE, WYOMING**

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

Year Ended June 30, 2021

	Solid Waste	Fiber	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 3,152,125	\$ 130,091	\$ 3,282,216
Payments to Employees	(721,533)	-	(721,533)
Payments for Goods and Services	(2,162,367)	(345,462)	(2,507,829)
Other	-	14,741	14,741
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>\$ 268,225</b>	<b>\$ (200,630)</b>	<b>\$ 67,595</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal Grants	\$ 29,140	-	\$ 29,140
(Decrease) in Net Amount Due to Other Funds	-	(200,000)	(200,000)
Transfers In	-	1,180,380	1,180,380
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>\$ 29,140</b>	<b>\$ 980,380</b>	<b>\$ 1,009,520</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
(Payments) for Capital Acquisitions	\$ (32,151)	\$ (779,750)	\$ (811,901)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Increase) in Investments	\$ (13,848)	-	\$ (13,848)
Investment Income	15,599	-	15,599
<b>Net Cash Provided By Investing Activities</b>	<b>\$ 1,751</b>	<b>\$ -</b>	<b>\$ 1,751</b>
Net Increase in Cash	\$ 266,965	-	\$ 266,965
Cash, Beginning July 1	750,379	-	750,379
<b>Cash, Ending June 30</b>	<b>\$ 1,017,344</b>	<b>\$ -</b>	<b>\$ 1,017,344</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>			
Operating Income (Loss)	\$ 303,288	\$ (346,477)	\$ (43,189)
Adjustments:			
Depreciation	1,340	185,068	186,408
Other Income	-	4,241	4,241
Changes in Assets and Liabilities:			
Accounts and Other Receivables	11,084	(43,462)	(32,378)
Deferred Outflows of Resources Relating to Pensions	(12,589)	-	(12,589)
Vouchers Payable	(20,184)	-	(20,184)
Accrued Expenses	7,230	-	7,230
Net Pension Liability	(35,019)	-	(35,019)
Deferred Inflows of Resources Relating to Pensions	13,075	-	13,075
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 268,225</b>	<b>\$ (200,630)</b>	<b>\$ 67,595</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Net (Decrease) in Fair Value of Investments	\$ (18,364)	-	\$ (18,364)

**INTERNAL SERVICE FUNDS**

**CITY OF GILLETTE, WYOMING**

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

June 30, 2021

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 643,791	\$ 246,486	\$ 428,215	\$ 1,318,492
Investments	1,523,980	190,740	3,126,347	4,841,067
Other Receivable	109,645	365,406	-	475,051
Due From Other Funds	-	-	335,977	335,977
Inventories	371,757	-	-	371,757
<b>Total Current Assets</b>	<b>\$ 2,649,173</b>	<b>\$ 802,632</b>	<b>\$ 3,890,539</b>	<b>\$ 7,342,344</b>
<b>CAPITAL ASSETS</b>				
Machinery and Equipment	\$ 19,000,496	\$ -	\$ -	\$ 19,000,496
Less Accumulated Depreciation	(12,090,431)	-	-	(12,090,431)
<b>Net Capital Assets</b>	<b>\$ 6,910,065</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,910,065</b>
<b>Total Assets</b>	<b>\$ 9,559,238</b>	<b>\$ 802,632</b>	<b>\$ 3,890,539</b>	<b>\$ 14,252,409</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Vouchers Payable	\$ 146,418	\$ 38,684	\$ 30,446	\$ 215,548
Estimated Claims Payable	-	-	579,488	579,488
Other Accrued Liabilities	70,448	-	-	70,448
Advance Payments Received for Repairs	-	125,000	-	125,000
<b>Total Current Liabilities</b>	<b>\$ 216,866</b>	<b>\$ 163,684</b>	<b>\$ 609,934</b>	<b>\$ 990,484</b>
<b>NONCURRENT LIABILITIES</b>				
Accrued Sick Leave Payable	\$ 5,930	\$ -	\$ -	\$ 5,930
<b>Total Liabilities</b>	<b>\$ 222,796</b>	<b>\$ 163,684</b>	<b>\$ 609,934</b>	<b>\$ 996,414</b>
<b>NET POSITION</b>				
Investment in Capital Assets	\$ 6,910,065	\$ -	\$ -	\$ 6,910,065
Unrestricted	2,426,377	638,948	3,280,605	6,345,930
<b>Total Net Position</b>	<b>\$ 9,336,442</b>	<b>\$ 638,948</b>	<b>\$ 3,280,605</b>	<b>\$ 13,255,995</b>

**CITY OF GILLETTE, WYOMING**

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

Year Ended June 30, 2021

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>OPERATING REVENUES</b>	<b>\$ 1,791,631</b>	<b>\$ 1,130,655</b>	<b>\$ 6,003,420</b>	<b>\$ 8,925,706</b>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	\$ 679,396	\$ -	\$ -	\$ 679,396
Contractual Services	193,791	648,457	-	842,248
Claims	-	482,198	6,003,420	6,485,618
Repairs and Maintenance	219,499	-	-	219,499
Supplies	106,933	-	-	106,933
Depreciation	1,280,121	-	-	1,280,121
<b>Total Operating Expenses</b>	<b>\$ 2,479,740</b>	<b>\$ 1,130,655</b>	<b>\$ 6,003,420</b>	<b>\$ 9,613,815</b>
<b>Operating (Loss)</b>	<b>\$ (688,109)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (688,109)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain on Disposal of Equipment	\$ 34,305	\$ -	\$ -	\$ 34,305
Federal Grants	33,608	-	-	33,608
Investment Income (Loss)	(612)	(1,397)	3,044	1,035
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 67,301</b>	<b>\$ (1,397)</b>	<b>\$ 3,044</b>	<b>\$ 68,948</b>
<b>Income (Loss) Before Transfers</b>	<b>\$ (620,808)</b>	<b>\$ (1,397)</b>	<b>\$ 3,044</b>	<b>\$ (619,161)</b>
Capital Contributions	25,000	-	-	25,000
Transfers In	1,143,739	921	734,049	1,878,709
<b>Changes in Net Position</b>	<b>\$ 547,931</b>	<b>\$ (476)</b>	<b>\$ 737,093</b>	<b>\$ 1,284,548</b>
<b>NET POSITION, BEGINNING</b>				
<b>JULY 1</b>	<b>8,788,511</b>	<b>639,424</b>	<b>2,543,512</b>	<b>11,971,447</b>
<b>NET POSITION, ENDING</b>				
<b>JUNE 30</b>	<b>\$ 9,336,442</b>	<b>\$ 638,948</b>	<b>\$ 3,280,605</b>	<b>\$ 13,255,995</b>

