

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

For the fiscal year ended
June 30, 2022

Prepared by:
Finance Department

CITY OF GILLETTE, WYOMING

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	2-5
Organizational Chart	6
List of Elected and Appointed Officials Including Department Heads	7
Certificate of Excellence in Financial Reporting - Fiscal Year Ended June 30, 2021	8

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	9-11
Management's Discussion and Analysis (required supplementary information)	12-24
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	25-26
Statement of Activities	27-28
Fund Financial Statements:	
Balance Sheet - Governmental Fund-General Fund	29
Reconciliation of the Balance Sheet of the Governmental Fund to the Government-Wide Statement of Net Position	30
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual General Fund	31-32
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Government-Wide Statement of Activities	33-34
Statement of Net Position - Proprietary Funds	35-38
Reconciliation of Certain Differences Between Net Position of the Proprietary Funds and Net Position of the Business-Type Activities	39
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	40-41
Reconciliation of Certain Differences Between the Statement of Revenues, Expenses and Changes in Net Position of the Proprietary Funds and the Statement of Activities	42
Statement of Cash Flows - Proprietary Funds	43-44
Statement of Fiduciary Net Position - Fiduciary Funds	45

CITY OF GILLETTE, WYOMING

FINANCIAL SECTION (Continued)

Statement of Changes in Fiduciary Net Position - Fiduciary Funds	46
Notes to the Basic Financial Statements	47-79
Required Supplementary Information:	
Schedule of City of Gillette, Wyoming's Proportionate Share of Net Pension Liability Public Employees' Pension Plan	80
Schedule of City of Gillette, Wyoming's Proportionate Share of Net Pension Liability Law Enforcement Pension Plan	80
Schedule of City of Gillette, Wyoming's Contributions Public Employees' Pension Plan	81
Schedule of City of Gillette, Wyoming's Contributions Law Enforcement Pension Plan	81
Notes to Required Supplementary Information	82
Supplementary Information	
Nonmajor Enterprise Funds	83
Combining Statement of Net Position	84
Combining Statement of Revenues, Expenses and Changes in Net Position	85
Combining Statement of Cash Flows	86
Internal Service Funds	87
Combining Statement of Net Position	88
Combining Statement of Revenues, Expenses and Changes in Net Position	89
Combining Statement of Cash Flows	90
Schedule of State Financial Assistance	91-92

STATISTICAL SECTION

Statistical Section - Contents	93
Net Position by Component	94-95
Changes in Net Position	96-99
General Fund Governmental Tax Revenues by Source	100
Fund Balances, Governmental Funds	101-102
Changes in Fund Balances, Governmental Funds	103-104
Assessed and Estimated Actual Value of Taxable Property	105-106
Property Tax Rate per \$1,000 of Assessed Valuation	107
Principal Property Tax Payers	108-109
Property Tax Levies and Collections	110
Taxable Sales by Major Business Class	111-112

CITY OF GILLETTE, WYOMING

STATISTICAL SECTION (Continued)

Direct and Overlapping Sales Tax Rates	113
Principal Sales Tax Remitters by Business Activity	114-115
Ratios of Outstanding Debt by Type	116-117
Computation of Direct and Overlapping Debt	118-119
Computation of Legal Debt Margin	120-121
Ratios of General Bonded Debt Outstanding	122
Demographic and Economic Statistics	123-124
Principle Employers in Campbell County	125-126
Full-Time Equivalency City Government Employees by Functional Program	127-128
Capital Asset Statistics by Function/Program	129-130
Operating Indicators by Function/Program	131-132

SINGLE AUDIT SECTION

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 <i>GOVERNMENT AUDITING STANDARDS</i>	133-134
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	135-137
Schedule of Expenditures of Federal Awards	138-140
Notes to the Schedule of Expenditures of Federal Awards	141
Schedule of Findings and Questioned Costs	142-143
Summary Schedule of Prior Audit Findings	144

INTRODUCTORY SECTION



CITY OF GILLETTE

Finance Division

201 E. 5th Street • Gillette, Wyoming 82716

Phone 307.686.5208

www.gillettewy.gov

December 20, 2022

To the Honorable Mayor Hanson, 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, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable assurance, which is a high level of assurance but not 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, 2022. 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 gradually increased since a low in 2016, with the last two years remaining relatively stagnant based on the most recent census data. The city currently occupies 23.20 square miles and serves an estimated population of 32,962. 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 seven 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. While the global economy continues to grow post-pandemic, a variety of factors are reigniting the demand for coal, including the global energy crisis following the Russian invasion of Ukraine. The world-wide natural gas supply crunch and record-high prices are contributing to the resurgence in local mineral production. Though the immediate coal future is positive, the long-term outlook for coal remains uncertain, with national and state economists continuing to predict a bleak 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 are on site and have begun their groundbreaking research, with additional tenants scheduled to arrive in 2023. The ITC can host several research teams at any given time, being designed to accommodate projects of differing sizes and power needs. 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, returning to pre-pandemic levels with the latest estimates at 3.6%. Per capita personal income stayed relatively consistent the last few years, even through the pandemic, and over the course of the last year increased by 6.7% to the highest levels in the last ten years. The most recent figures indicate City-issued building permits are on the rise, increasing by 15% 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 8.2% increase in the last six 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. FY2022 experienced a significant rebound, with sales tax collections coming in 37% higher than the year before. As discussed earlier, increased mineral production has contributed to the increase in sales tax revenue. The first five months of FY2023 have followed suit, recording near-record revenues and realizing a 46% increase over the same time frame in FY2022.

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 utility 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, the Power Fund and the Water Fund in order to cover costs in each of those funds. Accordingly, rates were adjusted by 10% in the Sewer Fund and 5% in the Power Fund. This was the eleventh consecutive year of rate increases in the Sewer Fund. The Water Fund is analyzed separately for the transmission function, which required a 5% increase, and the distribution function, which resulted in a 20% adjustment for those rates. The net position of the Solid Waste Fund was adequate to meet its reserve standards so these rates remained unchanged.

On November 8, 2022, 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 \$16M-\$18M annually and is used to fund capital projects undertaken by the City as well as contributions to the fire department and 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 2026.

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 energy industry, as well as 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. Furthermore, the City has participated in a local government investment pool for many years, and in July 2022, joined an additional pool to expand our cash management options.

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 included 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 2024), 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. There are plans for additional buildout over the next five years to include parking, landscaping and shelters.

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, 2021. 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.

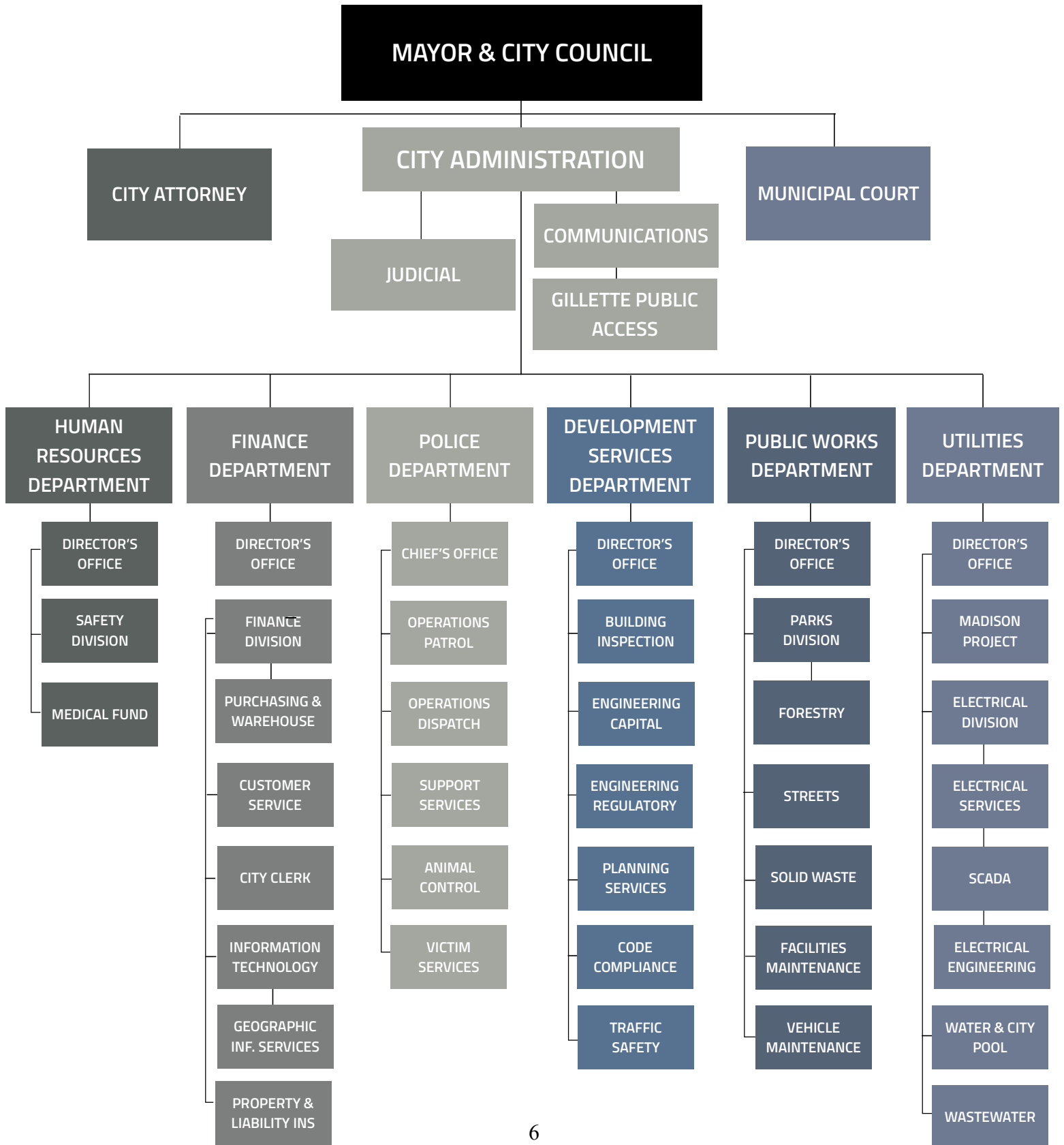
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. It should be noted 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, 2022

ELECTED OFFICIALS

Mayor		Eric Hanson
City Council	Ward I	Gregory Schreurs Tricia Simonson
	Ward II	Tim Carsrud Billy Montgomery
	Ward III	Nathan McLeland Shay Lundvall

APPOINTED OFFICIALS

City Administrator		Hyun Kim
City Attorney		Sean Brown
Municipal Court Judges		Jeremy Michaels

DEPARTMENT HEADS

Chief of Police		Chuck Deaton
Development Services Director		Ry Muzzarelli
Finance Director		Michelle Henderson
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
Reporting

Presented to

**City of Gillette
Wyoming**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

BENNETT, WEBER & HERMSTAD, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

319 S. Gillette Avenue, Suite 200
P.O. Box 2256
Gillette, WY 82717-2256

Tamara J. Hermstad, CPA
Ryan J. Gemar, CPA
Paula S. Steiger, CPA
Jennifer Besich, CPA, EA
Brandon E. Larson, CPA
Erica J. Mund, CPA

Telephone (307)682-5250
Fax (307) 682-6938
info@bwhllp.cpa

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the **City's** basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **City** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 4 to the financial statements, in 2022 the **City** adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the **City's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **City's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **City's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund statements, schedule of state financial assistance and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, 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 & Hermsstad, LLP

Gillette, Wyoming
December 15, 2022

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, 2022. 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 \$683,899 (*net position*). Of this amount, \$99,568 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The government's total net position increased by \$8,864. The governmental-type net position increased by \$10,416 primarily due to increased sales tax receipts compared to the prior fiscal year. The business-type net position decreased by \$1,553 due to a significant decrease in investment income 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 \$78,492, an increase of \$9,407 in comparison with the prior year. Approximately 33 percent of this fund balance, \$25,998, 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 \$20,470 and the assigned fund balance was \$31,744. 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 increased by \$7,920 during the current fiscal year. The largest cause for the increase is due to recording lease liabilities related to implementing GASB Statement No. 87 as well as additional debt for improvements to the Wastewater Treatment Facility. These increases were offset by payments made to 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 25-28 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 29-34 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 35-44 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 45-46 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 47-79 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 \$683,899 at the close of the most recent fiscal year. Governmental activities net position was \$289,942 and business-type activities net position was \$393,956.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	97,356	88,435	98,545	101,177	195,902	189,612
Capital Assets	227,425	228,411	411,107	401,308	638,532	629,719
Total Assets	324,781	316,846	509,653	502,486	834,434	819,331
Deferred Outflows of Resources						
Relating to Pensions	8,078	2,688	843	656	8,921	3,345
Long-term Liabilities Outstanding:						
Other Liabilities:	19,910	19,473	107,192	99,708	127,102	119,182
Total Liabilities	33,911	34,211	112,643	106,311	146,554	140,522
Relating to Leases	-	-	769	-	769	-
Relating to Pensions	9,006	5,797	3,127	1,322	12,133	7,119
Total Deferred Inflows of Resources	9,006	5,797	3,896	1,322	12,902	7,119
Net Position:						
Net Investment in Capital Assets	221,308	220,313	307,850	306,649	529,159	526,962
Restricted:	569	612	54,603	55,924	55,172	56,536
Unrestricted:	68,065	58,601	31,503	32,936	99,568	91,537
Total Net Position	289,942	279,526	393,956	395,509	683,899	675,035

The largest portion of the City of Gillette's net position (77 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* (\$99,568) may be used to meet the government's ongoing obligations to citizens and creditors.

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

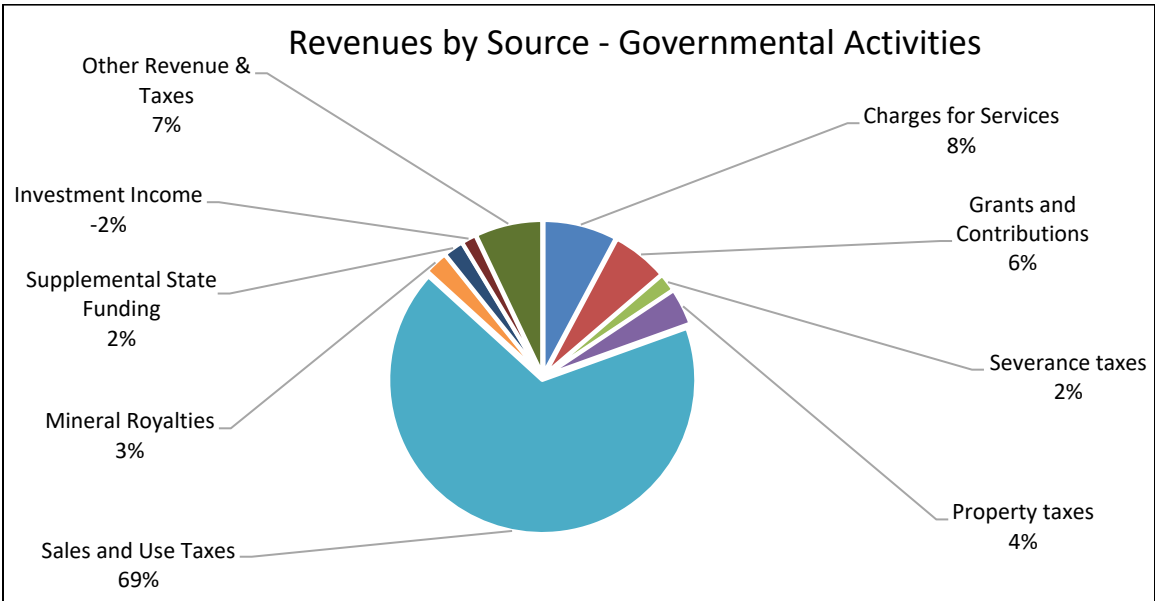
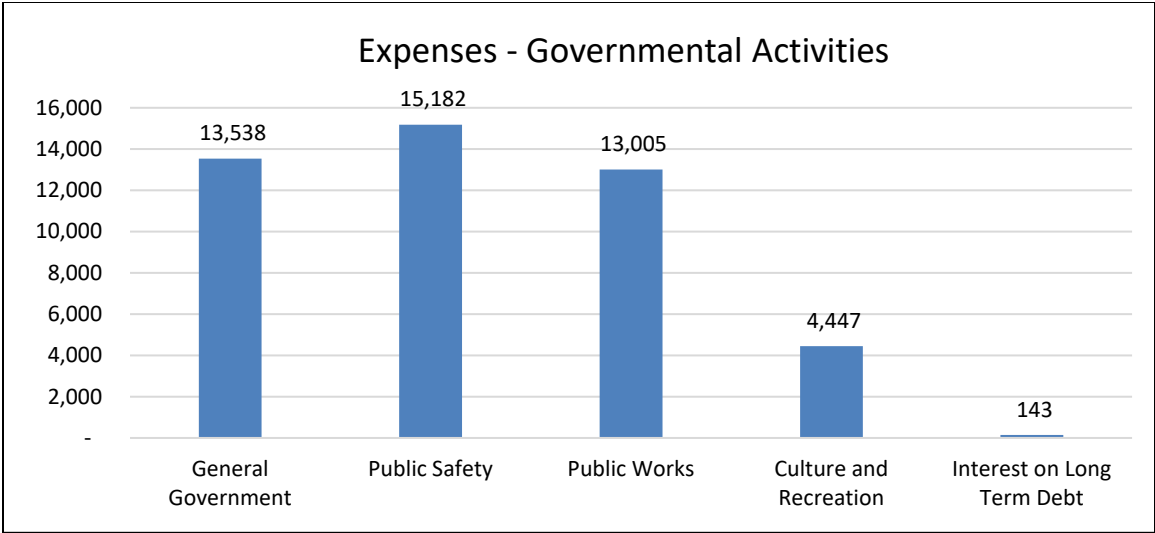
The government's net position increased by \$8,864, or just over one percent during the current fiscal year. Most of the increase is due to increased sales tax collections in comparison to the prior fiscal year. Additionally, investments in capital assets, net of related debt, increased from the prior year. Major capital projects for infrastructure throughout the City of Gillette include park development at the Energy Capital Sports Complex; several equipment and irrigation improvements at parks; beautification projects; 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 including the Lakeway Road Sewer and Road Replacement Project.

City of Gillette's Changes in Net Position

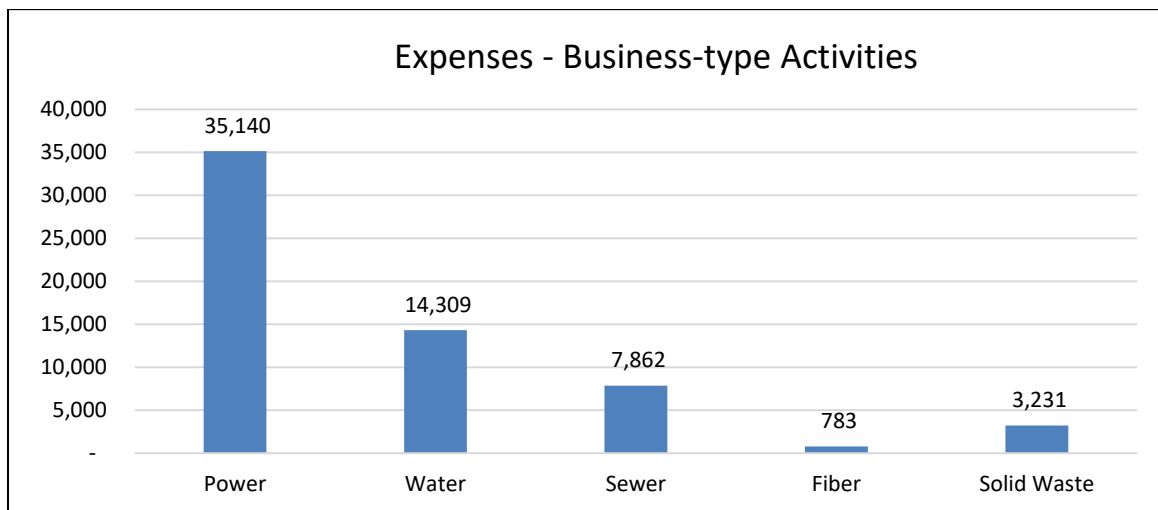
Rounded to \$,000s

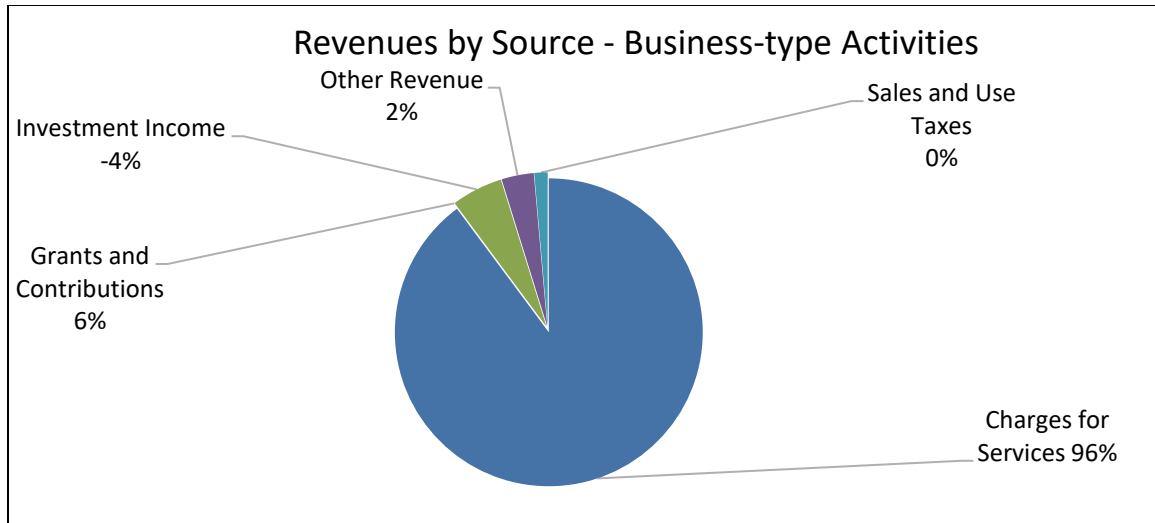
	Governmental activities		Business-type activities		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Revenues:						
Program revenues:						
Charges for Services	4,879	4,743	53,742	52,098	58,621	56,840
Operating Grants and Contributions	924	3,757	44	222	968	3,979
Capital grants and contributions	2,796	1,250	3,180	3,418	5,976	4,668
General revenues:						
Severance taxes	1,202	1,160	-	-	1,202	1,160
Property taxes	2,423	2,389	-	-	2,423	2,389
Sales and Use Taxes	42,151	30,865	2	-	42,153	30,865
Other taxes	3,226	3,579	-	-	3,226	3,579
Mineral Royalties	1,564	1,543	-	-	1,564	1,543
Supplemental State Funding	1,328	1,311	-	-	1,328	1,311
Investment Income (Loss)	(973)	4	(2,026)	(148)	(2,999)	(144)
Other revenue	1,203	1,300	837	773	2,040	2,073
Special Assessment Revenue	-	-	-	-	-	-
Total revenues	60,724	51,902	55,779	56,363	116,503	108,265
Expenses:						
General Government	13,538	15,100	-	-	13,538	15,100
Public Safety	15,182	13,341	-	-	15,182	13,341
Public Works	13,005	12,995	-	-	13,005	12,995
Culture and Recreation	4,447	4,265	-	-	4,447	4,265
Interest on Long Term Debt	143	165	-	-	143	165
Power	-	-	35,140	39,109	35,140	39,109
Water	-	-	14,309	15,236	14,309	15,236
Sewer	-	-	7,862	7,316	7,862	7,316
Fiber	-	-	783	532	783	532
Solid Waste	-	-	3,231	2,964	3,231	2,964
Total Expenses	46,314	45,867	61,325	65,157	107,640	111,023
Increase/(decrease) in net position before transfers	14,410	6,036	(5,546)	(8,794)	8,864	(2,758)
Transfers	(3,993)	(5,513)	3,993	5,513	-	-
Increase/(decrease) in net position	10,416	522	(1,553)	(3,281)	8,864	(2,758)
Net position - Beginning of Fiscal Year	279,526	279,004	395,509	398,790	675,035	677,793
Net position - End of Fiscal Year	289,942	279,526	393,956	395,509	683,899	675,035

Governmental activities. Governmental activities increased the City of Gillette's net position by \$10,416. The increase in governmental activities resulted mainly from increased sales tax receipts. Due to the economic downturn from a few years ago and because of the nature of the City's boom and bust economy, 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. Sales tax began to rebound in FY2022, and the city realized several near record receipts. Expenses in total for governmental activities increased only slightly (by one percent) as compared to the prior fiscal year. There were capital asset transfers from governmental to business-type activities of \$3,993. 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 \$1,553. Decreases in the business-type activity net position resulted primarily from losses in investment income. This was offset by a significant decrease in expenses in the Power and Water Funds. The Power Fund experienced large expenses for electricity due to an anomaly in FY2021 with Winter Storm Uri. FY2022 realized expenses more in line with historical costs for this fund. The remaining business-type funds experienced increased expenses as compared to last year. The loss of investment income was 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 \$3,993. 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 \$78,492, an increase of \$9,407 in comparison with the prior year. As stated in the discussion of the Governmental activities above, this increase was driven mainly by increased sales and use tax collections. 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. The decline in sales tax collections continued through FY2021 and then began to rebound in FY2022. Approximately 33 percent of the ending fund balance (\$25,998) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The unassigned fund balance increased by \$2,667 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 (\$12,545), along with the completion of contracts/projects in progress as of June 30, 2022 (\$7,603).

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 \$10,834; Water Fund \$12,609; Sewer Fund \$3,575; Solid Waste Fund \$2,193; and the Fiber Fund \$45. The decrease in the total of the net position from FY2021 to FY2022 for the proprietary funds was \$1,442 due to losses in investment income which was offset by increased investments in capital assets as well. 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 \$16,219 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 FY2020/2021 budget, which for various reasons, were not completed by the City's June 30, 2021 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 FY2021/2022 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 FY2021, and therefore had to be carried over into FY2022, were: Donkey Creek Pathway Connections, Foothills Boulevard realignment, beautification along 4-J Road, 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 \$25,801. Total revenues exceeded budget by \$10,213 mainly due to sales and use tax receipts which came in 39 percent higher than what was budgeted. Expenditures were lower than budget by \$15,503 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, 2022, is \$638,532 (net of accumulated depreciation). This represents a net increase (additions, disposals, and depreciation) of \$8,813 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, and right to use assets. The City of Gillette's investment in capital assets for the current fiscal year decreased by less than one percent for governmental activities and increased by two percent for business-type activities.

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

- Donkey Creek Pathway Connections
- Monte Vista Utilities Replacement
- Continued work on 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 park development at the Energy Capital Sports Complex
- 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	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Land	13,451	13,451	662	662	14,113	14,113
Construction in Progress	9,980	14,819	33,233	25,920	43,213	40,739
Infrastructure	153,436	151,038	237,359	241,630	390,795	392,668
Buildings & Improvements	41,570	41,777	115,326	116,118	156,896	157,896
Machinery & Equipment	5,250	3,665	12,563	13,729	17,813	17,394
Allocation of Vehicle Maintenance	3,737	3,660	3,177	3,250	6,914	6,910
Right to Use Assets	-	-	8,788	-	8,788	-
Total Assets	227,425	228,411	411,107	401,308	638,532	629,719

Additional information on the City of Gillette's capital assets can be found in note 3.C on pages 56-58 of this report.

Long-term debt. At the end of FY2022, the City of Gillette had total long-term debt outstanding of \$127,102 which is an increase of \$7,920 during the current fiscal year. The main reason for the increase was due to the lease liabilities the City of Gillette recorded as part of GASB Statement No. 87. In addition, the city began to draw down funds from the capital construction loan through the State of Wyoming for improvements at the Wastewater Treatment Plant. These increases were offset by payments made for Lease Revenue Bonds related to the WyGen III and CTII purchases, 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 \$11,819. 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, 2022, the City's assessed valuation was \$295,478.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Long-term Liabilities:						
Accrued Sick Leave	35	32	22	21	57	53
Customer Deposits	-	-	820	772	820	772
Lease Liabilities	-	-	8,868	-	8,868	-
Certificate of Participation	4,985	6,155	-	-	4,985	6,155
Net Pension Liability	14,304	12,609	4,193	5,541	18,497	18,150
Subtotal	19,324	18,796	13,903	6,334	33,227	25,130
Capital Loan Agreements						
Special Assessment Debt	586	677	-	-	586	677
Gillette Madison Pipeline	-	-	4,328	4,328	4,328	4,328
Electric Facilities Improvement - Lease Revenue Bonds	-	-	75,450	78,270	75,450	78,270
Plus Bond Premium	-	-	1,443	1,642	1,443	1,642
Southern Industrial Addition	-	-	2,129	2,260	2,129	2,260
Wastewater Treatment Facility Improvements	-	-	9,939	6,874	9,939	6,874
Subtotal	586	677	93,289	93,375	93,875	94,052
Total Long-term Debt	19,910	19,473	107,192	99,708	127,102	119,182

Additional information on the City of Gillette's long-term debt can be found in note 3.G on pages 62-68 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 3.6 percent, which is a significant decrease compared to the rate a year ago (based upon Campbell County statistical data). This compares unfavorably to the state's average unemployment rate of 3.1 percent and favorably to the national average rate of 3.8 percent.

All of these factors were considered in preparing the City of Gillette's budget for the 2023 fiscal year.

During the current fiscal year, unassigned fund balance for all governmental funds is \$25,998. The city has appropriated \$20,470 for several major projects and an additional \$31,744 for the operating budget in the 2023 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 2023 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 2022 budget year. The City Council approved a rate increase effective May 1, 2022, for the Sewer, Power, and Water Funds. The Sewer and Power rates were adjusted by 10 percent and five percent respectively. The Water rates were adjusted by five percent for wholesale sales and 20 percent for distribution sales.

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. 5th Street, Gillette, WY 82716.

CITY OF GILLETTE, WYOMING

STATEMENT OF NET POSITION

June 30, 2022

(Page 1 of 2)

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash	\$ 26,086,414	\$ 7,975,982	\$ 34,062,396
Cash With Fiscal Agent	4	4,683,168	4,683,172
Investments	64,608,131	75,664,011	140,272,142
Accounts Receivable (Net of Allowance for Uncollectibles)	-	1,578,272	1,578,272
Taxes Receivable	4,308,781	1,879	4,310,660
Unbilled Accounts Receivable	-	2,710,186	2,710,186
Accrued Interest Receivable	42,963	107,465	150,428
Special Assessment Receivable, Restricted	567,879	-	567,879
Other Receivables	218,198	357,378	575,576
Leases Receivable	-	125,951	125,951
Internal Balances	(96,322)	96,322	-
Due From Other Entities	1,088,459	138,292	1,226,751
Inventories	531,882	4,462,861	4,994,743
Leases Receivable, noncurrent	-	643,599	643,599
Capital Assets:			
Nondepreciable Capital Assets	23,431,007	33,894,485	57,325,492
Depreciable Assets, Net	203,993,689	368,424,269	572,417,958
Right to Use Leased Assets, Net	-	8,788,383	8,788,383
Total Assets	\$ 324,781,085	\$ 509,652,503	\$ 834,433,588
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	\$ 8,077,590	\$ 843,042	\$ 8,920,632
LIABILITIES			
Vouchers Payable	\$ 791,969	\$ 2,540,114	\$ 3,332,083
Contracts and Retainage Payable	1,131,241	979,098	2,110,339
Estimated Claims Payable	342,499	122,501	465,000
Accrued Interest Payable	51,512	609,059	660,571
Other Accrued Liabilities	2,006,797	1,200,672	3,207,469
Advance Payments Received on Grants	5,607,383	-	5,607,383
Due To Other Entities	4,069,040	-	4,069,040
Noncurrent Liabilities:			
Due Within One Year			
Current Portion of Long-Term Debt	1,293,165	4,506,797	5,799,962
Current Portion of Lease Liabilities	-	199,675	199,675
Due in More Than One Year			
Lease Liabilities	-	8,668,337	8,668,337
Long-Term Debt and Other Liabilities	4,313,070	89,623,964	93,937,034
Net Pension Liability	14,303,857	4,193,179	18,497,036
Total Liabilities	\$ 33,910,533	\$ 112,643,396	\$ 146,553,929

(Continued)

CITY OF GILLETTE, WYOMING

STATEMENT OF NET POSITION

June 30, 2022

(Page 2 of 2)