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended June 30, 2021

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Interfund Services Provided	\$ 1,791,631	\$ 1,035,415	\$ 8,652,149	\$ 11,479,195
Payments to Employees	(676,210)	-	-	(676,210)
Payments for Goods and Services	(551,039)	(1,120,655)	(7,787,664)	(9,459,358)
Internal Activity - Payments (To) Other Funds	-	-	(50,810)	(50,810)
Net Cash Provided By (Used In) Operating Activities	\$ 564,382	\$ (85,240)	\$ 813,675	\$ 1,292,817
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Federal Grants	\$ 33,608	\$ -	\$ -	\$ 33,608
Transfers In	1,143,739	921	734,049	1,878,709
Net Cash Provided By Noncapital Financing Activities	\$ 1,177,347	\$ 921	\$ 734,049	\$ 1,912,317
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Payments for Capital Acquisitions	\$ (1,990,535)	\$ -	\$ -	\$ (1,990,535)
Proceeds From Sale of Capital Assets	102,252	-	-	102,252
Net Cash (Used In) Capital and Related Financing Activities	\$ (1,888,283)	\$ -	\$ -	\$ (1,888,283)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net (Increase) Decrease in Investments	\$ 501	\$ 75,178	\$ (1,505,543)	\$ (1,429,864)
Investment Income	3,148	55	5,543	8,746
Net Cash Provided By (Used In) Investing Activities	\$ 3,649	\$ 75,233	\$ (1,500,000)	\$ (1,421,118)
Net Increase (Decrease) in Cash	\$ (142,905)	\$ (9,086)	\$ 47,724	\$ (104,267)
Cash, Beginning July 1	786,696	255,572	380,491	1,422,759
Cash, Ending June 30	\$ 643,791	\$ 246,486	\$ 428,215	\$ 1,318,492
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating (Loss)	\$ (688,109)	\$ -	\$ -	\$ (688,109)
Adjustments:				
Depreciation	1,280,121	-	-	1,280,121
Changes in Assets and Liabilities:				
Other Receivables	-	(220,240)	2,648,729	2,428,489
Due (To) Other Funds	-	-	(50,810)	(50,810)
Inventories	(81,005)	-	-	(81,005)
Vouchers Payable	50,189	10,000	13,290	73,479
Accrued Expenses	3,186	-	-	3,186
Advance Payment Received for Repairs	-	125,000	-	125,000
Estimated Claims Payable	-	-	(1,797,534)	(1,797,534)
Net Cash Provided By (Used In) Operating Activities	\$ 564,382	\$ (85,240)	\$ 813,675	\$ 1,292,817
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contributions of Capital	\$ 25,000	\$ -	\$ -	\$ 25,000
Net (Decrease) in Fair Value of Investments	\$ (3,760)	\$ (1,452)	\$ (2,499)	\$ (7,711)

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended June 30, **2021**

(Page 1 of 2)

State Grantor Program Title	Grant Number	Expenditures
<u>Office of Attorney General</u>		
State Surcharge	N/A	\$ 19,102
Victim Witness Funding	N/A	47,134
Total Office of Attorney General		\$ 66,236
<u>Wyoming Association of Sheriffs and Police</u>		
Alcohol Inspection Contract	N/A	\$ 5,100
Tobacco Inspection Contract	N/A	5,100
Total Wyoming Association of Sheriffs and Police		\$ 10,200
<u>Wyoming Division of Criminal Investigation</u>		
Byrne Formula/HIDTA	N/A	\$ 1,014
<u>Wyoming Loan and Investments Board</u>		
Waste Water Treatment Plant Improvements	CCL-19003CL	\$ 493,264
<u>Wyoming Water Development Commission</u>		
Gillette Regional Extensions	N/A	\$ 349,810
Total State Financial Assistance		\$ 920,524

(Continued)



**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended June 30, **2021**

(Page 2 of 2)

**Note 1. Loans Outstanding**

The City has received loan proceeds from the state. The current year loan proceeds received from the state are also included in the state expenditures presented in the Schedule of State Financial Assistance. Following is the balance of the state portion of the loans at June 30, 2021.

<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	\$ 774,440
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System	DWSRF Loan #196	676,791
Capital Construction Loan		
Wastewater Treatment Plant Improvements	CC Loan #19003	493,264
Wyoming Water Development Commission		
Gillette Madison Pipeline	-	4,328,358
Wyoming Business Council		
Southern Industrial Addition	-	2,259,941
<b>Total State Loans</b>		<b>\$ 8,532,794</b>

# STATISTICAL SECTION

## STATISTICAL SECTION

This part of the City of Gillette's annual comprehensive 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	94
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	105
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	116
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	123
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	127
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			
	2012	2013	2014	2015
<b>Governmental Activities</b>				
Net investment in Capital Assets	160,346,407	173,368,812	184,096,943	207,543,932
Restricted	13,761	13,788	13,817	4,343
Unrestricted	46,431,260	44,960,127	42,224,867	48,736,967
Total Governmental Activities Net Assets	206,791,428	218,342,727	226,335,627	256,285,242
<b>Business-Type Activities</b>				
Net investment in Capital Assets	108,090,438	143,994,703	151,571,316	167,721,963
Restricted	28,560,579	54,315,581	83,810,606	114,382,200
Unrestricted	32,024,938	25,391,474	23,531,369	26,800,695
Total Business-Type Activities Net Assets	168,675,955	223,701,758	258,913,291	308,904,858
<b>Primary Government</b>				
Net investment in Capital Assets	268,436,845	317,363,515	335,668,259	375,265,895
Restricted	28,574,340	54,329,369	83,824,423	114,386,543
Unrestricted	78,456,198	70,351,601	65,756,236	75,537,662
Total Primary Government Net Assets	375,467,383	442,044,485	485,248,918	565,190,100

Fiscal Year					
2016	2017	2018	2019	2020	2021
216,228,110	212,061,695	209,621,750	207,934,661	209,201,236	220,312,547
8,026,893	171,789	121,777	1,314,311	679,771	611,965
29,954,212	40,519,056	49,508,463	60,021,756	69,122,532	58,601,443
254,209,215	252,752,540	259,251,990	269,270,728	279,003,539	279,525,955
201,310,306	233,993,830	258,142,870	262,876,287	264,274,405	306,649,038
109,824,328	101,670,982	96,552,166	96,354,012	97,396,419	55,924,405
26,098,902	28,741,229	32,324,767	35,210,715	37,118,684	32,935,544
337,233,536	364,406,041	387,019,803	394,441,014	398,789,508	395,508,987
417,538,416	446,055,525	467,764,620	470,810,948	473,475,641	526,961,585
117,851,221	101,842,771	96,673,943	97,668,323	98,076,190	56,536,370
56,053,114	69,260,285	81,833,230	95,232,471	106,241,216	91,536,987
591,442,751	617,158,581	646,271,793	663,711,742	677,793,047	675,034,942

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
<i>Governmental Activities</i>				
Program Revenues				
Charges for services	\$ 2,623,718	\$ 2,819,882	\$ 3,728,676	\$ 3,964,099
Operating grants and contributions	663,407	726,408	513,389	560,028
Capital grants and contributions	693,152	1,222,352	3,488,683	9,389,472
General Revenues				
Severance taxes	1,067,407	1,096,377	1,135,505	1,101,729
Property taxes	1,743,283	1,763,744	1,832,001	1,949,432
Sales and use taxes	48,689,382	43,149,383	49,198,315	54,129,253
Other taxes	2,426,726	2,443,560	2,918,483	3,035,184
Mineral Royalties	1,537,360	1,542,258	1,549,148	1,553,582
Supplemental state funding	2,122,882	1,630,099	2,456,374	2,117,809
Gaming revenue	-	-	-	210,240
Investment income (Loss)	94,060	(19,055)	185,649	115,723
Capital contributions, local annexations	4,718,809	1,178,906	-	-
Other revenue	(80,706)	-	853,432	84,337
Special Assessment revenue	-	-	-	-
<b>Total Governmental Activities Revenues</b>	<b>\$ 66,299,480</b>	<b>\$ 57,553,914</b>	<b>\$ 67,859,655</b>	<b>\$ 78,210,888</b>
<i>Business-Type Activities</i>				
Program Revenues				
Charges for services	\$ 40,712,570	\$ 41,643,064	\$ 41,676,876	\$ 44,114,037
Operating grants and contributions	-	-	-	-
Capital grants and contributions	5,811,660	31,686,134	8,987,615	25,894,064
General Revenues				
Sales and use taxes <sup>1</sup>	18,235,001	26,285,027	29,364,002	28,622,346
Investment Income (Loss)	285,342	(31,968)	479,053	484,439
Capital contributions, local annexations	1,803,289	862,923	-	-
Other revenue	(2,399,295)	846,563	892,230	1,278,871
<b>Total Business-Type Activities Revenues</b>	<b>\$ 64,448,567</b>	<b>\$ 101,291,743</b>	<b>\$ 81,399,776</b>	<b>\$ 100,393,757</b>
<b>Total Government-Wide Revenues</b>	<b>\$ 130,748,047</b>	<b>\$ 158,845,657</b>	<b>\$ 149,259,431</b>	<b>\$ 178,604,645</b>
<b>Expenses</b>				
<i>Governmental Activities</i>				
Administration	\$ 13,156,594	\$ 14,114,947	\$ 16,949,930	\$ 11,592,999
Law Enforcement/Public Safety	12,667,636	11,956,859	12,209,838	12,032,781
Public Works	14,161,985	15,131,917	14,743,977	17,059,376
Culture and Recreation	2,658,610	2,605,174	2,378,104	1,653,206
Interest on Long-Term Debt	16,068	14,670	13,883	13,728
<b>Total Governmental Activities Expenses</b>	<b>\$ 42,660,893</b>	<b>\$ 43,823,567</b>	<b>\$ 46,295,732</b>	<b>\$ 42,352,090</b>
<i>Business-Type Activities</i>				
Power	\$ 30,713,059	\$ 31,272,102	\$ 30,631,160	\$ 35,625,314
Water	8,840,825	9,299,424	9,374,198	10,972,303
Sewer	5,159,217	5,463,451	5,731,279	6,618,579
Fiber <sup>2</sup>	n/a	n/a	n/a	n/a
Solid Waste	2,314,435	2,410,011	2,735,796	3,095,177
<b>Total Business-Type Activities Expenses</b>	<b>\$ 47,027,536</b>	<b>\$ 48,444,988</b>	<b>\$ 48,472,433</b>	<b>\$ 56,311,373</b>
<b>Total Government-Wide Expenses</b>	<b>\$ 89,688,429</b>	<b>\$ 92,268,555</b>	<b>\$ 94,768,165</b>	<b>\$ 98,663,463</b>

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

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	3,629,498	\$	3,826,265	\$	4,267,498	\$	4,600,452	\$	6,513,884	\$	4,742,943
	1,031,303		2,978,890		296,242		427,362		369,938		3,756,932
	3,201,917		2,730,131		1,170,583		3,490,102		179,761		1,250,153
	1,107,316		1,107,006		1,106,950		1,106,221		1,106,221		1,160,406
	2,100,922		2,282,253		2,125,450		2,219,506		2,315,292		2,389,269
	37,012,709		29,917,814		36,167,074		42,020,705		43,071,165		30,864,973
	3,153,044		3,188,444		3,312,473		3,191,098		3,310,780		3,579,323
	1,578,741		1,585,221		1,584,413		1,521,535		1,535,907		1,543,164
	2,408,642		1,123,958		1,218,873		1,359,104		1,414,357		1,310,576
	332,079		457,337		570,942		867,605		755,680		952,954
	225,326		149,693		426,532		1,584,553		1,765,550		4,254
	-		-		-		-		-		-
	59,559		296,647		312,377		306,009		422,892		347,486
	-		-		-		1,357,426		-		-
\$	55,841,056	\$	49,643,659	\$	52,559,407	\$	64,051,678	\$	62,761,427	\$	51,902,433
\$	47,853,751	\$	49,134,472	\$	49,719,881	\$	49,597,215	\$	49,767,222	\$	52,097,535
	-		-		-		-		-		222,337
	28,438,097		26,811,099		22,015,166		4,016,622		3,566,428		3,418,030
	100,133		105,109		25,483		2,187		68,281		-
	850,367		445,454		1,152,882		3,609,749		3,312,369		(147,833)
	-		-		-		-		-		-
	709,261		477,383		788,551		700,963		807,506		772,838
\$	77,951,609	\$	76,973,517	\$	73,701,963	\$	57,926,736	\$	57,521,806	\$	56,362,907
\$	133,792,665	\$	126,617,176	\$	126,261,370	\$	121,978,414	\$	120,283,233	\$	108,265,340
\$	21,059,390	\$	18,530,082	\$	14,311,284	\$	16,287,756	\$	18,632,422	\$	15,100,267
	14,055,218		13,810,716		11,812,747		13,783,560		12,712,326		13,341,118
	17,181,066		11,456,369		12,609,284		15,126,078		14,119,606		12,995,454
	2,992,915		4,101,144		3,911,251		3,578,436		4,108,769		4,265,042
	355,333		275,582		248,382		246,160		221,061		164,702
\$	55,643,922	\$	48,173,893	\$	42,892,948	\$	49,021,990	\$	49,794,184	\$	45,866,583
\$	32,120,690	\$	33,430,555	\$	33,242,868	\$	31,519,972	\$	31,083,900	\$	39,108,592
	10,390,243		10,666,942		11,747,663		13,123,554		13,704,345		15,235,936
	6,432,835		5,945,545		6,244,321		7,172,715		7,467,513		7,315,849
	n/a		n/a		190,756		715,475		740,321		532,187
	2,952,324		2,684,411		2,829,602		2,984,759		3,411,665		2,964,298
\$	51,896,092	\$	52,727,453	\$	54,255,210	\$	55,516,475	\$	56,407,744	\$	65,156,862
\$	107,540,014	\$	100,901,346	\$	97,148,158	\$	104,538,465	\$	106,201,928	\$	111,023,445

(Continued)

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Change in Net Position Before Transfers</b>				
Governmental Activities	\$ 23,638,587	\$ 13,730,347	\$ 21,563,923	\$ 35,858,798
Business-Type Activities	17,421,031	52,846,755	32,927,343	44,082,384
<b>Government-Wide</b>	<b>\$ 41,059,618</b>	<b>\$ 66,577,102</b>	<b>\$ 54,491,266</b>	<b>\$ 79,941,182</b>
<b>Transfers</b>				
Governmental Activities	\$ (8,143,775)	\$ (2,179,048)	\$ (6,071,965)	\$ (5,909,183)
Business-Type Activities	8,143,775	2,179,048	6,071,965	5,909,183
<b>Government-Wide</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 15,494,812	\$ 11,551,299	\$ 15,491,958	\$ 29,949,615
Business-Type Activities	25,564,806	55,025,803	38,999,308	49,991,567
<b>Government-Wide</b>	<b>\$ 41,059,618</b>	<b>\$ 66,577,102</b>	<b>\$ 54,491,266</b>	<b>\$ 79,941,182</b>
<b>Net Position, Beginning 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>
<b>Prior Year Adjustments</b>				
Governmental Activities	\$ -	\$ -	\$ -	\$ (7,499,058)
Business-Type Activities	-	-	-	(3,787,775)
<b>Government-Wide</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,286,833)</b>
<b>Net Position, End of Fiscal Year</b>				
Governmental Activities	\$ 206,791,428	\$ 218,342,727	\$ 233,834,685	\$ 256,285,242
Business-Type Activities	168,675,955	223,701,758	262,701,066	308,904,858
<b>Government-Wide</b>	<b>\$ 375,467,383</b>	<b>\$ 442,044,485</b>	<b>\$ 496,535,751</b>	<b>\$ 565,190,100</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					
2016	2017	2018	2019	2020	2021		
\$ 197,134	\$ 1,469,766	\$ 9,666,459	\$ 15,029,688	\$ 12,967,243	\$ 6,035,850		
26,055,517	24,246,064	19,446,753	2,410,261	1,114,062	(8,793,955)		
\$ 26,252,651	\$ 25,715,830	\$ 29,113,212	\$ 17,439,949	\$ 14,081,305	\$ (2,758,105)		
\$ (2,273,161)	\$ (2,926,441)	\$ (3,167,009)	\$ (5,010,950)	\$ (3,234,432)	\$ (5,513,434)		
2,273,161	2,926,441	3,167,009	5,010,950	3,234,432	5,513,434		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
\$ (2,076,027)	\$ (1,456,675)	\$ 6,499,450	\$ 10,018,738	\$ 9,732,811	\$ 522,416		
28,328,678	27,172,505	22,613,762	7,421,211	4,348,494	(3,280,521)		
\$ 26,252,651	\$ 25,715,830	\$ 29,113,212	\$ 17,439,949	\$ 14,081,305	\$ (2,758,105)		
\$ 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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
-	-	-	-	-	-		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
\$ 254,209,215	\$ 252,752,540	\$ 259,251,990	\$ 269,270,728	\$ 279,003,539	\$ 279,525,955		
337,233,536	364,406,041	387,019,803	394,441,014	398,789,508	395,508,987		
\$ 591,442,751	\$ 617,158,581	\$ 646,271,793	\$ 663,711,742	\$ 677,793,047	\$ 675,034,942		