	Governmental Activities	Business- Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Relating to Leases	\$ -	\$ 768,665	\$ 768,665
Relating to Pensions	9,005,989	3,127,078	12,133,067
Total Deferred Inflows of Resources	\$ 9,005,989	\$ 3,895,743	\$ 12,901,732
NET POSITION			
Net Investment in Capital Assets	\$ 221,308,459	\$ 307,850,082	\$ 529,158,541
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	-	43,119,442	43,119,442
Student Housing Project	4	-	4
Gillette Historic Preservation Commission	1,043	-	1,043
Special Assessment Debt	567,879	-	567,879
Unrestricted	68,064,762	31,502,914	99,567,676
Total Net Position	\$ 289,942,153	\$ 393,956,406	\$ 683,898,559

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 13,537,840	\$ 4,684,241	\$ 2,500	\$ -
Public Safety	15,181,666	72,394	448,026	-
Public Works	13,005,106	122,025	414,888	2,796,071
Culture and Recreation	4,447,106	-	58,771	-
Debt Service:				
Interest and Other Charges	142,688	-	-	-
Total Governmental Activities	\$ 46,314,406	\$ 4,878,660	\$ 924,185	\$ 2,796,071
Business-type Activities:				
Power	\$ 35,140,293	\$ 35,046,008	\$ -	\$ 1,337,179
Water	14,309,036	8,030,659	-	1,166,313
Sewer	7,862,402	7,247,712	43,993	676,875
Fiber	782,648	195,660	-	-
Solid Waste	3,230,964	3,221,884	-	-
Total Business-type Activities	\$ 61,325,343	\$ 53,741,923	\$ 43,993	\$ 3,180,367
Total Primary Government	\$ 107,639,749	\$ 58,620,583	\$ 968,178	\$ 5,976,438
General Revenues:				
Taxes:				
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 (Loss)				
Other Revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, Beginning July 1				
Net Position, Ending June 30				

See Notes to the Basic Financial Statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
Governmental Activities	Business-type Activities	Totals
\$ (8,851,099)	\$ -	\$ (8,851,099)
(14,661,246)	-	(14,661,246)
(9,672,122)	-	(9,672,122)
(4,388,335)	-	(4,388,335)
(142,688)	-	(142,688)
\$ (37,715,490)	\$ -	\$ (37,715,490)
\$ -	\$ 1,242,894	\$ 1,242,894
-	(5,112,064)	(5,112,064)
-	106,178	106,178
-	(586,988)	(586,988)
-	(9,080)	(9,080)
\$ -	\$ (4,359,060)	\$ (4,359,060)
\$ (37,715,490)	\$ (4,359,060)	\$ (42,074,550)
\$ 1,202,387	\$ -	\$ 1,202,387
2,423,096	-	2,423,096
1,094,236	-	1,094,236
42,150,995	1,879	42,152,874
1,231,881	-	1,231,881
663,973	-	663,973
159,755	-	159,755
76,474	-	76,474
1,564,462	-	1,564,462
1,328,433	-	1,328,433
878,939	-	878,939
(973,146)	(2,025,987)	(2,999,133)
323,667	837,123	1,160,790
(3,993,464)	3,993,464	-
\$ 48,131,688	\$ 2,806,479	\$ 50,938,167
\$ 10,416,198	\$ (1,552,581)	\$ 8,863,617
279,525,955	395,508,987	675,034,942
\$ 289,942,153	\$ 393,956,406	\$ 683,898,559

CITY OF GILLETTE, WYOMING

BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
June 30, 2022

ASSETS	
Cash	\$ 25,413,474
Cash With Fiscal Agent	4
Investments	61,084,239
Taxes Receivable	4,308,781
Accrued Interest Receivable	42,963
Other Receivable	79,441
Due From Other Entities	1,088,459
Inventories	277,490
<hr/>	
Total Assets	\$ 92,294,851
<hr/>	
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Vouchers Payable	\$ 661,864
Contracts and Retainage Payable	1,131,241
Other Accrued Liabilities	1,968,068
Advance Payments Received on Grants	5,607,383
Due To Other Funds	365,626
Due To Other Entities	4,069,040
<hr/>	
Total Liabilities	\$ 13,803,222
<hr/>	
FUND BALANCE	
Nonspendable	\$ 277,490
Restricted	1,053
Committed	20,470,382
Assigned	31,744,489
Unassigned	25,998,215
<hr/>	
Total Fund Balance	\$ 78,491,629
<hr/>	
Total Liabilities and Fund Balance	\$ 92,294,851

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, 2022

Total Governmental Fund Balance	\$ 78,491,629
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.	567,879
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Nondepreciable capital assets	\$ 23,431,007
Depreciable assets	346,721,293
Less: accumulated depreciation	<u>(146,464,931)</u>
	223,687,369
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.	8,081,574
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	\$ (31,042)
Net pension liability	(14,303,857)
Certificates of Participation	(4,985,000)
Accrued interest on Certificates of Participation	<u>(51,512)</u>
	(19,371,411)
Special Assessment debt with governmental commitment is not due and payable in the current period and therefore is not reported in the funds.	(586,488)
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	\$ 8,077,590
Deferred inflows of resources related to pensions	<u>(9,005,989)</u>
	(928,399)
Total Net Position of Governmental Activities	\$ 289,942,153

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, 2022

(Page 1 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Severance	\$ 1,160,406	\$ 1,160,406	\$ 1,202,387	\$ 41,981
Property	2,322,254	2,322,254	2,423,096	100,842
Automobile	1,000,000	1,000,000	1,094,236	94,236
Sales and Use	30,363,636	30,363,636	42,150,995	11,787,359
Gasoline	1,197,000	1,197,000	1,231,881	34,881
Franchise	734,471	734,471	663,973	(70,498)
Cigarette	170,000	170,000	159,755	(10,245)
Lodging	-	-	76,474	76,474
Total Taxes	\$ 36,947,767	\$ 36,947,767	\$ 49,002,797	\$ 12,055,030
Intergovernmental:				
Local and County Sources	\$ 194,566	\$ 197,066	\$ 193,295	\$ (3,771)
State Sources	3,624,760	3,624,760	3,859,678	234,918
Federal Sources	443,589	1,615,391	793,046	(822,345)
Total Intergovernmental	\$ 4,262,915	\$ 5,437,217	\$ 4,846,019	\$ (591,198)
Other:				
Licenses and Permits	\$ 270,755	\$ 270,755	\$ 274,539	\$ 3,784
Charges for Services	4,273,853	4,273,853	4,151,608	(122,245)
Fines and Fees	253,000	253,000	252,812	(188)
Investment Income (Loss)	233,000	233,000	(948,306)	(1,181,306)
Miscellaneous	456,219	474,969	523,368	48,399
Special Assessment Revenue	42,461	42,461	42,943	482
Total Other	\$ 5,529,288	\$ 5,548,038	\$ 4,296,964	\$ (1,251,074)
Total Revenues	\$ 46,739,970	\$ 47,933,022	\$ 58,145,780	\$ 10,212,758
EXPENDITURES				
General Government:				
Salaries and Benefits	\$ 8,538,003	\$ 8,741,745	\$ 8,237,826	\$ 503,919
Contractual Services	3,020,273	3,270,293	2,812,233	458,060
Supplies and Materials	1,019,297	1,047,819	977,707	70,112
Capital Outlay	168,000	540,042	237,047	302,995
Total General Government	\$ 12,745,573	\$ 13,599,899	\$ 12,264,813	\$ 1,335,086
Public Safety:				
Salaries and Benefits	\$ 9,351,985	\$ 9,750,697	\$ 9,413,285	\$ 337,412
Contractual Services	909,622	991,152	819,421	171,731
Supplies and Materials	483,735	559,588	481,623	77,965
Capital Outlay	24,000	58,785	40,211	18,574
Total Public Safety	\$ 10,769,342	\$ 11,360,222	\$ 10,754,540	\$ 605,682

(Continued)

CITY OF GILLETTE, WYOMING

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

GENERAL FUND

Year Ended June 30, 2022

(Page 2 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Works:				
Salaries and Benefits	\$ 1,300,481	\$ 1,391,072	\$ 1,422,088	\$ (31,016)
Contractual Services	939,357	961,857	884,735	77,122
Supplies and Materials	685,274	685,274	624,251	61,023
Capital Outlay	9,355,250	16,419,244	6,793,106	9,626,138
Total Public Works	\$ 12,280,362	\$ 19,457,447	\$ 9,724,180	\$ 9,733,267
Culture and Recreation:				
Salaries and Benefits	\$ 1,273,803	\$ 1,329,762	\$ 1,183,244	\$ 146,518
Contractual Services	434,083	434,083	395,987	38,096
Supplies and Materials	587,221	717,221	697,021	20,200
Capital Outlay	1,441,450	3,195,037	2,024,752	1,170,285
Total Culture and Recreation	\$ 3,736,557	\$ 5,676,103	\$ 4,301,004	\$ 1,375,099
Miscellaneous:				
Joint Powers Fire Board Funding	\$ 2,912,350	\$ 2,912,350	\$ 2,892,307	\$ 20,043
Joint Powers Public Land Board Funding	925,150	1,437,724	1,352,453	85,271
Other	2,514,371	3,764,018	1,308,934	2,455,084
Debt Service:				
Principal	1,170,000	1,170,000	1,260,303	(90,303)
Interest and Other Charges	138,136	138,136	154,778	(16,642)
Total Miscellaneous	\$ 7,660,007	\$ 9,422,228	\$ 6,968,775	\$ 2,453,453
Total Expenditures	\$ 47,191,841	\$ 59,515,899	\$ 44,013,312	\$ 15,502,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (451,871)	\$ (11,582,877)	\$ 14,132,468	\$ 25,715,345
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 57,925	\$ 133,925	\$ 222,935	\$ 89,010
Transfers (Out)	(1,050,000)	(4,944,994)	(4,948,574)	(3,580)
Proceeds From Sale of Capital Assets	-	-	53	53
Total Other Financing (Uses)	\$ (992,075)	\$ (4,811,069)	\$ (4,725,586)	\$ 85,483
Net Change in Fund Balance	\$ (1,443,946)	\$ (16,393,946)	\$ 9,406,882	\$ 25,800,828
FUND BALANCE, BEGINNING JULY 1	69,084,747	69,084,747	69,084,747	-
FUND BALANCE, ENDING JUNE 30	\$ 67,640,801	\$ 52,690,801	\$ 78,491,629	\$ 25,800,828

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, 2022

(Page 1 of 2)

Net Change in Fund Balance - Total Governmental Fund	\$ 9,406,882
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.	(42,943)
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	\$ 7,521,475
Depreciation	<u>(11,230,655)</u>
	(3,709,180)
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, 2022. Capital assets and any related capital contributions are not financial resources and are not reported in the funds.	2,646,071
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.	359,923
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	12,090
Increase in long-term sick leave payable is not reflected in the governmental funds, but increases long-term liabilities in the Statement of Net Position.	(2,611)
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.	90,303

(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, 2022

(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.	\$ 1,170,000
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	485,663
Change in Net Position of Governmental Activities	\$ 10,416,198

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2022

(Page 1 of 2)

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
ASSETS			
CURRENT ASSETS			
Cash	\$ 1,829,455	\$ 2,313,245	\$ 2,273,810
Cash With Fiscal Agent	4,683,168	-	-
Investments	5,597,840	13,296,291	2,405,878
Accounts Receivable, Net of Allowance for Uncollectibles	908,718	240,014	275,890
Taxes Receivable	-	1,879	-
Unbilled Accounts Receivable	1,684,099	579,915	309,375
Accrued Interest Receivable	31,060	69,324	-
Other Receivables	56,637	4,809	37,581
Leases Receivable	-	-	-
Due From Other Entities	128,933	9,359	-
Due From Other Funds	-	-	-
Inventories	3,193,786	1,076,477	9,835
Total Current Assets	\$ 18,113,696	\$ 17,591,313	\$ 5,312,369
NONCURRENT ASSETS			
Leases Receivable	\$ -	\$ -	\$ -
Restricted Assets:			
Investments Restricted for Lease Revenue Bonds	\$ 7,983,968	\$ -	\$ -
Investments Restricted for Gillette Regional Water Supply Project	-	43,117,527	-
Total Restricted Assets	\$ 7,983,968	\$ 43,117,527	\$ -
Capital Assets			
Land	\$ 200,903	\$ 194,417	\$ 266,404
Infrastructure	60,807,468	223,251,476	53,096,084
Buildings and Improvements	100,500,495	40,091,791	18,473,993
Machinery and Equipment	14,020,804	17,237,573	3,105,605
Construction in Progress	1,822,994	20,903,590	10,298,064
Less Accumulated Depreciation	(64,898,156)	(74,637,598)	(31,900,285)
Right to Use Leased Assets, Net of Accumulated Amortization	8,162,273	626,110	-
Total Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 120,616,781	\$ 227,667,359	\$ 53,339,865
Total Noncurrent Assets	\$ 128,600,749	\$ 270,784,886	\$ 53,339,865
Total Assets	\$ 146,714,445	\$ 288,376,199	\$ 58,652,234
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	\$ 443,707	\$ 155,297	\$ 155,297
LIABILITIES			
CURRENT LIABILITIES			
Vouchers Payable	\$ 1,848,164	\$ 119,120	\$ 199,062
Contracts and Retainage Payable	-	203,077	776,021
Estimated Claims Payable	-	-	-
Accrued Interest Payable	433,292	11,861	163,906
Other Accrued Liabilities	767,179	156,333	164,225
Current Portion of Lease Liabilities	199,048	627	-
Current Maturities of Long-Term Liabilities	3,631,000	-	875,797
Total Current Liabilities	\$ 6,878,683	\$ 491,018	\$ 2,179,011
NONCURRENT LIABILITIES			
Customer Deposits	\$ 460,789	\$ -	\$ -
Accrued Sick Leave Payable	1,931	-	8,702
Capital Loan Payable	1,996,991	4,328,358	9,071,842
Lease Revenue Bonds	73,752,689	-	-
Lease Liabilities	8,038,295	630,042	-
Net Pension Liability	2,206,936	772,428	772,428
Total Noncurrent Liabilities	\$ 86,457,631	\$ 5,730,828	\$ 9,852,972
Total Liabilities	\$ 93,336,314	\$ 6,221,846	\$ 12,031,983
DEFERRED INFLOWS OF RESOURCES			
Relating to Leases	\$ -	\$ -	\$ -
Relating to Pensions	1,645,830	576,041	576,041
Total Deferred Inflows of Resources	\$ 1,645,830	\$ 576,041	\$ 576,041

	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$	1,219,108	\$ 7,635,618	\$ 1,013,304	\$ 8,648,922
	-	4,683,168	-	4,683,168
	1,583,584	22,883,593	5,202,815	28,086,408
	153,650	1,578,272	-	1,578,272
	-	1,879	-	1,879
	136,797	2,710,186	-	2,710,186
	7,081	107,465	-	107,465
	9,059	108,086	388,049	496,135
	125,951	125,951	-	125,951
	-	138,292	-	138,292
	-	-	365,626	365,626
	-	4,280,098	437,155	4,717,253
\$	3,235,230	\$ 44,252,608	\$ 7,406,949	\$ 51,659,557
\$	643,599	\$ 643,599	\$ -	\$ 643,599
\$	-	\$ 7,983,968	\$ -	\$ 7,983,968
	-	43,117,527	-	43,117,527
\$	-	\$ 51,101,495	\$ -	\$ 51,101,495
\$	-	\$ 661,724	\$ -	\$ 661,724
6,530,926	343,685,954	-	343,685,954	
-	159,066,279	-	159,066,279	
413,333	34,777,315	19,737,491	54,514,806	
208,113	33,232,761	-	33,232,761	
(845,884)	(172,281,923)	(12,823,520)	(185,105,443)	
-	8,788,383	-	8,788,383	
\$	6,306,488	\$ 407,930,493	\$ 6,913,971	\$ 414,844,464
\$	6,950,087	\$ 459,675,587	\$ 6,913,971	\$ 466,589,558
\$	10,185,317	\$ 503,928,195	\$ 14,320,920	\$ 518,249,115
\$	88,741	\$ 843,042	\$ -	\$ 843,042
\$	226,564	\$ 2,392,910	\$ 277,309	\$ 2,670,219
-	979,098	-	979,098	
-	-	465,000	465,000	
-	609,059	-	609,059	
85,111	1,172,848	66,553	1,239,401	
-	199,675	-	199,675	
-	4,506,797	-	4,506,797	
\$	311,675	\$ 9,860,387	\$ 808,862	\$ 10,669,249
\$	-	\$ 460,789	\$ -	\$ 460,789
-	10,633	6,367	17,000	
-	15,397,191	-	15,397,191	
-	73,752,689	-	73,752,689	
-	8,668,337	-	8,668,337	
441,387	4,193,179	-	4,193,179	
\$	441,387	\$ 102,482,818	\$ 6,367	\$ 102,489,185
\$	753,062	\$ 112,343,205	\$ 815,229	\$ 113,158,434
\$	768,665	\$ 768,665	\$ -	\$ 768,665
329,166	3,127,078	-	3,127,078	
\$	1,097,831	\$ 3,895,743	\$ -	\$ 3,895,743

(Continued)

CITY OF GILLETTE, WYOMING

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2022

(Page 2 of 2)

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
NET POSITION			
Net Investment in Capital Assets	\$ 33,357,758	\$ 222,505,255	\$ 42,625,002
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	-	43,119,442	-
Unrestricted	10,834,282	12,608,912	3,574,505
Total Net Position	\$ 52,176,008	\$ 281,733,609	\$ 46,199,507
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
\$	6,185,423	\$ 304,673,438	\$ 6,913,971	\$ 311,587,409
	-	7,983,968	-	7,983,968
	-	3,500,000	-	3,500,000
	-	43,119,442	-	43,119,442
	2,237,742	29,255,441	6,591,720	35,847,161
<u>\$</u>	<u>8,423,165</u>	\$ 388,532,289	<u>\$ 13,505,691</u>	<u>\$ 402,037,980</u>
		5,424,117		
		\$ 393,956,406		

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, 2022

Total Net Position of the Proprietary Funds		\$388,532,289
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	\$	4,034,667
Liability and Property Injury Insurance		323,647
Health Insurance		1,065,803
Net Adjustment to Increase Net Position - Total Enterprise Funds		5,424,117
Total Net Position - Business-Type Activities		\$393,956,406

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, 2022

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
OPERATING REVENUES	\$ 31,964,309	\$ 8,030,659	\$ 7,247,712
INTERFUND SERVICE REVENUES	3,081,699	-	-
Total Operating Revenues	\$ 35,046,008	\$ 8,030,659	\$ 7,247,712
OPERATING EXPENSES			
Cost of Power Purchased	\$ 16,924,546	\$ -	\$ -
Salaries and Benefits	3,653,708	1,485,589	1,758,480
Contractual Services	2,661,681	2,495,601	1,795,053
Materials	168,221	1,305,627	444,724
Claims	-	-	-
Repairs and Maintenance	1,719,165	1,135,050	730,709
Supplies	305,164	529,004	239,050
Depreciation	4,530,762	7,255,398	2,588,295
Total Operating Expenses	\$ 29,963,247	\$ 14,206,269	\$ 7,556,311
Operating Income (Loss)	\$ 5,082,761	\$ (6,175,610)	\$ (308,599)
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Equipment	\$ -	\$ (11,652)	\$ -
Federal Grants	-	-	43,993
Other Income	625,751	91,872	119,500
Sales and Use Tax - Capital Facilities Tax	-	1,879	-
Interest Expense	(5,105,784)	(16,223)	(175,443)
Interest Income on Leases Receivable	-	-	-
Investment (Loss)	(606,655)	(1,356,524)	(15,482)
Total Nonoperating Revenues (Expenses)	\$ (5,086,688)	\$ (1,290,648)	\$ (27,432)
(Loss) Before Contributions and Transfers	\$ (3,927)	\$ (7,466,258)	\$ (336,031)
Intergovernmental, Federal Direct Payments for Build America Bonds	1,337,179	-	-
Capital Contributions and Local Annexations	-	1,062,550	676,875
Capital Contributions, Intergovernmental, Federal, State and Local Sources	-	103,763	-
Transfers In	517,168	1,932,134	1,461,836
Transfers (Out)	(797,290)	(457,972)	(22,866)
Changes in Net Position	\$ 1,053,130	\$ (4,825,783)	\$ 1,779,814
NET POSITION, BEGINNING JULY 1	51,122,878	286,559,392	44,419,693
NET POSITION, ENDING JUNE 30	\$ 52,176,008	\$ 281,733,609	\$ 46,199,507
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
\$	3,417,544	\$ 50,660,224	\$ 8,457,215	\$ 59,117,439
	-	3,081,699	-	3,081,699
\$	3,417,544	\$ 53,741,923	\$ 8,457,215	\$ 62,199,138
\$	-	\$ 16,924,546	\$ -	\$ 16,924,546
	909,032	7,806,809	637,063	8,443,872
	2,551,640	9,503,975	851,775	10,355,750
	-	1,918,572	-	1,918,572
	-	-	6,119,090	6,119,090
	5,547	3,590,471	245,513	3,835,984
	209,025	1,282,243	97,043	1,379,286
	241,371	14,615,826	1,259,696	15,875,522
\$	3,916,615	\$ 55,642,442	\$ 9,210,180	\$ 64,852,622
\$	(499,071)	\$ (1,900,519)	\$ (752,965)	\$ (2,653,484)
\$	-	\$ (11,652)	\$ 31,754	\$ 20,102
	-	43,993	-	43,993
	-	837,123	-	837,123
	-	1,879	-	1,879
	-	(5,297,450)	-	(5,297,450)
	11,522	11,522	-	11,522
	(47,588)	(2,026,249)	(36,100)	(2,062,349)
\$	(36,066)	\$ (6,440,834)	\$ (4,346)	\$ (6,445,180)
\$	(535,137)	\$ (8,341,353)	\$ (757,311)	\$ (9,098,664)
	-	1,337,179	-	1,337,179
	-	1,739,425	-	1,739,425
	-	103,763	-	103,763
	1,085,622	4,996,760	1,106,135	6,102,895
	-	(1,278,128)	(99,128)	(1,377,256)
\$	550,485	\$ (1,442,354)	\$ 249,696	\$ (1,192,658)
	7,872,680	389,974,643	13,255,995	403,230,638
\$	<u>8,423,165</u>	\$ 388,532,289	\$ <u>13,505,691</u>	\$ <u>402,037,980</u>
		5,424,117		
\$		393,956,406		

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, 2022

Total Changes in Net Position - Total Enterprise Funds	\$ (1,442,354)
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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	\$ (216,580)
	Liability and Property Injury Insurance	(95,197)
	Health Insurance	<u>201,550</u>

Net Adjustment to Increase Net Position - Total Enterprise Funds	(110,227)
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Total Change in Net Position - Business-Type Activities	\$ (1,552,581)
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See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 32,102,939	\$ 8,267,225	\$ 7,167,591
Receipts from Interfund Services Provided	3,081,699	-	-
Payments to Suppliers	(17,227,380)	-	-
Payments to Employees	(3,454,054)	(1,565,464)	(1,644,025)
Payments for Goods and Services	(5,110,770)	(6,224,941)	(3,019,040)
Internal Activity - Payments (To) Other Funds	-	-	-
Other	607,351	95,101	119,125
Net Cash Provided By (Used In) Operating Activities	\$ 9,999,785	\$ 571,921	\$ 2,623,651
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal Grants	\$ -	\$ -	\$ 46,693
Increase (Decrease) in Net Amount Due (To) From Other Funds	200,000	-	-
Transfers In	517,168	1,932,134	1,461,836
Transfers (Out)	(797,290)	(457,972)	(22,866)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ (80,122)	\$ 1,474,162	\$ 1,485,663
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments for Capital Acquisitions	\$ (3,636,528)	\$ (2,716,950)	\$ (6,946,834)
Proceeds from Sale of Capital Assets	-	-	-
Proceeds from Capital Grant	-	135,979	-
Proceeds from Capital Loan	-	-	3,910,511
Payments on Lease Liability	(509,329)	(9,545)	-
Payments on Capital Loan	(153,550)	-	(1,004,879)
Payments on Lease Revenue Bonds	(6,353,628)	-	-
Net Cash (Used In) Capital and Related Financing Activities	\$ (10,653,035)	\$ (2,590,516)	\$ (4,041,202)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Increase) Decrease in Investments	\$ 3,700,092	\$ (274,871)	\$ (3,074)
Investment Income	166,626	346,426	6,649
Interest income from leases receivable	-	-	-
Net Cash Provided By (Used In) Investing Activities	\$ 3,866,718	\$ 71,555	\$ 3,575
Net Increase (Decrease) in Cash	\$ 3,133,346	\$ (472,878)	\$ 71,687
Cash and Cash With Fiscal Agent, Beginning July 1	3,379,277	2,786,123	2,202,123
Cash and Cash With Fiscal Agent, Ending June 30	\$ 6,512,623	\$ 2,313,245	\$ 2,273,810
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ 5,082,761	\$ (6,175,610)	\$ (308,599)
Adjustments:			
Depreciation and Amortization	4,530,762	7,255,398	2,588,295
Other Income	625,751	91,872	119,500
Changes in Assets and Liabilities:			
Accounts and Other Receivables	103,046	215,974	(49,210)
Leases receivable	-	-	-
Due To/From Other Funds	-	-	-
Inventories	(246,974)	(1,363)	8,339
Deferred Outflows of Resources Relating to Pensions	(96,278)	(20,186)	(39,485)
Vouchers Payable	(302,834)	(734,475)	150,871
Accrued Expenses and Customer Deposits	83,951	4,740	16,525
Advanced Payments Received for Repairs	-	-	-
Estimated Claims Payable	-	-	-
Net Pension Liability	(726,408)	(368,316)	(205,354)
Deferred Inflows of Resources Relating to Leases Receivable	-	-	-
Deferred Inflows of Resources Relating to Pensions	946,008	303,887	342,769
Net Cash Provided By (Used In) Operating Activities	\$ 9,999,785	\$ 571,921	\$ 2,623,651
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital and Local Annexations	\$ -	\$ 1,062,550	\$ 676,875
Right to Use Lease Asset Acquired in Exchange for a Lease Liability	\$ 8,449,378	\$ 635,852	\$ -
Net (Decrease) In Fair Value of Investments	\$ (762,508)	\$ (1,699,748)	\$ (22,131)

See Notes to the Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 3,444,775	\$ 50,982,530	\$ 8,309,572	\$ 50,982,530
-	3,081,699	-	11,391,271
-	(17,227,380)	-	(17,227,380)
(762,477)	(7,426,020)	(640,521)	(8,066,541)
(2,817,196)	(17,171,947)	(7,431,546)	(24,603,493)
-	-	(29,649)	(29,649)
-	821,577	-	821,577
\$ (134,898)	\$ 13,060,459	\$ 207,856	\$ 13,268,315
\$ -	\$ 46,693	\$ -	\$ 46,693
(200,000)	-	-	-
1,085,622	4,996,760	1,106,135	6,102,895
-	(1,278,128)	(99,128)	(1,377,256)
\$ 885,622	\$ 3,765,325	\$ 1,007,007	\$ 4,772,332
\$ (558,803)	\$ (13,859,115)	\$ (1,278,178)	\$ (15,137,293)
-	-	155,975	155,975
-	135,979	-	135,979
-	3,910,511	-	3,910,511
-	(518,874)	-	(518,874)
-	(1,158,429)	-	(1,158,429)
-	(6,353,628)	-	(6,353,628)
\$ (558,803)	\$ (17,843,556)	\$ (1,122,203)	\$ (18,965,759)
\$ (10,869)	\$ 3,411,278	\$ (413,765)	\$ 2,997,513
14,042	533,743	15,917	549,660
6,670	6,670	-	6,670
\$ 9,843	\$ 3,951,691	\$ (397,848)	\$ 3,553,843
\$ 201,764	\$ 2,933,919	\$ (305,188)	\$ 2,628,731
1,017,344	9,384,867	1,318,492	10,703,359
\$ 1,219,108	\$ 12,318,786	\$ 1,013,304	\$ 13,332,090
\$ (499,071)	\$ (1,900,519)	\$ (752,965)	\$ (2,653,484)
241,371	14,615,826	1,259,696	15,875,522
-	837,123	-	837,123
45,348	315,158	(22,643)	292,515
108,282	108,282	-	108,282
-	-	(29,649)	(29,649)
-	(239,998)	(65,398)	(305,396)
(30,834)	(186,783)	-	(186,783)
(68,216)	(954,654)	61,761	(892,893)
12,366	117,582	(3,458)	114,124
-	-	(125,000)	(125,000)
-	-	(114,488)	(114,488)
(47,505)	(1,347,583)	-	(1,347,583)
(109,167)	(109,167)	-	(109,167)
212,528	1,805,192	-	1,805,192
\$ (134,898)	\$ 13,060,459	\$ 207,856	\$ 13,268,315
\$ -	\$ 1,739,425	\$ -	\$ 1,739,425
\$ -	\$ 9,085,230	\$ -	\$ 9,085,230
\$ (61,596)	\$ (2,545,983)	\$ (52,017)	\$ (2,598,000)

CITY OF GILLETTE, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2022

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
ASSETS		
Investments, at Fair Value:		
Money Market Mutual Funds	\$ 4,463,006	\$ -
Due From Other Entities	-	14,975
Total Assets	\$ 4,463,006	\$ 14,975
NET POSITION		
Restricted for Retiree Health Benefit Plan	\$ 4,463,006	\$ -
Restricted for Individuals, Organizations, and Other Governments	-	14,975
Total Net Position	\$ 4,463,006	\$ 14,975

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2022

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
ADDITIONS		
Contributions:		
Participants	\$ -	\$ 164,732
Investment Earnings:		
Interest, Dividends and Other	3,992	-
Total Additions	\$ 3,992	\$ 164,732
DEDUCTIONS		
Benefits Paid to Retiree Participant or Eligible Spouse	\$ 514,058	\$ -
Administrative Expenses	12,545	-
Participant Reimbursements	-	158,857
Total Deductions	\$ 526,603	\$ 158,857
Net Increase (Decrease) in Fiduciary Net Position	\$ (522,611)	\$ 5,875
NET POSITION, BEGINNING July 1	4,985,617	9,100
NET POSITION, ENDING June 30	\$ 4,463,006	\$ 14,975

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, leasing activity, administrative expenses, repairs, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 (loss).

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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 2021 and prior years which were collectible during the year ended June 30, 2022. 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. Leases Receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

4. 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.

5. 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 \$43,117,527 have been restricted for the Gillette Regional Water Supply Project.

6. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

7. Right To Use Assets

The City has recorded right to use lease assets as a result of implementing GASB 87, *Leases*. The right to use assets are initially measured at amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

8. 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.

9. 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)

10. Long-Term Obligations

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 debt, 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.

11. 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.

12. 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.

13. 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.