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

Fiscal Year	Severance Taxes	Property Taxes	Automobile Taxes	Sales & Use Taxes	Gasoline Taxes	Cigarette Taxes	Other Taxes	Total Taxes
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
2021	\$ 1,160,406	\$ 2,389,269	\$ 1,622,797	\$ 30,864,973	\$ 1,075,567	\$ 176,163	\$ 704,796	\$ 37,993,971

% Change								
2012 - 2021	8.7%	37.1%	102.2%	-36.6%	69.2%	-25.7%	-6.2%	-29.5%

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

	Fiscal Year			
	2012	2013	2014	2015
Total All Governmental Funds				
Non spendable	\$ 126,042	\$ 155,613	\$ 157,318	\$ 209,851
Restricted	13,761	13,788	13,817	4,343
Committed	22,406,471	23,923,930	29,040,814	26,358,184
Assigned	7,316,230	14,946,932	6,952,460	22,437,032
Unassigned	12,366,300	2,284,206	7,592,509	3,033,318
<b>Total Fund Balance - Governmental Funds</b>	<b>\$ 42,228,804</b>	<b>\$ 41,324,469</b>	<b>\$ 43,756,918</b>	<b>\$ 52,042,728</b>

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 220,154	\$ 214,418	\$ 227,521	\$ 212,257	\$ 228,673	\$ 222,528	
8,026,893	171,789	121,777	121,197	2,731	1,143	
24,700,520	15,348,710	17,659,545	21,072,126	28,356,630	20,816,702	
13,490,105	25,372,791	25,292,678	38,609,977	32,484,215	24,713,222	
4,690,638	8,820,711	15,466,678	12,284,111	18,214,391	23,331,152	
<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>	<b>\$ 69,084,747</b>	

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
<i>General Fund</i>				
Taxes	\$ 53,926,798	\$ 48,453,064	\$ 55,084,304	\$ 60,215,598
Intergovernmental	5,016,801	5,121,117	6,022,098	7,165,775
Licenses and Permits	295,160	291,708	290,033	361,710
Charges for Services	855,350	1,320,627	2,785,521	2,894,186
Fines and Fees	472,650	406,517	391,716	444,771
Investment Income (Loss)	76,331	(25,671)	175,523	108,679
Miscellaneous	1,000,558	801,030	1,111,286	347,769
Special Assessment Revenue	133,387	84,534	58,186	56,643
<b>Total Revenues</b>	<b>\$ 61,777,035</b>	<b>\$ 56,452,926</b>	<b>\$ 65,918,667</b>	<b>\$ 71,595,131</b>
<b>Expenditures</b>				
<i>General Fund</i>				
Current				
Administration/General Government	\$ 10,653,872	\$ 13,118,976	\$ 13,617,537	\$ 14,397,204
Police/Public Safety	9,756,812	9,759,974	9,810,440	10,384,584
Public Works	21,085,752	15,230,303	17,596,106	15,142,517
Culture and Recreation	2,420,144	4,921,238	4,282,751	3,170,268
Miscellaneous	6,689,176	10,531,853	11,970,067	14,331,633
Debt Service				
Principal	32,373	33,772	34,558	34,714
Interest	16,068	14,670	13,883	13,728
<b>Total Expenditures</b>	<b>\$ 50,654,197</b>	<b>\$ 53,610,786</b>	<b>\$ 57,325,342</b>	<b>\$ 57,474,648</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 11,122,838</b>	<b>\$ 2,842,140</b>	<b>\$ 8,593,325</b>	<b>\$ 14,120,483</b>
<b>Other Financing Sources (Uses)</b>				
<i>General Fund</i>				
Proceeds from Certificates of Participation	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	538,690	178,885
Transfers Out	(11,579,013)	(3,746,475)	(6,699,566)	(6,013,558)
Proceeds from Special Assessment Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (11,579,013)</b>	<b>\$ (3,746,475)</b>	<b>\$ (6,160,876)</b>	<b>\$ (5,834,673)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (456,175)</b>	<b>\$ (904,335)</b>	<b>\$ 2,432,449</b>	<b>\$ 8,285,810</b>
Debt Service as a Percentage of Noncapital Expenditures	0.10%	0.09%	0.08%	0.08%
Fund Balance, Beginning July 1	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918
Fund Balance, Ending June 30	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918	\$ 52,042,728

		Fiscal Year									
		2016	2017	2018	2019	2020	2021				
\$	43,373,991	\$	36,495,517	\$	42,711,947	\$	48,537,530	\$	49,803,458	\$	37,993,971
	7,153,524		6,701,647		4,056,951		5,161,421		4,255,643		8,097,096
	282,099		247,743		283,027		272,658		308,839		286,165
	2,842,597		2,965,029		3,296,056		3,609,268		5,607,557		3,949,199
	424,677		372,367		363,872		353,823		311,978		265,968
	212,988		142,513		404,105		1,514,618		1,716,120		2,897
	139,684		538,005		636,920		670,712		708,402		589,097
	39,209		131,275		13,994		178,355		526,151		69,177
\$	54,468,769	\$	47,594,096	\$	51,766,872	\$	60,298,385	\$	63,238,148	\$	51,253,570
\$	13,956,973	\$	11,916,234	\$	11,145,476	\$	11,683,187	\$	12,231,646	\$	12,832,591
	10,544,363		9,467,994		9,749,739		10,178,923		10,572,848		10,325,663
	19,846,187		8,079,928		11,168,994		11,582,833		12,024,204		13,425,604
	3,422,281		2,220,609		2,879,640		2,925,299		3,353,122		5,548,637
	16,829,447		12,806,587		2,904,784		4,776,837		12,596,611		11,192,771
	36,087		1,131,884		1,097,727		1,163,627		1,972,681		1,237,242
	234,948		286,899		259,335		257,372		232,582		176,482
\$	64,870,286	\$	45,910,135	\$	39,205,695	\$	42,568,078	\$	52,983,694	\$	54,738,990
\$	<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>	\$	<b>(3,485,420)</b>
\$	11,650,000	\$	-	\$	-	\$	-	\$	-	\$	-
	2,675,925		152,407		100		113,901		208,879		53,016
	(5,038,591)		(3,036,259)		(3,721,497)		(5,746,177)		(3,477,019)		(6,770,005)
	-		-		-		1,324,117		-		-
	199,765		-		-		109,321		658		516
\$	9,487,099	\$	(2,883,852)	\$	(3,721,397)	\$	(4,198,838)	\$	(3,267,482)	\$	(6,716,473)
\$	<b>(914,418)</b>	\$	<b>(1,199,891)</b>	\$	<b>8,839,780</b>	\$	<b>13,531,469</b>	\$	<b>6,986,972</b>	\$	<b>(10,201,893)</b>
	0.62%		3.84%		4.26%		3.87%		5.63%		3.90%
\$	52,042,728	\$	51,128,310	\$	49,928,419	\$	58,768,199	\$	72,299,668	\$	79,286,640
\$	51,128,310	\$	49,928,419	\$	58,768,199	\$	72,299,668	\$	79,286,640	\$	69,084,747

**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>				
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
2021	2020	\$ 287,114,158	\$ 100,880,249	\$ 289,691,640	\$ 76,305,579	\$ 12,984,483	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 71.0% 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
\$ 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%
\$ 766,976,109	8.000	\$ 290,281,695	\$ 2,902,816,950	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>						
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
2021	8.000	32.000	11.276	12.000	4.780	68.056

<b>TAX LEVIES</b>						
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
2021	\$ 1,370,551	\$ 108,562,320	\$ 38,254,648	\$ 40,710,870	\$ 16,216,497	\$ 205,114,886

**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 2021		
		Assessed Valuation	Rank	Percentage of Total City Valuation
City of Gillette	Power System	\$ 3,628,453	1	1.25%
Burlington Northern Santa Fe Railway	Railroad Company	\$ 2,090,400	2	0.72%
Menard Inc	Retail	\$ 1,639,589	3	0.56%
MFG Remington LLC	Apartment Complex/Real Estate	\$ 1,414,481	4	0.49%
Pearl South Fork LLC	Apartment Complex	\$ 1,360,385	5	0.47%
TKG Powder Basin LLC	Real Estate	\$ 1,293,107	6	0.45%
Tower West Holding LLC	Motel	\$ 1,282,395	7	0.44%
Wal-Mart Real Estate Business Trust	Retail	\$ 957,019	8	0.33%
L&H Industrial Inc	Welding/Industrial	\$ 935,362	9	0.32%
Wyoming Machinery Co	Commercial Machinery Sales & Repair	\$ 816,851	10	0.28%
Remington Village LLC	Apartment Complex	\$ -	-	-
Gillette Retirement LLC	Primerose Retirement Community	\$ -	-	-
Home Depot USA	Warehouse Store	\$ -	-	-
First Interstate Bank	Bank/Office Building	\$ -	-	-
CollegePark III LLC	Duplex rental Complex	\$ -	-	-
RAM Inc - Clarion	Hotel	\$ -	-	-
Powder River Coal Co.	Coal Company/Office Building	\$ -	-	-
Gillette Hospitality LLC	Hotel	\$ -	-	-
<b>Total</b>		<b>\$ 15,418,042</b>		<b>5.31%</b>

**Total City Assessed Valuation \$ 290,281,695**

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

**Fiscal Year 2012**

Assessed Valuation	Rank	Percentage of Total City Valuation
\$ -		-
\$ -		-
\$ -		-
\$ -		-
\$ -		-
\$ 572,031	5	0.27%
\$ 1,197,736	2	0.58%
\$ -		-
\$ -		-
\$ 1,622,476	1	0.78%
\$ 840,677	3	0.40%
\$ 724,985	4	0.35%
\$ 537,562	6	0.26%
\$ 508,219	7	0.24%
\$ 419,349	8	0.20%
\$ 409,074	9	0.20%
\$ 391,923	10	0.19%
<u>\$ 7,224,032</u>		<u>3.47%</u>

**\$ 208,221,088**

**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	
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%	\$ 84,218	\$ 1,762,969	99.98%	\$ 288
2014	2013	\$ 1,801,939	\$ 1,749,349	97.08%	\$ 52,321	\$ 1,801,670	99.99%	\$ 269
2015	2014	\$ 1,929,664	\$ 1,890,235	97.96%	\$ 39,152	\$ 1,929,387	99.99%	\$ 277
2016	2015	\$ 2,125,291	\$ 2,061,891	97.02%	\$ 63,400	\$ 2,125,291	100.00%	\$ -
2017	2016	\$ 2,249,380	\$ 2,214,623	98.45%	\$ 32,818	\$ 2,247,441	99.91%	\$ 1,939
2018	2017	\$ 2,161,452	\$ 2,088,912	96.64%	\$ 71,166	\$ 2,160,078	99.94%	\$ 1,374
2019	2018	\$ 2,250,032	\$ 2,159,110	95.96%	\$ 88,612	\$ 2,247,722	99.90%	\$ 2,310
2020	2019	\$ 2,273,548	\$ 2,236,696	98.38%	\$ 33,311	\$ 2,270,007	99.84%	\$ 3,541
2021	2020	\$ 2,371,599	\$ 2,291,044	96.60%	\$ 8,766	\$ 2,299,810	96.97%	\$ 71,789

**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			
	2012	2013	2014	2015
Agriculture / Forestry	\$ 596,200	\$ 587,400	\$ 670,733	\$ 716,296
Mining	\$ 1,076,846,327	\$ 949,196,000	\$ 1,178,258,083	\$ 1,420,173,026
Contract Construction	\$ 63,142,782	\$ 47,446,717	\$ 62,583,333	\$ 63,802,348
Manufacturing	\$ 109,037,800	\$ 79,636,183	\$ 93,448,367	\$ 104,950,591
Retail Trade	\$ 747,460,455	\$ 665,802,967	\$ 692,062,683	\$ 719,212,626
Wholesale Trade	\$ 617,623,145	\$ 518,981,083	\$ 534,587,550	\$ 610,714,713
Finance / Insurance	\$ 7,182,055	\$ 2,060,050	\$ 2,084,217	\$ 1,603,948
Public Administration	\$ 193,622,764	\$ 173,049,917	\$ 195,701,700	\$ 262,655,235
Utilities	\$ 147,902,909	\$ 80,461,450	\$ 84,462,267	\$ 79,892,139
Transportation / Warehousing	\$ 10,219,727	\$ 10,627,433	\$ 10,896,233	\$ 15,191,339
Information	\$ 32,546,182	\$ 32,102,250	\$ 31,557,183	\$ 32,401,304
Real Estate / Rental / Leasing	\$ 174,626,000	\$ 182,424,017	\$ 223,136,350	\$ 188,324,852
Professional Services	\$ 7,752,273	\$ 6,364,650	\$ 6,761,333	\$ 6,304,487
Administrative / Support / Waste	\$ 6,531,564	\$ 9,573,150	\$ 7,070,733	\$ 8,511,843
Educational Services	\$ 91,327	\$ 94,533	\$ 101,450	\$ 89,530
Health Care / Social Assistance	\$ 36,945	\$ 52,850	\$ 69,567	\$ 69,617
Arts, Entertainment & Recreation	\$ 2,667,436	\$ 2,379,150	\$ 2,452,533	\$ 2,373,096
Accommodation / Food Services	\$ 116,697,236	\$ 112,660,600	\$ 125,905,033	\$ 154,045,478
Other Services	\$ 232,772,145	\$ 189,522,850	\$ 199,170,983	\$ 216,359,670
<b>Total</b>	<b>\$ 3,547,355,272</b>	<b>\$ 3,063,023,250</b>	<b>\$ 3,450,980,331</b>	<b>\$ 3,887,392,138</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 71.0% of the entire county's population.

**Source:** Wyoming Department of Revenue



Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 737,360	\$ 640,620	\$ 624,380	\$ 521,920	\$ 523,620	\$ 634,960
\$ 745,995,340	\$ 513,985,460	\$ 697,313,500	\$ 864,986,660	\$ 804,955,220	\$ 370,922,400
\$ 50,098,060	\$ 28,100,160	\$ 26,899,180	\$ 34,800,940	\$ 31,010,160	\$ 23,118,640
\$ 57,805,900	\$ 89,826,100	\$ 156,225,520	\$ 156,790,260	\$ 121,822,540	\$ 84,549,700
\$ 579,732,680	\$ 517,949,240	\$ 602,647,120	\$ 661,484,300	\$ 772,583,380	\$ 713,918,460
\$ 404,406,120	\$ 334,365,100	\$ 374,607,020	\$ 387,220,980	\$ 310,048,140	\$ 198,278,640
\$ 1,996,620	\$ 1,085,720	\$ 872,600	\$ 1,282,220	\$ 925,240	\$ 537,120
\$ 181,610,940	\$ 162,053,520	\$ 185,158,640	\$ 212,633,860	\$ 225,371,500	\$ 206,260,480
\$ 85,451,720	\$ 76,150,840	\$ 73,725,500	\$ 75,713,640	\$ 68,171,280	\$ 63,826,680
\$ 8,818,520	\$ 7,464,580	\$ 7,460,560	\$ 11,452,480	\$ 12,671,060	\$ 6,333,480
\$ 27,308,180	\$ 25,959,680	\$ 24,362,920	\$ 26,549,120	\$ 29,459,920	\$ 27,438,760
\$ 155,116,300	\$ 86,477,960	\$ 86,392,180	\$ 95,652,560	\$ 168,787,220	\$ 115,502,560
\$ 7,208,240	\$ 6,596,520	\$ 6,293,560	\$ 5,746,000	\$ 8,516,760	\$ 7,779,380
\$ 10,396,080	\$ 6,437,300	\$ 3,893,660	\$ 9,900,040	\$ 7,294,080	\$ 5,159,780
\$ 90,420	\$ 111,800	\$ 330,360	\$ 124,940	\$ 148,480	\$ 97,080
\$ 41,980	\$ 39,100	\$ 29,120	\$ 22,360	\$ 46,800	\$ 60,260
\$ 2,273,620	\$ 2,409,040	\$ 2,431,140	\$ 2,426,960	\$ 2,291,560	\$ 2,203,960
\$ 131,713,360	\$ 111,534,000	\$ 118,787,560	\$ 130,551,320	\$ 130,698,860	\$ 128,449,000
\$ 161,543,320	\$ 141,514,260	\$ 161,290,640	\$ 200,137,560	\$ 179,635,140	\$ 112,814,920
\$ 2,612,344,760	\$ 2,112,701,000	\$ 2,529,345,160	\$ 2,877,998,120	\$ 2,874,960,960	\$ 2,067,886,260