14. 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, 2022 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 216 days but the weighted average maturity of this fund for the City is 1 day at June 30, 2022, 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, 2022:

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 \$84,880,468, application of the June 30, 2022 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 \$29,984,246 and U.S. and Supra-National Agencies/Federal Agencies of \$22,407,428 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 \$4,463,006, 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, 2022, the City had the following investments:

Investment Type	Credit Quality Ratings ⁽¹⁾	Fair Value	Investment Maturity (In Years)	
			Less Than One Year	1-5 Years
Primary Government				
Certificate of Deposit	N/A	\$ 3,000,000	\$ 3,000,000	\$ -
US Agency/Supra National Obligations	AAA	22,407,428	2,695,801	19,711,627
US Treasury Obligations	AAA	29,984,246	3,106,227	26,878,019
Wyoming State Asset Reserve (WYO-STAR)	N/A	84,880,468	84,880,468	-
Total Primary Government		\$ 140,272,142	\$ 93,682,496	\$ 46,589,646
Fiduciary Funds				
Money Market Portfolio	AAAm	\$ 4,463,006	\$ 4,463,006	\$ -
Total Investments		\$ 144,735,148	\$ 98,145,502	\$ 46,589,646

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

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 102 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

B. Accounts Receivable

Accounts receivable as of June 30, 2022 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	\$ 1,484,946	\$ 404,131	\$ 433,018	\$ 237,084	\$ 2,559,179
Less: Allowance for Uncollectibles	(576,228)	(164,117)	(157,128)	(83,434)	(980,907)
Total Accounts Receivable, Net	\$ 908,718	\$ 240,014	\$ 275,890	\$ 153,650	\$ 1,578,272

C. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2022
Governmental Activities				
Nondepreciable Capital Assets:				
Land	\$ 13,450,905	\$ -	\$ -	\$ 13,450,905
Construction In Progress	14,819,433	7,189,598	(12,028,929)	9,980,102
Total Nondepreciable Capital Assets	\$ 28,270,338	\$ 7,189,598	\$(12,028,929)	\$ 23,431,007
Depreciable Capital Assets:				
Infrastructure	\$ 263,065,344	\$ 11,620,060	\$ (52,006)	\$ 274,633,398
Buildings and Improvements	54,888,131	1,144,625	-	56,032,756
Machinery and Equipment	14,006,227	2,242,192	(193,280)	16,055,139
Allocation of Vehicle Maintenance	11,177,662	790,484	(482,365)	11,485,781
Total Depreciable Capital Assets	\$ 343,137,364	\$ 15,797,361	\$ (727,651)	\$ 358,207,074
Less Accumulated Depreciation For:				
Infrastructure	\$(112,027,226)	\$ (9,221,719)	\$ 52,006	\$(121,196,939)
Buildings and Improvements	(13,110,909)	(1,352,342)	-	(14,463,251)
Machinery and Equipment	(10,341,427)	(656,594)	193,280	(10,804,741)
Allocation of Vehicle Maintenance	(7,517,396)	(698,847)	467,789	(7,748,454)
Total Accumulated Depreciation	\$(142,996,958)	\$(11,929,502)	\$ 713,075	\$(154,213,385)
Total Depreciable Capital Assets, Net	\$ 200,140,406	\$ 3,867,859	\$ (14,576)	\$ 203,993,689
Governmental Activities Capital Assets, Net	\$ 228,410,744	\$ 11,057,457	\$(12,043,505)	\$ 227,424,696

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

	Balance June 30, 2021	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2022
Business-type Activities				
Nondepreciable Capital Assets:				
Land	\$ 661,724	\$ -	\$ -	\$ 661,724
Construction in Progress	25,919,916	12,073,304	(4,760,459)	33,232,761
Total Nondepreciable Capital Assets	\$ 26,581,640	\$ 12,073,304	\$ (4,760,459)	\$ 33,894,485
Depreciable Capital Assets:				
Infrastructure	\$ 338,860,957	\$ 4,984,470	\$ (159,473)	\$ 343,685,954
Buildings and Improvements	156,309,199	2,757,080	-	159,066,279
Machinery and Equipment	34,449,651	359,651	(31,987)	34,777,315
Allocation of Vehicle Maintenance	7,822,834	487,694	(58,818)	8,251,710
Total Depreciable Capital Assets	\$ 537,442,641	\$ 8,588,895	\$ (250,278)	\$ 545,781,258
Less Accumulated Depreciation For:				
Infrastructure	\$ (97,231,357)	\$ (9,243,875)	147,822	\$(106,327,410)
Buildings and Improvements	(40,190,749)	(3,549,365)	-	(43,740,114)
Machinery and Equipment	(20,720,648)	(1,525,738)	31,987	(22,214,399)
Allocation of Vehicle Maintenance	(4,573,035)	(560,849)	58,818	(5,075,066)
Total Accumulated Depreciation	\$(162,715,789)	\$(14,879,827)	238,627	\$(177,356,989)
Total Depreciable Capital Assets, Net	\$ 374,726,852	\$ (6,290,932)	\$ (11,651)	\$ 368,424,269
Right To Use Assets:				
Land	\$ -	\$ 9,085,230	\$ -	\$ 9,085,230
Less Accumulated Amortization	-	(296,847)	-	(296,847)
Right To Use Assets, Net	\$ -	\$ 8,788,383	\$ -	\$ 8,788,383
Business-Type Activities Capital Assets, Net	\$ 401,308,492	\$ 14,570,755	\$ (4,772,110)	\$ 411,107,137

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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

Governmental Activities	
General Government	\$ 1,730,223
Public Safety	375,424
Public Works	7,834,759
Culture and Recreation	1,989,096
<hr/>	
Total Depreciation Expense - Governmental Activities	\$ 11,929,502
<hr/>	
Business-type Activities	
Power	\$ 4,641,884
Water	7,362,307
Sewer	2,774,311
Solid Waste	157,608
Fiber	240,564
<hr/>	
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 15,176,674

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 and 2022 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 Donkey Creek Pathway Connections Project, several beautification projects and improvements at the Energy Capital Sports Complex. Actual signed contracts for these projects approximate \$16,000,000 and will be funded by the General Fund, taxes and grants. The remaining commitment on these contracts is approximately \$5,100,000 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 Monte Vista Utilities Replacement Project, Kluver Road PRV Project, Pump Station No. 1 Upgrade, improvements at the Waste Water Treatment Facility and the Gillette Regional Water Supply Project (Madison Pipeline). Actual signed contracts for these projects approximate \$68,400,000 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 \$16,900,000.

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 has hired a consultant to look at the damage and guide the City with the CMAR construction process for the repair of the damage. The contractor's anticipated schedule is to pump test during Spring of 2023 with the project wrapping up in early Summer of 2023.

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 \$8,400,000.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2022 is as follows: Receivables Payables

Major Funds:		
General Fund	\$	- \$ 365,626
Nonmajor Funds:		
Internal Service Funds		
Health Insurance Fund	\$ 365,626	\$ -
Total	\$ 365,626	\$ 365,626

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.

Interfund Transfers Governmental Funds:

	General Fund
Transfers In	\$ 222,935
Transfers (Out)	(4,948,574)
Net Interfund Transfers	\$ (4,725,639)

Interfund Transfers Business-Type Funds:

	Power Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Transfers In	\$ 517,168	\$1,932,134	\$ 1,461,836	\$ 1,085,622	\$ 1,106,135	\$ 6,102,895
Transfers (Out)	(797,290)	(457,972)	(22,866)	-	(99,128)	(1,377,256)
Net Interfund Transfers	\$ (280,122)	\$1,474,162	\$ 1,438,970	\$ 1,085,622	\$ 1,007,007	\$ 4,725,639

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.

Operating transfers into the General Fund are for wages, benefits, and capital outlays from the business-type funds for projects related to governmental activities. Additional transfers in the General Fund are for a portion of wages and benefits from Internal Service Funds for medical fund and retiree trust management. Transfers into and out of the business-type funds are for internal wages, benefits, and capital outlays from other funds for the purpose of repairs and maintenance, capital projects, such as adding distribution lines or repairing and expanding infrastructure. Transfers into the Internal Service Funds are for the purchase of additional equipment and vehicles that were added to the fleet.

E. Leases

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

City as a Lessee

The City as a lessee, has entered into multiple lease agreements, involving the use of land included the Power and Water funds. Initial lease liabilities were recorded in the amount of \$9,085,230. As of June 30, 2022, the value of all lease liabilities was \$8,868,012. The City is required to make monthly fixed payments totaling \$34,000 for two leases and annual fixed payments totaling \$9,544 on another two leases. The leases have interest rates ranging from 1.527% - 2.583%. The value of the right to use assets for the year ended June 30, 2022 was \$9,085,230, with accumulated amortization of \$296,847. One of the land leases has a variable payment component for maintenance, and the variable expense for the year ended June 30, 2022 was \$101,330. These payments were excluded from the City's lease liability.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 199,675	\$ 218,108	\$ 417,783
2024	197,841	220,187	418,028
2025	203,220	215,059	418,279
2026	208,746	209,792	418,538
2027	214,422	204,381	418,803
2028-2032	1,161,374	935,465	2,096,839
2033-2037	1,325,960	776,551	2,102,511
2038-2042	1,516,546	594,872	2,111,418
2043-2047	1,734,508	387,086	2,121,594
2048-2052	1,261,623	166,265	1,427,888
2053-2057	95,498	101,005	196,503
2058-2062	25,223	96,456	121,679
2063-2067	46,885	92,132	139,017
2068-2072	74,092	84,734	158,826
2073-2077	107,966	73,490	181,456
2078-2082	149,838	57,474	207,312
2083-2087	201,279	35,572	236,851
2088-2092	143,316	14,701	158,017
	\$ 8,868,012	\$ 4,483,330	\$13,351,342

City as a Lessor

The City has entered into multiple leases as lessor of public right-of-ways and a communications tower. An initial lease receivable was recorded in the amount of \$8,272. For the year ended June 30, 2022, the value of the lease receivable is \$7,212. The lessees are required to make annual fixed payments totaling \$1,120. The leases have interest rates ranging from 1.375% - 1.451%. The value of the deferred inflows of resources for the year ended June 30, 2022 was \$7,259, and the City recognized lease revenue of \$1,012 during the year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on all Funds (Continued)

The City has entered into multiple leases as lessor of conduit to the fiber raceway. An initial lease receivable was recorded in the amount of \$857,157. For the year ended June 30, 2022, the value of the lease receivable is \$734,056. The lessees are required to make annual fixed payments totaling \$129,700. The leases have interest rates of 1.375%. The value of the deferred inflows of resources for the year ended June 30, 2022 was \$732,263, and the City recognized lease revenue of \$124,895 during the year.

The City has entered into multiple leases as lessor of the City’s fiber network. An initial lease receivable was recorded in the amount of \$30,671. For the year ended June 30, 2022, the value of the lease receivable is \$28,282. The lessees are required to make annual fixed payments totaling \$2,400. The leases have interest rates ranging from 1.913% - 2.068%. The value of the deferred inflows of resources for the year ended June 30, 2022 was \$29,143, and the City recognized lease revenue of \$1,528 during the year.

These leases are included in the Fiber Fund and principal and interest expected to maturity as of June 30, 2022 was as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 125,951	\$ 10,764	\$ 136,715
2024	131,691	9,020	140,711
2025	137,630	7,197	144,827
2026	143,774	5,292	149,066
2027	150,130	3,302	153,432
2028-2032	72,163	2,330	74,493
2033-2037	8,211	389	8,600
	\$ 769,550	\$ 38,294	\$ 807,844

F. Compensated Absences

The City allows its employees one day of sick leave for each month of employment. The total accumulated sick leave approximated \$2,900,000 at June 30, 2022. Of this total, approximately \$57,000 represents actual vested amounts. Of this vested amount, approximately \$26,000 is included as a liability in the proprietary fund types and approximately \$3,700 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 \$31,040 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 \$1,403,000 at June 30, 2022. This amount has been recorded as a liability in the appropriate funds and is included as other accrued liabilities on the Statement of Net Position.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

G. Long-Term Debt

A summary of the changes in long-term liabilities for the year ended June 30, 2022 is presented below:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Accrued Sick Leave Payable	\$ 31,920	\$ 2,827	\$ -	\$ 34,747	\$ 1,165
Special Assessment Debt					
With Governmental Commitment	676,791	-	(90,303)	586,488	92,000
Certificates of Participation	6,155,000	-	(1,170,000)	4,985,000	1,200,000
Net Pension Liability	12,609,445	1,694,412	-	14,303,857	-
Total Governmental Activities	\$ 19,473,156	\$ 1,697,239	\$ (1,260,303)	\$ 19,910,092	\$ 1,293,165
Business-Type Activities:					
Accrued Sick Leave Payable	\$ 20,673	\$ 1,418	\$ -	\$ 22,091	\$ 8,797
Customer Deposits	772,158	47,632	-	819,790	359,000
Capital Loans	13,462,423	3,910,511	(976,743)	16,396,191	999,000
Lease Liabilities	-	9,085,230	(217,218)	8,868,012	199,675
Net Pension Liability	5,540,762	-	(1,347,583)	4,193,179	-
	\$ 19,796,016	\$13,044,791	\$ (2,541,544)	\$ 30,299,263	\$ 1,566,472
Lease Revenue Bonds	\$ 78,270,000	\$ -	\$ (2,820,000)	\$ 75,450,000	\$ 2,950,000
Plus Bond Premium	1,642,376	-	(199,687)	1,442,689	190,000
Total Lease Revenue Bonds	\$ 79,912,376	\$ -	\$ (3,019,687)	\$ 76,892,689	\$ 3,140,000
Total Business-Type Activities	\$ 99,708,392	\$13,044,791	\$ (5,561,231)	\$ 107,191,952	\$ 4,706,472

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, 2021	Principal Additions	Principal Deletions	Balance June 30, 2022
Special Assessment Debt with Governmental Commitment				
Interstate Industrial DWSRF Loan #196	\$ 676,791	\$ -	\$ (90,303)	\$ 586,488

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, 2022. 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, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2023	\$ 92,000	\$ 14,944	\$ 106,944
2024	94,589	12,355	106,944
2025	96,954	9,990	106,944
2026	99,378	7,566	106,944
2027	101,862	5,082	106,944
2028	101,705	2,255	103,960
Total payments	\$ 586,488	\$ 52,192	\$ 638,680

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. In August 2021, the voters of Campbell County approved the creation of a new college district, Gillette Community College District, as a special election. The specific details of this new college district are still under discussion and therefore, its effects on the City of Gillette, Wyoming are unknown. 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
2023	\$ 1,200,000	\$ 108,748	\$ 1,308,748	\$ 51,512
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	-
Total payments	\$ 4,985,000	\$ 251,162	\$ 5,236,162	\$ 51,512

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, 2021	Principal Additions	Principal Deletions	Balance June 30, 2022	Accrued Interest Payable June 30, 2022
Sewer Fund					
Wastewater Treatment Facility Improvements					
CWSRF Loan #50	\$ 6,380,860	\$ -	\$ (845,793)	\$ 5,535,067	\$ 163,906
CCL - 19003CL	493,264	3,910,511	-	4,403,775	-
Total Sewer Fund	\$ 6,874,124	\$ 3,910,511	\$ (845,793)	\$ 9,938,842	\$ 163,906
Water Fund					
Gillette Madison Pipeline	\$ 4,328,358	\$ -	\$ -	\$ 4,328,358	\$ -
Power Fund					
Electric Facilities Improvement					
Lease Revenue Bonds (Wygen III)	\$ 59,830,000	\$ -	\$ (1,885,000)	\$57,945,000	\$ 328,577
Lease Revenue Bonds (CTII)	18,440,000	-	(935,000)	17,505,000	72,938
Southern Industrial Addition	2,259,941	-	(130,950)	2,128,991	14,757
Total Power Fund	\$ 80,529,941	\$ -	\$ (2,950,950)	\$77,578,991	\$ 416,272
Total Proprietary Funds	\$ 91,732,423	\$ 3,910,511	\$ (3,796,743)	\$91,846,191	\$ 580,178

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.

Annual debt service requirements to maturity on the Wastewater Treatment Facility Improvements CWSRF loan #50 based on total loan outstanding balance at June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2023	\$ 867,000	\$ 137,877	\$ 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	956,456	48,421	1,004,877
2028	979,949	21,844	1,001,793
Total payments	\$ 5,535,067	\$ 491,111	\$ 6,026,178

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 \$7.2 million for the fiscal year ended June 30, 2022. 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. On June 7, 2022, the City entered into amendment #9 which again extended the reversion date of unexpended project funds. The City didn't secure any loan with any of the final six 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, 2024, or later, if adjusted per amendment by both parties. The State of Wyoming will not assess interest on the principal for this loan if the final payment in the amount of \$4,328,358 is made by the City before July 1, 2024. 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 June 30,	Principal	Interest	Total Debt Service	35% Interest Subsidy	Net Debt Service	Estimated Subsidy Loss	New Estimated Net Payment
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	2,310,000	3,409,216	5,719,216	(1,193,226)	4,525,990	85,912	4,611,902
2028-2032	13,150,000	14,579,928	27,729,928	(5,102,976)	22,626,952	367,414	22,994,366
2033-2037	16,335,000	9,676,952	26,011,952	(3,386,932)	22,625,020	243,858	22,868,878
2038-2040	17,800,000	2,925,548	20,725,548	(1,023,942)	19,701,606	73,724	19,775,330
Total Payments	\$ 57,945,000	\$ 45,602,964	\$103,547,964	\$ (15,961,037)	\$ 87,586,927	\$ 1,149,194	\$ 88,736,121

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
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	1,195,000	663,250	1,858,250
2028-2032	6,930,000	2,358,250	9,288,250
2033-2034	5,140,000	434,000	5,574,000
Total payments	\$17,505,000	\$ 6,651,500	\$24,156,500

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

Premium on issuance of bonds	\$ 2,859,460
Less accumulated amortization	(1,416,771)
Amortizable amount	\$ 1,442,689

This difference (of which \$190,000 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 \$32 million for the fiscal year ended June 30, 2022. 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.