**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*
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%
2021	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	Rank	Fiscal Year 2021	
		Tax Liability	Percentage of Total County Liability
Coal Mining	1	\$ 10,403,628	10.08%
Executive, legislative and general government	2	\$ 10,266,058	9.95%
Building material and supplies dealers	3	\$ 8,573,673	8.31%
Support activities for mining	4	\$ 6,988,507	6.77%
Machinery and equipment rental and leasing	5	\$ 4,961,819	4.81%
Electronic shopping and mailorder houses	6	\$ 4,111,202	3.98%
Auto parts, accessories, and tire stores	7	\$ 3,641,571	3.53%
Other general merchandise stores	8	\$ 3,523,239	3.41%
Other miscellaneous store retailers	9	\$ 3,506,119	3.40%
Power generation and supply	10	\$ 3,187,574	3.09%
Petroleum merchant wholesalers		\$ -	-
Power generation and supply		\$ -	-
Machinery and supply merchant wholesalers		\$ -	-
Commercial machinery repair and maintenance		\$ -	-
<b>Total</b>		<b>\$ 59,163,390</b>	<b>57.34%</b>
<b>Total Campbell County</b>		<b>\$ 103,175,150</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 71.0% of the entire county's population.

**Source:** Wyoming Department of Revenue

<b>Fiscal Year 2012</b>		
Rank	Tax Liability	Percentage of Total County Liability
1	\$ 37,141,539	19.08%
4	\$ 10,618,430	5.45%
5	\$ 8,394,975	4.31%
2	\$ 20,931,130	10.75%
8	\$ 7,236,548	3.72%
	\$ -	-
7	\$ 7,411,615	3.81%
	\$ -	-
	\$ -	-
	\$ -	-
3	\$ 16,950,762	8.71%
10	\$ 6,220,417	3.19%
6	\$ 7,663,840	3.94%
9	\$ 6,751,940	3.47%
	<u>\$ 129,321,196</u>	66.42%
	 <b>\$ 194,699,674</b>	

**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	Wastewater Fund	Power Fund
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	\$ -	\$ 774,033	\$ 7,295,000	\$ 7,205,116	\$ 2,389,595
2021 <sup>1</sup>	\$ -	\$ 676,791	\$ 6,155,000	\$ 6,874,124	\$ 2,259,941

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> 2021 Percentage of Personal Income calculated using 2020 Personal Income figures from Demographic and Economic Statistics, as 2021 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>Total Primary Government</b>	<b>Percentage of Personal Income <sup>1</sup></b>	<b>Per Capita</b>
<b>Water Fund</b>	<b>Leases</b>	<b>Premiums/ (Discounts)</b>				
\$ 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	4.52%	\$ 4,543	
\$ 4,328,358	\$ 78,270,000	\$ 1,642,376	\$ 100,206,590	3.13%	\$ 3,000	

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

	Fiscal Year			
	2012	2013	2014	2015
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>	\$ 599,966	\$ 566,194	\$ 531,636	\$ 496,922
Total Direct and Overlapping Debt	\$ 599,966	\$ 566,194	\$ 531,636	\$ 496,922

**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					
2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	n/a	n/a	n/a	n/a	n/a
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,110,835	\$ 10,978,951	\$ 9,881,224	\$ 10,041,714	\$ 8,069,033	\$ 6,831,791
\$ 12,110,835	\$ 10,978,951	\$ 9,881,224	\$ 10,041,714	\$ 8,069,033	\$ 6,831,791

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

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed Value	\$ 290,281,695
Debt Limitation (4% of Assessed Value)	\$ 11,611,268
Debt Applicable to Limitation	\$ -
Legal Debt Margin	\$ 11,611,268

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 8,328,843	\$ 8,397,794	\$ 8,573,651	\$ 9,217,168
Total Net Debt Applicable to Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 8,328,843	\$ 8,397,794	\$ 8,573,651	\$ 9,217,168
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 9,811,222	\$ 10,381,016	\$ 11,172,464	\$ 11,063,854	\$ 11,480,542	\$ 11,611,268
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,811,222	\$ 10,381,016	\$ 11,172,464	\$ 11,063,854	\$ 11,480,542	\$ 11,611,268
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>
2012 - 2021	\$ -	\$ -	\$ -

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			
	2012	2013	2014	2015
Population (CY Basis) <sup>1</sup>	30,121	30,646	32,000	32,520
Unemployment Rate <sup>2</sup>	4.6%	3.9%	3.4%	3.8%
Median Age <sup>3 6</sup>	29.9	30.2	30.2	30.4
Personal Income (thousands of dollars) <sup>4 6</sup>	\$ 2,453,949	\$ 2,455,481	\$ 2,352,749	\$ 2,690,020
Per Capita Personal Income <sup>4 6</sup>	\$ 51,250	\$ 50,969	\$ 48,691	\$ 54,653
New Single-Family Residential:				
Number of Permits	225	143	128	142
Valuation	\$91,337,481	\$ 61,339,415	\$ 57,346,683	\$ 56,780,306
New Commercial/Industrial:				
Number of Permits	36	28	28	30
Valuation	\$29,860,712	\$ 40,107,881	\$ 45,800,319	\$ 95,279,433
Rental Vacancy Rates: <sup>1 7</sup>				
Building rentals	7.5%	9.1%	1.3%	5.9%
Mobile Home Parks	8.4%	6.6%	6.3%	9.1%
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>	19.42	19.42	19.42	21.66
Number of Schools (In City of Gillette Only) <sup>5</sup>				
Elementary Schools	8	9	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	13	13	13
County School Enrollment <sup>5</sup>	8,368	8,524	8,714	8,986
County Student - Teacher Ratio <sup>5</sup>				
Elementary Schools	19.00:1	19.18:1	18.90:1	18.90:1
Secondary Schools	15.33:1	15.46:1	15.06:1	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					
2016	2017	2018	2019	2020	2021
30,467	31,147	32,252	31,843	31,879	33,403
6.2%	5.7%	4.3%	3.7%	9.6%	6.9%
30.9	30.9	33.5	35.6	n/a	n/a
\$ 2,367,290	\$ 2,258,500	\$ 3,092,300	\$ 3,251,830	\$ 3,200,850	n/a
\$ 48,507	\$ 48,842	\$ 51,064	\$ 53,438	\$ 52,463	n/a
53	14	30	27	24	33
\$ 22,809,688	\$ 5,676,085	\$ 7,448,000	\$ 6,967,500	\$ 7,045,199	\$ 10,602,195
27	12	16	9	22	18
\$ 55,090,590	\$ 13,677,262	\$ 6,261,000	\$ 7,061,500	\$ 7,062,266	\$ 7,599,662
22.4%	21.5%	7.5%	n/a	n/a	n/a
22.6%	16.7%	16.9%	n/a	n/a	n/a
1.8%	2.1%	2.1%	3.0%	2.6%	2.2%
7.6%	6.6%	7.6%	13.6%	18.8%	21.4%
21.66	21.71	23.15	23.15	23.19	23.19
9	10	10	11	11	11
2	2	2	2	2	2
1	1	2	2	2	2
1	1	1	1	1	1
13	14	15	16	16	16
9,038	8,567	8,603	8,612	8,718	8,409
18.80:1	18.22:1	18.82:1	18.98:1	18.48:1	17.42:1
16.23:1	15.76:1	15.23:1	17.04:1	17.45:1	16.81:1

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

Industry	Fiscal Year 2021 <sup>2</sup>	
	Employees	Percentage of Total County Employment
Mining	4,553	19.95%
Total Government	4,573	20.04%
Retail Trade	2,525	11.06%
Construction	1,799	7.88%
Accommodation and Food Services	2,125	9.31%
Wholesale Trade	1,248	5.47%
Health Care and Social Assistance	1,097	4.81%
Transportation and Warehousing	781	3.42%
Administrative and Waste Services	723	3.17%
Other Services, Except Public Administration	686	3.01%
Professional and Technical Services	632	2.77%
Manufacturing	503	2.20%
Finance and Insurance	411	1.80%
Utilities	332	1.45%
Real Estate and Rental and Leasing	283	1.24%
Information	238	1.04%
Management of companies and enterprises	84	0.37%
Arts, Entertainment and Recreation	140	0.61%
Educational Services	87	0.38%
Postal Service, Couriers and Messengers	-	-
<b>Total</b>	<b>22,820</b>	<b>100.00%</b>
<b>Total Campbell County Employment</b>	<b>22,820</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 71.0% 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 FY2021 ends on December 31, 2020)



Fiscal Year 2012<sup>2</sup>

Employees	Percentage of Total County Employment
8,623	30.65%
4,625	16.44%
2,573	9.15%
2,288	8.13%
1,916	6.81%
1,670	5.94%
990	3.52%
951	3.38%
766	2.72%
1,016	3.61%
762	2.71%
541	1.92%
390	1.39%
264	0.94%
290	1.03%
215	0.76%
-	-
97	0.34%
58	0.21%
99	0.35%
28,134	100.00%

**28,134**

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

Function/Program	Fiscal Year			
	2012	2013	2014	2015
General Government				
Finance, Human Resources, Safety	11.75	12	21.25	21.75
Judicial and Legal	8	10.5	10.5	11.5
City Hall, Buildings & Grounds	9	9	9	9
Planning & Building Inspection	14	14	13	11
Streets, Traffic	17	19	19	18
Parks	10	12	12	12
Central Administration	16.75	16.75	17.5	19.75
Other	22	23	23	23
Police				
Officers and Civilians	68	68	67	68
Dispatch	9	9	9	9
Animal Control/Shelter	6	6	6	7
Other - Grant Funded Positions	3	3	3	4
Code Enforcement	2	2	2	2
Engineering	12	12	12	12
Warehouse & Purchasing	4	4	4	4
Vehicle Maintenance	7	7	7	7
Utilities Administration	22	22	12.75	14.75
Solid Waste Collection	9	9	9	9
Water & Water Treatment	16	18	18	18
Power	15	16	16	16
Wastewater	11	11	11	12
Total FTE Employees	292.5	303.25	302	308.75
Total Temporary/Seasonal positions <sup>1</sup>	21.0	22.6	19.8	19.0

<sup>1</sup> Seasonal/Intern positions are reported as full time equivalents.

Fiscal Year					
2016	2017	2018	2019	2020	2021
22.75	20.5	21	22	22	21
11.75	10	9	8	8	8
9	7	7	8	8	8
11	8	8.5	8.5	8	8
18	17	18	18	18	18
12	10	10	10	10	10
19.75	14.5	14	13	13	13
23	17	17.5	19.5	19	19
69	61	65	65	67	67
11.5	11	11	11	11	11
7	6	7	7	7	7
4	2	2	2	2	2
2	1	1.5	1.5	2	2
12	8	10	10	10	10
4	3	4	4	4	4
7	7	7	7	7	7
16.75	16.75	16	17	18	17
9	9	9	9	9	9
18	16	17	17	15	15
18	17	17	16	16	16
14	13	13	16	16	16
319.5	274.75	284.5	289.5	290	288
19.5	11.0	6.0	14.8	37.0	16.6

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

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Police				
Stations	1	1	1	1
Patrol units	38	38	38	38
Public Works				
Refuse collection trucks	8	8	8	8
Streets (miles)	205.4	209.4	214.4	221.1
City parks (acres)	419.3	421.6	661.1	661.1
Bike paths (miles)	44.9	46.0	46.0	50.8
Storm sewers (miles)	90.31	90.31	96.95	101.17
Traffic signals	59	63	64	75
Utilities Department				
Water				
Water lines (miles)	267.3	289.3	291.4	310.7
Fire hydrants	2,150	2,251	2,269	2,305
Storage capacity (thousands of gallons)	22,000	22,000	22,000	22,000
Electric				
Electric lines (miles)-includes both transmission & distribution	336.1	337.9	344.0	365.0
Streetlights	2,927	3,157	3,233	3,346
Transformers	2,762	3,085	3,108	3,227
Number of substations	10	10	10	10
Wastewater				
Sanitary sewers (miles)	183.2	187.4	190.5	190.5
Number of manholes	3,649	3,667	3,690	3,718
Treatment capacity (thousands of gallons)	5,120	5,120	5,120	5,120

Fiscal Year					
2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
38	38	38	43	45	50
8	8	8	8	8	8
222.9	222.9	232.8	233.1	233.3	233.9
661.1	661.2	678.5	677.9	677.9	677.9
60.4	75.6	75.7	76.9	77.8	84.1
99.63	101.40	101.50	103.30	103.40	106.50
98	119	123	137	142	146
340.3	357.6	372.6	375.8	376.1	378.5
2,322	2,324	2,348	2,372	2,378	2,386
22,300	22,300	22,300	22,300	24,400	24,400
365.0	374.0	376.0	375.0	375.2	374.7
3,383	3,418	3,556	3,571	3,586	3,534
3,260	3,377	3,347	3,348	3,324	3,310
10	9	9	9	9	9
188.4	188.4	188.4	196.0	196.5	197.9
3,776	3,776	3,779	3,926	3,927	3,953
5,120	5,120	5,120	5,120	5,120	5,200

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

Function/Program	Fiscal Year			
	2012	2013	2014	2015
General Government				
Building permits issued	1,015	866	799	856
Building inspections conducted	10,715	9,515	8,176	10,430
Gas, Electrical, Plumbing & Mechanical Permits	2,024	1,795	1,537	1,717
Contractor Licences	1,189	1,161	1,281	1,387
Police <sup>1</sup>				
Incidents	34,738	35,536	33,533	36,433
Incident reports taken	8,586	9,824	8,933	9,172
Traffic citations	8,726	4,682	4,058	4,310
Physical arrests	3,506	3,906	3,686	3,934
Public Works				
Refuse collected (In Tons per Year)	12,714	12,667	13,213	13,565
Curbside Yard Waste collected (In Tons per Year)	545	624	1,281	692
Acres of parks mowed	n/a	2,142	2,480	3,245
Miles of streets plowed	n/a	33,972	54,469	34,825
Utilities Department				
Meters read - all Utilities (Water, Electric)	292,484	304,278	309,233	309,936
Utility bills mailed	189,237	194,474	194,687	199,073
Wastewater <sup>1</sup>				
Daily average flows (Million Gallons per Day)	3.1200	3.0200	3.1800	3.2500
Compost sold (In Yards per Year) <sup>1</sup>	2,385	2,705	3,164	2,789
Yard Waste collected-drop-off site (In Tons per Year)	n/a	n/a	2,031	4,560
Electric				
Amount billed	\$ 24,086,469	\$ 25,278,925	\$ 26,555,552	\$ 27,410,894
Water				
New connections	252	125	155	259
Average Daily Water Production (In millions of gallons) <sup>1</sup>	4.6	5.1	4.3	4.0
Average Daily Consumption per Capita (gallons) <sup>1 2</sup>	155	167	140	126
Peak Water Demand (in millions of gallons)	13.3	11.1	11.0	11.0