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
2023	\$ 132,000	\$ 21,550	\$ 153,550
2024	133,582	19,968	153,550
2025	134,918	18,632	153,550
2026	136,268	17,282	153,500
2027	137,630	15,920	153,550
2028-2032	709,073	58,677	767,750
2033-2037	745,520	22,222	767,742
Total payments	\$ 2,128,991	\$ 174,251	\$ 2,303,242

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 had 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, 2022, the City's assessed valuation was \$295,478,111 and the City had no general obligation debt.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

H. Classifications of Equity

A summary of classifications of equity at June 30, 2022, not disclosed elsewhere, and not apparent from the description in the fund statements, is presented as follows:

	General Fund
Nonspendable:	
Inventory	\$ 277,490
Restricted For:	
Criminal Forfeiture	\$ 6
Gillette Historical Preservation Commission	1,043
Student Housing Phase II	4
Total Restricted Fund Balance	\$ 1,053
Committed For:	
Cash Reserves	\$ 12,544,932
Capital Projects Through Signed Contracts	7,603,373
Memorial Donations	20,052
Lodging Tax	302,025
Total Committed Fund Balance	\$ 20,470,382
Assigned For:	
Budgeted Carryover of Capital Projects	\$ 26,974,245
Cash In Lieu of Parkland	30,100
Cash In Lieu of Drainage	257,185
State Forfeiture	47,615
Mayor's Art Council	134,942
Demolition	50,000
Animal Control	107,261
Keep America Beautiful	5,990
Congressional Tour	27,905
Future Real Estate Transactions	109,246
Additional Overpass	4,000,000
Total Assigned	\$ 31,744,489
Unassigned	\$ 25,998,215
Total Fund Balance	\$ 78,491,629

I. Restricted Net Position

- a) Net position restricted in the Governmental Activities total \$567,883 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 \$46,619,442 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 \$43,119,442 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.

J. Tax Revenues

A summary of tax revenues for the year ended June 30, 2022 is presented below:

	General Fund
Severance Tax	\$ 1,202,387
Property Taxes	2,423,096
Automobile Taxes	1,094,236
Sales and Use Taxes	23,143,432
1% Optional Sales Tax	19,007,563
Gasoline Tax	1,231,881
Franchise Tax (gross receipt based)	663,973
Cigarette Tax	159,755
Lodging Tax	76,474
	\$ 49,002,797

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.	\$ 500,000,000
Per Occurrence and Annual Aggregate: Flood Losses Outside SHFA	\$ 25,000,000
Per Occurrence and Annual Aggregate: Flood Losses Inside SHFA	\$ 25,000,000
Per Occurrence and Annual Aggregate: Earthquake Losses	\$ 25,000,000
Extra Expense	\$ 10,000,000
Miscellaneous Unnamed Locations	\$ 10,000,000
Newly Acquired Locations	\$ 100,000,000
Errors and Omissions	\$ 50,000,000
Course of Construction Unscheduled	\$ 10,000,000
Equipment Breakdown	\$ 100,000,000
Transit	\$ 25,000,000
Services Interruptions	\$ 25,000,000
Expediting Expenses	\$ 50,000,000
Debris Removal	\$ 25,000,000
Ordinance and Law	\$ 50,000,000
Valuable Papers and Records	\$ 10,000,000

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	\$ 250,000
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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 \$375 deductible for single and \$750 deductible for family; or a high deductible health plan with a \$1,600 deductible for single and \$3,200 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 \$160,000 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 \$465,000, 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, 2022, 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, 2021 to June 30, 2022	\$ 579,488	\$ 4,701,567	\$ 4,816,055	\$ 465,000
June 30, 2020 to June 30, 2021	\$ 2,377,022	\$ 4,957,374	\$ 6,754,908	\$ 579,488

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, 2022.

The City receives revenue from an additional 1% sales tax levy which is subject to renewal every four years by the voters at a general election. This levy was approved by the voters in 2018. The 1% optional sales tax generated approximately \$19,000,000 which is approximately 33% percent of general fund revenues during the year ended June 30, 2022. Subsequent to year end the additional 1% sales tax levy was renewed by the voters.

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, 2022 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, 2022, the City's total payroll for all employees included in both Plans was approximately \$18,855,000. Total covered payroll was approximately \$17,777,000. 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, 2022, member contributions were required to be 9.25% of compensation and employer contributions were required to be 9.37% of compensation from July 1, 2021 through June 30, 2022. 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, 2022 were approximately \$2,484,000.

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, 2022, 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, 2022 were approximately \$763,000.

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

At June 30, 2022 the City reported a liability of \$18,497,036 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. 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, 2021 to the contributions of all participating employers for the same period. At December 31, 2021, the City's proportions were as follows:

	Liability At December 31, 2021	Increase (Decrease) From Proportion At December 31, 2020
Public Employees' Pension Plan	.7237%	(.0261)%
Law Enforcement Pension Plan	2.6226%	(.0988)%

For the year ended June 30, 2022, the City recognized pension expense of approximately \$1,403,000 under the Public Employee Pension Plan and the Law Enforcement Pension Plan.

At June 30, 2022, 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	\$ 214,012	\$ 17,354
Net differences between projected and actual earnings on Plan investments	-	7,422,306
Change in proportion and differences between employer contributions and proportionate share of contributions	526,962	789,491
Change in assumptions	892,931	-
Contributions subsequent to the measurement date	584,630	-
Total	\$ 2,218,535	\$ 8,229,151

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

An amount of \$584,630 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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,	
2023	\$ (1,306,427)
2024	\$ (2,482,891)
2025	\$ (1,558,863)
2026	\$ (1,247,065)

At June 30, 2022 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	\$ 433,831	\$ 25,239
Net differences between projected and actual earnings on Plan investments	-	2,467,085
Change in proportion and differences between employer contributions and proportionate share of contributions	349,443	470,176
Change in assumption	5,736,928	941,416
Contributions subsequent to the measurement date	181,895	-
Total	\$ 6,702,097	\$ 3,903,916

An amount of \$181,895 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, 2023. 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,	
2023	\$ 929,998
2024	\$ 627,076
2025	\$ 1,198,844
2026	\$ (139,632)

Actuarial Assumptions

The Public Employees' Pension Plan liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.50% - 6.50%, including inflation
Payroll growth rate	2.50%
Investment rate of return	6.80%, net of Pension Plan investment expense

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

Mortality rates were based on the Pub 2010 General Healthy Annuitant Mortality Table, for males or females as appropriate, with adjustments for mortality improvements based on the MP-2020 Ultimate Scale.

The Law Enforcement Pension Plan liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% - 7.00%, including inflation
Payroll growth rate	2.50%
Investment rate of return	6.80%, net of Pension Plan investment expense

Mortality rates were based on the Pub 2010 Safety Healthy Annuitant Mortality Table, for males or females as appropriate, with adjustments for mortality improvements based on MP-2020 Ultimate Scale .

Long-term expected rate of return

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Fixed Income	21.00 %	1.32 %	1.63 %
Equity	48.50 %	5.63 %	7.54 %
Market Alternatives	19.00 %	3.74 %	4.63 %
Private Markets	9.50 %	4.84 %	5.99 %
Cash	2.00 %	(0.50)%	(0.50)%
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 as of December 31, 2021 was 6.80%, which changed from the December 31, 2020 percentage of 7.00%. The discount rate used to measure the total pension liability for the law enforcement plan as of December 31, 2021 was 5.17%, which changed from the December 31, 2020 percentage of 7.00%. 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 Public Employee Plan's proportionate share of the net pension liability calculated using the discount rate of 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	5.80%	\$ 20,358,853
Current discount rate	6.80%	\$ 11,034,682
1% increase	7.80%	\$ 3,305,474

The following presents the City Law Enforcement Plan's proportionate share of the net pension liability calculated using the discount rate of 5.17%, 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 (4.17%) or 1-percentage-point higher (6.17%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	4.17%	\$ 12,244,596
Current discount rate	5.17%	\$ 7,462,354
1% increase	6.17%	\$ 3,631,979

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, 2022
Retirees with over 30 years of service	34
Retirees with over 20 years of service	45
Terminated employees with less than 20 year of service with an account balance	48
Employees accruing benefits	22
Total Participants	149

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

E. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted 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. The impact of adopting this update is reflected in the City's financial statements.

Recently Issued Accounting Pronouncements:

In May, 2020, GASB issued GASB Statement No. 96, *Subscription-Based Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and, 4) requires note disclosures regarding a SBITA. This standard is effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

F. Subsequent Events

On December 1, 2022, the City, through the Consolidated Wyoming Municipalities Electric Power System Joint Powers Board, issued Electrical Facilities Lease Revenue Refunding Bonds to refund their Series 2010B Bonds, dated July 14, 2010, maturing on June 1 in the years 2025, 2030, 2035 and 2040, and to pay costs of issuance. The Series 2022 Bonds, in the principal amount of \$48,675,000, allow the City to reduce interest costs on its outstanding debt and realize savings. The bonds' interest rates vary from 3.08% to 4.28% and mature on June 1, 2040. The refunding project releases the existing 2010B Debt Service Reserve Fund, which was used to pay down the existing Series 2010B Bonds debt balance, and, furthermore, ceases the City's annual Build America Bond cash subsidy payment for the Series 2010B Bonds.

**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%
2021	.723717900%	\$ 11,034,682	\$ 13,176,000	83.75%	86.03%

*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%
2021	2.622616000%	\$ 7,462,354	\$ 4,311,000	173.10%	75.62%

*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%
2022	\$ 1,250,000	\$ 1,250,000	\$ -	\$ 13,342,000	9.37%

*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%
2022	\$ 381,000	\$ 381,000	\$ -	\$ 4,435,000	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, 2021 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, 2021 measurement date. See the tables below:

Public Employee Pension Plan

Measurement Date (Plan Year End)	2015	2016	2017	2018	2019	2020	2021
Discount Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	6.80%
Investment Rate of Return Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	6.80%
Inflation Increase Rate	3.25%	3.25%	3.25%	2.25%	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%	2.50%-6.50%
Payroll Growth Rate	4.25%	4.25%	4.25%	2.50%	2.50%	2.50%	2.50%
Cost of Living	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Law Enforcement Pension Plan

Measurement Date (Plan Year End)	2015	2016	2017	2018	2019	2020	2021
Discount Rate	7.75%	7.75%	7.00%	5.92%	7.00%	7.00%	5.17%
Investment Rate of Return Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	6.80%
Inflation Increase Rate	3.25%	3.25%	3.25%	2.25%	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%	3.00%-7.00%
Payroll Growth Rate	4.25%	4.25%	4.25%	2.50%	2.50%	2.50%	2.50%
Cost of Living	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NONMAJOR ENTERPRISE FUNDS

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

June 30, 2022

	Solid Waste	Fiber	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 1,188,697	\$ 30,411	\$ 1,219,108
Investments	1,583,584	-	1,583,584
Accounts Receivable, Net of Allowance For Uncollectibles	153,650	-	153,650
Unbilled Accounts Receivable	136,797	-	136,797
Accrued Interest Receivable	2,229	4,852	7,081
Other Receivables	-	9,059	9,059
Leases Receivable	-	125,951	125,951
Total Current Assets	\$ 3,064,957	\$ 170,273	\$ 3,235,230
NONCURRENT ASSETS			
Leases Receivable	\$ -	\$ 643,599	\$ 643,599
Capital Assets:			
Infrastructure	-	6,530,926	6,530,926
Machinery and Equipment	32,151	381,182	413,333
Construction in Progress	-	208,113	208,113
Less Accumulated Depreciation	(4,555)	(841,329)	(845,884)
Total Capital Assets (Net of Accumulated Depreciation)	\$ 27,596	\$ 6,278,892	\$ 6,306,488
Total Noncurrent Assets	\$ 27,596	\$ 6,922,491	\$ 6,950,087
Total Assets	\$ 3,092,553	\$ 7,092,764	\$ 10,185,317
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	\$ 88,741	\$ -	\$ 88,741
LIABILITIES			
CURRENT LIABILITIES			
Vouchers Payable	\$ 105,499	\$ 121,065	\$ 226,564
Other Accrued Liabilities	85,111	-	85,111
Total Current Liabilities	\$ 190,610	\$ 121,065	\$ 311,675
NONCURRENT LIABILITIES			
Net Pension Liability	\$ 441,387	\$ -	\$ 441,387
Total Liabilities	\$ 631,997	\$ 121,065	\$ 753,062
DEFERRED INFLOWS OF RESOURCES			
Relating to Leases	\$ -	\$ 768,665	\$ 768,665
Relating to Pensions	329,166	-	329,166
Total Deferred Inflows of Resources	\$ 329,166	\$ 768,665	\$ 1,097,831
NET POSITION			
Net Investment in Capital Assets Unrestricted	\$ 27,596 2,192,535	\$ 6,157,827 45,207	\$ 6,185,423 2,237,742
Total Net Position	\$ 2,220,131	\$ 6,203,034	\$ 8,423,165

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2022

	Solid Waste	Fiber	Total
OPERATING REVENUES	\$ 3,221,884	\$ 195,660	\$ 3,417,544
OPERATING EXPENSES			
Salaries and Benefits	\$ 909,032	\$ -	\$ 909,032
Contractual Services	2,012,469	539,171	2,551,640
Repairs and Maintenance	1,962	3,585	5,547
Supplies	209,025	-	209,025
Depreciation	3,215	238,156	241,371
Total Operating Expenses	\$ 3,135,703	\$ 780,912	\$ 3,916,615
Operating Income (Loss)	\$ 86,181	\$ (585,252)	\$ (499,071)
NONOPERATING REVENUES (EXPENSES)			
Interest Income on Leases Receivable	\$ -	\$ 11,522	\$ 11,522
Investment (Loss)	(47,588)	-	(47,588)
Total Nonoperating Revenues (Expenses)	\$ (47,588)	\$ 11,522	\$ (36,066)
Income (Loss) Before Transfers	\$ 38,593	\$ (573,730)	\$ (535,137)
Transfers In	-	1,085,622	1,085,622
Changes in Net Position	\$ 38,593	\$ 511,892	\$ 550,485
NET POSITION, BEGINNING JULY 1	2,181,538	5,691,142	7,872,680
NET POSITION, ENDING JUNE 30	\$ 2,220,131	\$ 6,203,034	\$ 8,423,165

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2022

	Solid Waste	Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 3,205,097	\$ 239,678	\$ 3,444,775
Payments to Employees	(762,477)	-	(762,477)
Payments for Goods and Services	(2,274,440)	(542,756)	(2,817,196)
Net Cash Provided by (Used In) Operating Activities	\$ 168,180	\$ (303,078)	\$ (134,898)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
(Decrease) in Net Amount Due to Other Funds	\$ -	\$ (200,000)	\$ (200,000)
Transfers In	-	1,085,622	1,085,622
Net Cash Provided By Noncapital Financing Activities	\$ -	\$ 885,622	\$ 885,622
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
(Payments) for Capital Acquisitions	\$ -	\$ (558,803)	\$ (558,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Increase) in Investments	\$ (10,869)	\$ -	\$ (10,869)
Investment Income	14,042	-	14,042
Interest Income from Leases Receivable	-	6,670	6,670
Net Cash Provided By Investing Activities	\$ 3,173	\$ 6,670	\$ 9,843
Net Increase in Cash	\$ 171,353	\$ 30,411	\$ 201,764
Cash, Beginning July 1	1,017,344	-	1,017,344
Cash, Ending June 30	\$ 1,188,697	\$ 30,411	\$ 1,219,108
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ 86,181	\$ (585,252)	\$ (499,071)
Adjustments:			
Depreciation	3,215	238,156	241,371
Changes in Assets and Liabilities:			
Accounts and Other Receivables	445	44,903	45,348
Leases Receivable	-	108,282	108,282
Deferred Outflows of Resources Relating to Pensions	(30,834)	-	(30,834)
Vouchers Payable	(68,216)	-	(68,216)
Accrued Expenses	12,366	-	12,366
Net Pension Liability	(47,505)	-	(47,505)
Deferred Inflows of Resources Relating to Leases Receivable	-	(109,167)	(109,167)
Deferred Inflows of Resources Relating to Pensions	212,528	-	212,528
Net Cash Provided By (Used In) Operating Activities	\$ 168,180	\$ (303,078)	\$ (134,898)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Net (Decrease) in Fair Value of Investments	\$ (61,596)	\$ -	\$ (61,596)