<sup>1</sup> Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2021 ends on December 31, 2020)

<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					
2016	2017	2018	2019	2020	2021
548	491	459	528	1,840	825
5,367	3,592	5,447	4,317	4,296	3,917
1,051	823	1,171	981	1,136	824
1,325	1,244	1,230	1,192	1,261	1,272
37,005	31,884	28,809	29,216	31,236	29,121
8,583	7,366	6,604	7,359	8,023	7,144
4,729	3,837	3,386	3,373	3,398	2,491
4,672	3,816	3,260	3,210	2,369	2,070
13,073	11,606	11,307	12,632	13,107	12,729
715	705	747	789	873	784
1,643	1,905	3,585	3,666	3,370	3,177
27,065	34,295	40,413	47,972	53,206	23,441
312,420	312,156	316,692	315,408	320,184	326,156
200,928	209,181	200,703	174,259	197,509	193,248
3.0000	3.0200	3.0000	3.2000	3.0180	2.9000
4,460	4,247	2,186	1,804	2,079	3,092
4,918	4,318	4,319	3,908	3,218	4,425
\$ 30,159,956	\$ 31,237,842	\$ 31,892,517	\$ 31,805,355	\$ 31,268,569	\$ 31,546,453
72	(31)	123	214	85	61
4.4	4.6	4.6	4.0	5.5	4.0
137	140	144	133	167	145
10.8	11.9	11.9	9.7	11.5	11.5

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# SINGLE AUDIT SECTION

# BENNETT, WEBER & HERMSTAD, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Tamara J. Hermstad, CPA  
Ryan J. Gemar, CPA  
Richard L. Klein, CPA  
Paula S. Steiger, CPA  
Jennifer Besich, CPA, EA

sbw@sbwcpas.com  
www.gilletteaccountant.com

319 S. Gillette Avenue, Suite 200  
P.O. Box 2256  
Gillette, WY 82717-2256  
Telephone (307) 682-5250  
Fax (307) 682-6938

## 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, 2021, and the related notes to the financial statements, which collectively comprise the **City's** basic financial statements, and have issued our report thereon dated December 20, 2021.

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

In planning and performing our audit of the financial statements, we considered the **City's** internal control over financial reporting (internal control) 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'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 20, 2021

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

**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

Tamara J. Hermstad, CPA  
Ryan J. Gemar, CPA  
Richard L. Klein, CPA  
Paula S. Steiger, CPA  
Jennifer Besich, CPA, EA

sbw@sbwcpas.com  
www.gilletteaccountant.com

319 S. Gillette Avenue, Suite 200  
P.O. Box 2256  
Gillette, WY 82717-2256  
Telephone (307) 682-5250  
Fax (307) 682-6938

## **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, 2021. 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, 2021.

## **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 20, 2021

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2021

(Page 1 of 3)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing 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	-	\$ 288,386
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 - 2020 and 2021	93.243	-	9,551
Total Department of Health and Human Services			\$ 297,937
<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	19-SHSP-GIL-LP-HEM19	\$ 17,984
FEMA Hazard Mitigation Grant	97.039	18-FEMA-GIL-HM-5241	128,604
Total Department of Homeland Security			\$ 146,588
<u>Department of Justice</u>			
Direct Awards:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program - 2019 and 2020	16.607	-	\$ 5,481
Passed Through the State of Wyoming Division of Criminal Investigation			
Edward Byrne Memorial Justice Assistance			
Grant Program - 2017 and 2018	16.738	-	\$ 42,798
Passed Through the State of Wyoming Office of Attorney General			
Crime Victim Assistance	16.575	2019-V2-GX-0002	\$ 54,234
Violence Against Women Formula Grants	16.588	1029-WF-AX-0051	23,008
Total Passed Through the State of Wyoming Office of Attorney General			\$ 77,242
Total Pass Through Awards			\$ 120,040
Total Department of Justice			\$ 125,521

(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, **2021**

(Page 2 of 3)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing 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	-	\$ 2,708
State and Community Highway Safety	20.600	-	3,971
Total Highway Safety Cluster			\$ 6,679
Alcohol Open Container Requirements	20.607	-	\$ 14,921
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	-	\$ 561,423
Total Department of Transportation			\$ 583,023
<u>Executive Office of the President</u>			
Passed Through the State of Wyoming			
Division of Criminal Investigation			
High Intensity Drug Trafficking Areas			
Program - 2020 and 2021	95.001	-	\$ 2,503
<u>Department of the Interior</u>			
Passed Through State of Wyoming Department of Environmental Quality			
Abandoned Mine Land Reclamation Program	15.252	-	\$ 1,370,584
Passed Through State of Wyoming Department of State Parks and Cultural Resources, State Historic Preservation Office			
Historic Preservation Fund Grants-In-Aid	15.904	-	2,000
Total Department of Interior			\$ 1,372,584
<u>Department of Treasury</u>			
Passed Through Wyoming Department of Health			
COVID-19 - Coronavirus Relief Fund	21.019	-	\$ 33,400
Passed Through Wyoming State Loan and Investments Board			
COVID-19 - Coronavirus Relief Fund	21.019	-	2,990,045
Total COVID-19 - Coronavirus Relief Fund			\$ 3,023,445
Passed Through Wyoming Department of Family Services			
COVID-19 - Emergency Rental Assistance Program	21.023	-	2,273
Total Department of Treasury			\$ 3,025,718

(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, **2021**

(Page 3 of 3)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
<u>Department of Housing and Urban Development</u>			
Passed Through Wyoming Business Council, Community Development Division			
Community Development Block Grants (CDBG)	14.228	-	<b>\$ 262,399</b>
<u>Total Expenditures of Federal Awards</u>			<b>\$ 5,816,273</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, **2021**

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, 2021. 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. Donated Personal Protective Equipment (PPE) (Unaudited)

During the emergency period of the COVID-19 pandemic and as allowed under OMB Memorandum M-20-20, the City of Gillette, Wyoming received donated personal protective equipment (PPE) purchased with federal assistance funds. The fair market value of this non-cash assistance received during the year ended June 30, 2021 was \$39,800. As donated PPE was provided without any compliance or reporting requirements, the value is considered unaudited.

Note 5. Loans Outstanding

The City of Gillette, Wyoming had previously received federal loan proceeds. There were no current year loan proceeds received during the year ended June 30, 2021. Following is the balance of the federal portion of the loans at June 30, 2021.

Program	Federal Assistance Listing Number	Amount
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant CWSRF Loan #50	66.458	\$ <b>5,606,420</b>

CITY OF GILLETTE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

(Page 1 of 2)

Section I. Summary of Independent Auditor's Results

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2CFR200.516(a)?  yes  no

Identification of major federal programs:

*Federal Assistance*

<i>Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Amount Expended</i>
------------------------	---	------------------------

21.019	COVID 19-Coronavirus Relief Fund	<u>\$ 3,023,445</u>
20.205	Highway Planning and Construction Cluster	<u>\$ 561,423</u>

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

Auditee qualified as low-risk auditee?  yes  no

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(Continued)

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, **2021**

(Page 2 of 2)

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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 2021.

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**CITY OF GILLETTE, WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Year Ended June 30, **2021**

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1) Prior Year Findings:

There were no prior year findings.

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