INTERNAL SERVICE FUNDS

CITY OF GILLETTE, WYOMING

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

June 30, 2022

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 240,544	\$ 92,382	\$ 680,378	\$ 1,013,304
Investments	1,516,161	188,315	3,498,339	5,202,815
Other Receivable	-	375,086	12,963	388,049
Due From Other Funds	-	-	365,626	365,626
Inventories	437,155	-	-	437,155
Total Current Assets	\$ 2,193,860	\$ 655,783	\$ 4,557,306	\$ 7,406,949
CAPITAL ASSETS				
Machinery and Equipment	\$ 19,737,491	\$ -	\$ -	\$ 19,737,491
Less Accumulated Depreciation	(12,823,520)	-	-	(12,823,520)
Net Capital Assets	\$ 6,913,971	\$ -	\$ -	\$ 6,913,971
Total Assets	\$ 9,107,831	\$ 655,783	\$ 4,557,306	\$ 14,320,920
LIABILITIES				
CURRENT LIABILITIES				
Vouchers Payable	\$ 68,612	\$ 162,059	\$ 46,638	\$ 277,309
Estimated Claims Payable	-	-	465,000	465,000
Other Accrued Liabilities	66,553	-	-	66,553
Total Current Liabilities	\$ 135,165	\$ 162,059	\$ 511,638	\$ 808,862
NONCURRENT LIABILITIES				
Accrued Sick Leave Payable	\$ 6,367	\$ -	\$ -	\$ 6,367
Total Liabilities	\$ 141,532	\$ 162,059	\$ 511,638	\$ 815,229
NET POSITION				
Investment in Capital Assets Unrestricted	\$ 6,913,971 2,052,328	\$ - 493,724	\$ - 4,045,668	\$ 6,913,971 6,591,720
Total Net Position	\$ 8,966,299	\$ 493,724	\$ 4,045,668	\$ 13,505,691

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2022

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
OPERATING REVENUES	\$ 1,637,033	\$ 1,148,629	\$ 5,671,553	\$ 8,457,215
OPERATING EXPENSES				
Salaries and Benefits	\$ 637,063	\$ -	\$ -	\$ 637,063
Contractual Services	106,683	745,092	-	851,775
Claims	-	447,537	5,671,553	6,119,090
Repairs and Maintenance	245,513	-	-	245,513
Supplies	97,043	-	-	97,043
Depreciation	1,259,696	-	-	1,259,696
Total Operating Expenses	\$ 2,345,998	\$ 1,192,629	\$ 5,671,553	\$ 9,210,180
Operating (Loss)	\$ (708,965)	\$ (44,000)	\$ -	\$ (752,965)
NONOPERATING REVENUES (EXPENSES)				
Gain on Disposal of Equipment	\$ 31,754	\$ -	\$ -	\$ 31,754
Investment (Loss)	(5,996)	(2,096)	(28,008)	(36,100)
Total Nonoperating Revenues (Expenses)	\$ 25,758	\$ (2,096)	\$ (28,008)	\$ (4,346)
(Loss) Before Transfers	\$ (683,207)	\$ (46,096)	\$ (28,008)	\$ (757,311)
Transfers In	313,064	-	793,071	1,106,135
Transfers (Out)	-	(99,128)	-	(99,128)
Changes in Net Position	\$ (370,143)	\$ (145,224)	\$ 765,063	\$ 249,696
NET POSITION, BEGINNING JULY 1	9,336,442	638,948	3,280,605	13,255,995
NET POSITION, ENDING JUNE 30	\$ 8,966,299	\$ 493,724	\$ 4,045,668	\$ 13,505,691

CITY OF GILLETTE, WYOMING
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Interfund Services Provided	\$ 1,637,033	\$ 1,013,949	\$ 5,658,590	\$ 8,309,572
Payments to Employees	(640,521)	-	-	(640,521)
Payments for Goods and Services	(592,443)	(1,069,254)	(5,769,849)	(7,431,546)
Internal Activity - Payments (To) Other Funds	-	-	(29,649)	(29,649)
Net Cash Provided By (Used In) Operating Activities	\$ 404,069	\$ (55,305)	\$ (140,908)	\$ 207,856
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	\$ 313,064	\$ -	\$ 793,071	\$ 1,106,135
Transfers (Out)	-	(99,128)	-	(99,128)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 313,064	\$ (99,128)	\$ 793,071	\$ 1,007,007
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for Capital Acquisitions	\$ (1,278,178)	\$ -	\$ -	\$ (1,278,178)
Proceeds From Sale of Capital Assets	155,975	-	-	155,975
Net Cash (Used In) Capital and Related Financing Activities	\$ (1,122,203)	\$ -	\$ -	\$ (1,122,203)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net (Increase) in Investments	\$ (1,052)	\$ (425)	\$ (412,288)	\$ (413,765)
Investment Income	2,875	754	12,288	15,917
Net Cash Provided By (Used In) Investing Activities	\$ 1,823	\$ 329	\$ (400,000)	\$ (397,848)
Net Increase (Decrease) in Cash	\$ (403,247)	\$ (154,104)	\$ 252,163	\$ (305,188)
Cash, Beginning July 1	643,791	246,486	428,215	1,318,492
Cash, Ending June 30	\$ 240,544	\$ 92,382	\$ 680,378	\$ 1,013,304
Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating (Loss)	\$ (708,965)	\$ (44,000)	\$ -	\$ (752,965)
Adjustments:				
Depreciation	1,259,696	-	-	1,259,696
Changes in Assets and Liabilities:				
Other Receivables	-	(9,680)	(12,963)	(22,643)
Due (To) Other Funds	-	-	(29,649)	(29,649)
Inventories	(65,398)	-	-	(65,398)
Vouchers Payable	(77,806)	123,375	16,192	61,761
Accrued Expenses	(3,458)	-	-	(3,458)
Advance Payment Received for Repairs	-	(125,000)	-	(125,000)
Estimated Claims Payable	-	-	(114,488)	(114,488)
Net Cash Provided By (Used In) Operating Activities	\$ 404,069	\$ (55,305)	\$ (140,908)	\$ 207,856
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Net (Decrease) in Fair Value of Investments	\$ (8,871)	\$ (2,850)	\$ (40,296)	\$ (52,017)

CITY OF GILLETTE, WYOMING

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, **2022**

(Page 1 of 2)

State Grantor Program Title	Grant Number	Total State Expenditures
<u>Office of Attorney General</u>		
State Surcharge	N/A	\$ 18,530
Victim Witness Funding	N/A	61,579
Total Office of Attorney General		\$ 80,109
<u>Wyoming Association of Sheriffs and Police</u>		
Alcohol Inspection Contract	N/A	\$ 5,100
Tobacco Inspection Contract	N/A	2,635
Total Wyoming Association of Sheriffs and Police		\$ 7,735
<u>Wyoming Division of Criminal Investigation</u>		
Byrne Formula/HIDTA	N/A	\$ 1,572
<u>Wyoming Loan and Investments Board</u>		
Waste Water Treatment Plant Improvements	CCL-19003CL	\$ 3,910,511
<u>Wyoming Water Development Commission</u>		
Gillette Regional Extensions	N/A	\$ 70,527
<u>Wyoming Department of Family Services</u>		
Adult Protection Services	N/A	\$ 100
Total State Financial Assistance		\$ 4,070,554

(Continued)

CITY OF GILLETTE, WYOMING

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, **2022**

(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, 2022.

Program	Grant Number	Amount
Wyoming Loan and Investments Board		
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant	CWSRF Loan #50	\$ 633,475
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System	DWSRF Loan #196	586,488
Capital Construction Loan		
Wastewater Treatment Plant Improvements	CC Loan #19003	4,403,775
Wyoming Water Development Commission		
Gillette Madison Pipeline	-	4,328,358
Wyoming Business Council		
Southern Industrial Addition	-	2,128,991
Total State Loans		\$ 12,081,087

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.

CONTENTS

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			
	2013	2014	2015	2016
Governmental Activities				
Net investment in Capital Assets	173,368,812	184,096,943	207,543,932	216,228,110
Restricted	13,788	13,817	4,343	8,026,893
Unrestricted	44,960,127	42,224,867	48,736,967	29,954,212
Total Governmental Activities Net Assets	218,342,727	226,335,627	256,285,242	254,209,215
Business-Type Activities				
Net investment in Capital Assets	143,994,703	151,571,316	167,721,963	201,310,306
Restricted	54,315,581	83,810,606	114,382,200	109,824,328
Unrestricted	25,391,474	23,531,369	26,800,695	26,098,902
Total Business-Type Activities Net Assets	223,701,758	258,913,291	308,904,858	337,233,536
Primary Government				
Net investment in Capital Assets	317,363,515	335,668,259	375,265,895	417,538,416
Restricted	54,329,369	83,824,423	114,386,543	117,851,221
Unrestricted	70,351,601	65,756,236	75,537,662	56,053,114
Total Primary Government Net Assets	442,044,485	485,248,918	565,190,100	591,442,751

Fiscal Year					
2017	2018	2019	2020	2021	2022
212,061,695	209,621,750	207,934,661	209,201,236	220,312,547	221,308,459
171,789	121,777	1,314,311	679,771	611,965	568,932
40,519,056	49,508,463	60,021,756	69,122,532	58,601,443	68,064,762
252,752,540	259,251,990	269,270,728	279,003,539	279,525,955	289,942,153
233,993,830	258,142,870	262,876,287	264,274,405	306,649,038	307,850,082
101,670,982	96,552,166	96,354,012	97,396,419	55,924,405	54,603,410
28,741,229	32,324,767	35,210,715	37,118,684	32,935,544	31,502,914
364,406,041	387,019,803	394,441,014	398,789,508	395,508,987	393,956,406
446,055,525	467,764,620	470,810,948	473,475,641	526,961,585	529,158,541
101,842,771	96,673,943	97,668,323	98,076,190	56,536,370	55,172,342
69,260,285	81,833,230	95,232,471	106,241,216	91,536,987	99,567,676
617,158,581	646,271,793	663,711,742	677,793,047	675,034,942	683,898,559

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
<i>Governmental Activities</i>				
Program Revenues				
Charges for services	\$ 2,819,882	\$ 3,728,676	\$ 3,964,099	\$ 3,629,498
Operating grants and contributions	726,408	513,389	560,028	1,031,303
Capital grants and contributions	1,222,352	3,488,683	9,389,472	3,201,917
General Revenues				
Severance taxes	1,096,377	1,135,505	1,101,729	1,107,316
Property taxes	1,763,744	1,832,001	1,949,432	2,100,922
Sales and use taxes	43,149,383	49,198,315	54,129,253	37,012,709
Other taxes	2,443,560	2,918,483	3,035,184	3,153,044
Mineral Royalties	1,542,258	1,549,148	1,553,582	1,578,741
Supplemental state funding	1,630,099	2,456,374	2,117,809	2,408,642
Gaming revenue	-	-	210,240	332,079
Investment income (loss)	(19,055)	185,649	115,723	225,326
Capital contributions, local annexations	1,178,906	-	-	-
Other revenue	-	853,432	84,337	59,559
Special assessment revenue	-	-	-	-
Total Governmental Activities Revenues	\$ 57,553,914	\$ 67,859,655	\$ 78,210,888	\$ 55,841,056
<i>Business-Type Activities</i>				
Program Revenues				
Charges for services	\$ 41,643,064	\$ 41,676,876	\$ 44,114,037	\$ 47,853,751
Operating grants and contributions	-	-	-	-
Capital grants and contributions	31,686,134	8,987,615	25,894,064	28,438,097
General Revenues				
Sales and use taxes ¹	26,285,027	29,364,002	28,622,346	100,133
Investment income (loss)	(31,968)	479,053	484,439	850,367
Capital contributions, local annexations	862,923	-	-	-
Other revenue	846,563	892,230	1,278,871	709,261
Total Business-Type Activities Revenues	\$ 101,291,743	\$ 81,399,776	\$ 100,393,757	\$ 77,951,609
Total Government-Wide Revenues	\$ 158,845,657	\$ 149,259,431	\$ 178,604,645	\$ 133,792,665
Expenses				
<i>Governmental Activities</i>				
Administration	\$ 14,114,947	\$ 16,949,930	\$ 11,592,999	\$ 21,059,390
Law Enforcement/Public Safety	11,956,859	12,209,838	12,032,781	14,055,218
Public Works	15,131,917	14,743,977	17,059,376	17,181,066
Culture and Recreation	2,605,174	2,378,104	1,653,206	2,992,915
Interest on Long-Term Debt	14,670	13,883	13,728	355,333
Total Governmental Activities Expenses	\$ 43,823,567	\$ 46,295,732	\$ 42,352,090	\$ 55,643,922
<i>Business-Type Activities</i>				
Power	\$ 31,272,102	\$ 30,631,160	\$ 35,625,314	\$ 32,120,690
Water	9,299,424	9,374,198	10,972,303	10,390,243
Sewer	5,463,451	5,731,279	6,618,579	6,432,835
Fiber ²	n/a	n/a	n/a	n/a
Solid Waste	2,410,011	2,735,796	3,095,177	2,952,324
Total Business-Type Activities Expenses	\$ 48,444,988	\$ 48,472,433	\$ 56,311,373	\$ 51,896,092
Total Government-Wide Expenses	\$ 92,268,555	\$ 94,768,165	\$ 98,663,463	\$ 107,540,014

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

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	3,826,265	\$	4,267,498	\$	4,600,452	\$	6,513,884	\$	4,742,943	\$	4,878,660
	2,978,890		296,242		427,362		369,938		3,756,932		924,185
	2,730,131		1,170,583		3,490,102		179,761		1,250,153		2,796,071
	1,107,006		1,106,950		1,106,221		1,106,221		1,160,406		1,202,387
	2,282,253		2,125,450		2,219,506		2,315,292		2,389,269		2,423,096
	29,917,814		36,167,074		42,020,705		43,071,165		30,864,973		42,150,995
	3,188,444		3,312,473		3,191,098		3,310,780		3,579,323		3,226,319
	1,585,221		1,584,413		1,521,535		1,535,907		1,543,164		1,564,462
	1,123,958		1,218,873		1,359,104		1,414,357		1,310,576		1,328,433
	457,337		570,942		867,605		755,680		952,954		878,939
	149,693		426,532		1,584,553		1,765,550		4,254		(973,146)
	-		-		-		-		-		-
	296,647		312,377		306,009		422,892		347,486		323,667
	-		-		1,357,426		-		-		-
\$	49,643,659	\$	52,559,407	\$	64,051,678	\$	62,761,427	\$	51,902,433	\$	60,724,068
\$	49,134,472	\$	49,719,881	\$	49,597,215	\$	49,767,222	\$	52,097,535	\$	53,741,923
	-		-		-		-		222,337		43,993
	26,811,099		22,015,166		4,016,622		3,566,428		3,418,030		3,180,367
	105,109		25,483		2,187		68,281		-		1,879
	445,454		1,152,882		3,609,749		3,312,369		(147,833)		(2,025,987)
	-		-		-		-		-		-
	477,383		788,551		700,963		807,506		772,838		837,123
\$	76,973,517	\$	73,701,963	\$	57,926,736	\$	57,521,806	\$	56,362,907	\$	55,779,298
\$	126,617,176	\$	126,261,370	\$	121,978,414	\$	120,283,233	\$	108,265,340	\$	116,503,366
\$	18,530,082	\$	14,311,284	\$	16,287,756	\$	18,632,422	\$	15,100,267	\$	13,537,840
	13,810,716		11,812,747		13,783,560		12,712,326		13,341,118		15,181,666
	11,456,369		12,609,284		15,126,078		14,119,606		12,995,454		13,005,106
	4,101,144		3,911,251		3,578,436		4,108,769		4,265,042		4,447,106
	275,582		248,382		246,160		221,061		164,702		142,688
\$	48,173,893	\$	42,892,948	\$	49,021,990	\$	49,794,184	\$	45,866,583	\$	46,314,406
\$	33,430,555	\$	33,242,868	\$	31,519,972	\$	31,083,900	\$	39,108,592	\$	35,140,293
	10,666,942		11,747,663		13,123,554		13,704,345		15,235,936		14,309,036
	5,945,545		6,244,321		7,172,715		7,467,513		7,315,849		7,862,402
	n/a		190,756		715,475		740,321		532,187		782,648
	2,684,411		2,829,602		2,984,759		3,411,665		2,964,298		3,230,964
\$	52,727,453	\$	54,255,210	\$	55,516,475	\$	56,407,744	\$	65,156,862	\$	61,325,343
\$	100,901,346	\$	97,148,158	\$	104,538,465	\$	106,201,928	\$	111,023,445	\$	107,639,749

(Continued)

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

	Fiscal Year			
	2013	2014	2015	2016
Change in Net Position Before Transfers				
Governmental Activities	\$ 13,730,347	\$ 21,563,923	\$ 35,858,798	\$ 197,134
Business-Type Activities	52,846,755	32,927,343	44,082,384	26,055,517
Government-Wide	\$ 66,577,102	\$ 54,491,266	\$ 79,941,182	\$ 26,252,651
Transfers				
Governmental Activities	\$ (2,179,048)	\$ (6,071,965)	\$ (5,909,183)	\$ (2,273,161)
Business-Type Activities	2,179,048	6,071,965	5,909,183	2,273,161
Government-Wide	\$ -	\$ -	\$ -	\$ -
Change in Net Position				
Governmental Activities	\$ 11,551,299	\$ 15,491,958	\$ 29,949,615	\$ (2,076,027)
Business-Type Activities	55,025,803	38,999,308	49,991,567	28,328,678
Government-Wide	\$ 66,577,102	\$ 54,491,266	\$ 79,941,182	\$ 26,252,651
Net Position, Beginning of Fiscal Year				
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
Government-Wide	\$ 375,467,383	\$ 442,044,485	\$ 496,535,751	\$ 565,190,100
Prior Year Adjustments				
Governmental Activities	\$ -	\$ -	\$ (7,499,058)	\$ -
Business-Type Activities	-	-	(3,787,775)	-
Government-Wide	\$ -	\$ -	\$ (11,286,833)	\$ -
Net Position, End of Fiscal Year				
Governmental Activities	\$ 218,342,727	\$ 233,834,685	\$ 256,285,242	\$ 254,209,215
Business-Type Activities	223,701,758	262,701,066	308,904,858	337,233,536
Government-Wide	\$ 442,044,485	\$ 496,535,751	\$ 565,190,100	\$ 591,442,751

¹ 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.

² 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									
		2017	2018	2019	2020	2021	2022				
\$	1,469,766	\$	9,666,459	\$	15,029,688	\$	12,967,243	\$	6,035,850	\$	14,409,662
	24,246,064		19,446,753		2,410,261		1,114,062		(8,793,955)		(5,546,045)
\$	25,715,830	\$	29,113,212	\$	17,439,949	\$	14,081,305	\$	(2,758,105)	\$	8,863,617
\$	(2,926,441)	\$	(3,167,009)	\$	(5,010,950)	\$	(3,234,432)	\$	(5,513,434)	\$	(3,993,464)
	2,926,441		3,167,009		5,010,950		3,234,432		5,513,434		3,993,464
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	(1,456,675)	\$	6,499,450	\$	10,018,738	\$	9,732,811	\$	522,416	\$	10,416,198
	27,172,505		22,613,762		7,421,211		4,348,494		(3,280,521)		(1,552,581)
\$	25,715,830	\$	29,113,212	\$	17,439,949	\$	14,081,305	\$	(2,758,105)	\$	8,863,617
\$	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
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	252,752,540	\$	259,251,990	\$	269,270,728	\$	279,003,539	\$	279,525,955	\$	289,942,153
	364,406,041		387,019,803		394,441,014		398,789,508		395,508,987		393,956,406
\$	617,158,581	\$	646,271,793	\$	663,711,742	\$	677,793,047	\$	675,034,942	\$	683,898,559

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
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
2022	\$ 1,202,387	\$ 2,423,096	\$ 1,094,236	\$ 42,150,995	\$ 1,231,881	\$ 159,755	\$ 740,447	\$ 49,002,797
% Change 2013 - 2022	9.7%	37.4%	35.7%	-2.3%	78.4%	-30.1%	3.1%	1.1%

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

	Fiscal Year			
	2013	2014	2015	2016
Total All Governmental Funds				
Non spendable	\$ 155,613	\$ 157,318	\$ 209,851	\$ 220,154
Restricted	13,788	13,817	4,343	8,026,893
Committed	23,923,930	29,040,814	26,358,184	24,700,520
Assigned	14,946,932	6,952,460	22,437,032	13,490,105
Unassigned	2,284,206	7,592,509	3,033,318	4,690,638
Total Fund Balance - Governmental Funds	\$ 41,324,469	\$ 43,756,918	\$ 52,042,728	\$ 51,128,310

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 214,418	\$ 227,521	\$ 212,257	\$ 228,673	\$ 222,528	\$ 277,490	
171,789	121,777	121,197	2,731	1,143	1,053	
15,348,710	17,659,545	21,072,126	28,356,630	20,816,702	20,470,382	
25,372,791	25,292,678	38,609,977	32,484,215	24,713,222	31,744,489	
8,820,711	15,466,678	12,284,111	18,214,391	23,331,152	25,998,215	
\$ 49,928,419	\$ 58,768,199	\$ 72,299,668	\$ 79,286,640	\$ 69,084,747	\$ 78,491,629	

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
<i>General Fund</i>				
Taxes	\$ 48,453,064	\$ 55,084,304	\$ 60,215,598	\$ 43,373,991
Intergovernmental	5,121,117	6,022,098	7,165,775	7,153,524
Licenses and Permits	291,708	290,033	361,710	282,099
Charges for Services	1,320,627	2,785,521	2,894,186	2,842,597
Fines and Fees	406,517	391,716	444,771	424,677
Investment Income (Loss)	(25,671)	175,523	108,679	212,988
Miscellaneous	801,030	1,111,286	347,769	139,684
Special Assessment Revenue	84,534	58,186	56,643	39,209
Total Revenues	\$ 56,452,926	\$ 65,918,667	\$ 71,595,131	\$ 54,468,769
Expenditures				
<i>General Fund</i>				
Current				
Administration/General Government	\$ 13,118,976	\$ 13,617,537	\$ 14,397,204	\$ 13,956,973
Police/Public Safety	9,759,974	9,810,440	10,384,584	10,544,363
Public Works	15,230,303	17,596,106	15,142,517	19,846,187
Culture and Recreation	4,921,238	4,282,751	3,170,268	3,422,281
Miscellaneous	10,531,853	11,970,067	14,331,633	16,829,447
Debt Service				
Principal	33,772	34,558	34,714	36,087
Interest	14,670	13,883	13,728	234,948
Total Expenditures	\$ 53,610,786	\$ 57,325,342	\$ 57,474,648	\$ 64,870,286
Excess of Revenues Over (Under) Expenditures	\$ 2,842,140	\$ 8,593,325	\$ 14,120,483	\$ (10,401,517)
Other Financing Sources (Uses)				
<i>General Fund</i>				
Proceeds from Certificates of Participation	\$ -	\$ -	\$ -	\$ 11,650,000
Transfers In	-	538,690	178,885	2,675,925
Transfers Out	(3,746,475)	(6,699,566)	(6,013,558)	(5,038,591)
Proceeds from Special Assessment Debt	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	199,765
Total Other Financing Sources (Uses)	\$ (3,746,475)	\$ (6,160,876)	\$ (5,834,673)	\$ 9,487,099
Net Change In Fund Balance	\$ (904,335)	\$ 2,432,449	\$ 8,285,810	\$ (914,418)
Debt Service as a Percentage of Noncapital Expenditures	0.09%	0.08%	0.08%	0.62%
Fund Balance, Beginning July 1	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918	\$ 52,042,728
Fund Balance, Ending June 30	\$ 41,324,469	\$ 43,756,918	\$ 52,042,728	\$ 51,128,310

		Fiscal Year									
		2017	2018	2019	2020	2021	2022				
\$	36,495,517	\$	42,711,947	\$	48,537,530	\$	49,803,458	\$	37,993,971	\$	49,002,797
	6,701,647		4,056,951		5,161,421		4,255,643		8,097,096		4,846,019
	247,743		283,027		272,658		308,839		286,165		274,539
	2,965,029		3,296,056		3,609,268		5,607,557		3,949,199		4,151,608
	372,367		363,872		353,823		311,978		265,968		252,812
	142,513		404,105		1,514,618		1,716,120		2,897		(948,306)
	538,005		636,920		670,712		708,402		589,097		523,368
	131,275		13,994		178,355		526,151		69,177		42,943
\$	47,594,096	\$	51,766,872	\$	60,298,385	\$	63,238,148	\$	51,253,570	\$	58,145,780
\$	11,916,234	\$	11,145,476	\$	11,683,187	\$	12,231,646	\$	12,832,591	\$	12,264,813
	9,467,994		9,749,739		10,178,923		10,572,848		10,325,663		10,754,540
	8,079,928		11,168,994		11,582,833		12,024,204		13,425,604		9,724,180
	2,220,609		2,879,640		2,925,299		3,353,122		5,548,637		4,301,004
	12,806,587		2,904,784		4,776,837		12,596,611		11,192,771		5,553,694
	1,131,884		1,097,727		1,163,627		1,972,681		1,237,242		1,260,303
	286,899		259,335		257,372		232,582		176,482		154,778
\$	45,910,135	\$	39,205,695	\$	42,568,078	\$	52,983,694	\$	54,738,990	\$	44,013,312
\$	1,683,961	\$	12,561,177	\$	17,730,307	\$	10,254,454	\$	(3,485,420)	\$	14,132,468
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	152,407		100		113,901		208,879		53,016		222,935
	(3,036,259)		(3,721,497)		(5,746,177)		(3,477,019)		(6,770,005)		(4,948,574)
	-		-		1,324,117		-		-		-
	-		-		109,321		658		516		53
\$	(2,883,852)	\$	(3,721,397)	\$	(4,198,838)	\$	(3,267,482)	\$	(6,716,473)	\$	(4,725,586)
\$	(1,199,891)	\$	8,839,780	\$	13,531,469	\$	6,986,972	\$	(10,201,893)	\$	9,406,882
	3.84%		4.26%		3.87%		5.63%		3.90%		3.88%
\$	51,128,310	\$	49,928,419	\$	58,768,199	\$	72,299,668	\$	79,286,640	\$	69,084,747
\$	49,928,419	\$	58,768,199	\$	72,299,668	\$	79,286,640	\$	69,084,747	\$	78,491,629

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

Fiscal Year	Tax Year	Real Property		Personal Property ¹	State-Assessed Property (Public Utilities) ¹	Industrial Property ¹	Less Tax-Exempt Property
		Residential ¹	Commercial ¹				
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
2022	2021	\$ 296,789,475	\$ 101,993,965	\$ 276,321,079	\$ 69,193,578	\$ 12,803,255	n/a

¹ 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 ¹	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
\$ 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%
\$ 757,101,352	8.000	\$ 295,478,111	\$ 2,954,781,111	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
MILLS						
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
2022	8.000	32.000	11.235	12.000	4.990	68.225

TAX LEVIES						
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
2022	\$ 2,271,569	\$ 145,256,646	\$ 50,998,701	\$ 54,471,242	\$ 22,650,958	\$ 275,649,116

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 2022		
		Assessed Valuation	Rank	Percentage of Total City Valuation
City of Gillette	Power System	\$ 2,820,157	1	0.95%
Burlington Northern Santa Fe Railway	Railroad Company	\$ 1,930,417	2	0.65%
Remington Village LLC	Apartment Complex	\$ 1,490,057	3	0.50%
Menard Inc	Retail	\$ 1,392,470	4	0.47%
L&H Industrial Inc	Welding/Industrial	\$ 1,337,480	5	0.45%
Black Hills Wyoming Gas LLC	Natural Gas Company	\$ 1,031,305	6	0.35%
Visionary Broadband	Internet Service Provider	\$ 933,752	7	0.32%
Wal-Mart Real Estate Business Trust	Retail	\$ 884,409	8	0.30%
Wyoming Machinery Co	Commercial Machinery Sales & Repair	\$ 809,828	9	0.27%
Gillette Retirement LLC	Primerose Retirement Community	\$ 789,006	10	0.27%
Home Depot USA	Warehouse Store	\$ -		-
Cloud Peak Energy LLC	Coal Company/Office Building	\$ -		-
Source Gas Distribution LLC	Natural Gas Company	\$ -		-
Qwest corporation / US West	Telephone System	\$ -		-
Total		\$ 13,418,881		4.54%
Total City Assessed Valuation		\$ 295,478,111		

Source: Campbell County Assessor's Office

Fiscal Year 2013

<u>Assessed</u>		<u>Percentage of</u>
<u>Valuation</u>	<u>Rank</u>	<u>Total City</u>
		<u>Valuation</u>
\$ 3,351,791	1	1.60%
\$ 1,796,637	2	0.86%
\$ 1,588,452	3	0.76%
\$ -		-
\$ 1,097,644	5	0.52%
\$ -		-
\$ -		-
\$ 1,188,869	4	0.57%
\$ -		-
\$ 837,598	8	0.40%
\$ 722,598	9	0.34%
\$ 1,079,913	6	0.51%
\$ 952,191	7	0.45%
\$ 580,212	10	0.28%
<u>\$ 13,195,905</u>		<u>6.29%</u>

\$ 209,944,856

**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	
2013	2012	\$ 1,763,257	\$ 1,678,751	95.21%	\$ 84,222	\$ 1,762,973	99.98%	\$ 284
2014	2013	\$ 1,801,939	\$ 1,749,349	97.08%	\$ 52,325	\$ 1,801,674	99.99%	\$ 265
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%	\$ 62,673	\$ 2,124,564	99.97%	\$ 727
2017	2016	\$ 2,249,380	\$ 2,214,623	98.45%	\$ 32,974	\$ 2,247,597	99.92%	\$ 1,783
2018	2017	\$ 2,161,452	\$ 2,088,912	96.64%	\$ 71,487	\$ 2,160,399	99.95%	\$ 1,053
2019	2018	\$ 2,250,032	\$ 2,159,110	95.96%	\$ 89,111	\$ 2,248,221	99.92%	\$ 1,811
2020	2019	\$ 2,273,548	\$ 2,236,696	98.38%	\$ 34,401	\$ 2,271,097	99.89%	\$ 2,451
2021	2020	\$ 2,371,599	\$ 2,291,044	96.60%	\$ 77,548	\$ 2,368,592	99.87%	\$ 3,007
2022	2021	\$ 2,412,974	\$ 2,359,249	97.77%	\$ -	\$ 2,359,249	97.77%	\$ 53,725

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			
	2013	2014	2015	2016
Agriculture / Forestry	\$ 587,400	\$ 670,733	\$ 716,296	\$ 737,360
Mining	\$ 949,196,000	\$ 1,178,258,083	\$ 1,420,173,026	\$ 745,995,340
Contract Construction	\$ 47,446,717	\$ 62,583,333	\$ 63,802,348	\$ 50,098,060
Manufacturing	\$ 79,636,183	\$ 93,448,367	\$ 104,950,591	\$ 57,805,900
Retail Trade	\$ 665,802,967	\$ 692,062,683	\$ 719,212,626	\$ 579,732,680
Wholesale Trade	\$ 518,981,083	\$ 534,587,550	\$ 610,714,713	\$ 404,406,120
Finance / Insurance	\$ 2,060,050	\$ 2,084,217	\$ 1,603,948	\$ 1,996,620
Public Administration	\$ 173,049,917	\$ 195,701,700	\$ 262,655,235	\$ 181,610,940
Utilities	\$ 80,461,450	\$ 84,462,267	\$ 79,892,139	\$ 85,451,720
Transportation / Warehousing	\$ 10,627,433	\$ 10,896,233	\$ 15,191,339	\$ 8,818,520
Information	\$ 32,102,250	\$ 31,557,183	\$ 32,401,304	\$ 27,308,180
Real Estate / Rental / Leasing	\$ 182,424,017	\$ 223,136,350	\$ 188,324,852	\$ 155,116,300
Professional Services	\$ 6,364,650	\$ 6,761,333	\$ 6,304,487	\$ 7,208,240
Administrative / Support / Waste	\$ 9,573,150	\$ 7,070,733	\$ 8,511,843	\$ 10,396,080
Educational Services	\$ 94,533	\$ 101,450	\$ 89,530	\$ 90,420
Health Care / Social Assistance	\$ 52,850	\$ 69,567	\$ 69,617	\$ 41,980
Arts, Entertainment & Recreation	\$ 2,379,150	\$ 2,452,533	\$ 2,373,096	\$ 2,273,620
Accommodation / Food Services	\$ 112,660,600	\$ 125,905,033	\$ 154,045,478	\$ 131,713,360
Other Services	\$ 189,522,850	\$ 199,170,983	\$ 216,359,670	\$ 161,543,320
Total	\$ 3,063,023,250	\$ 3,450,980,331	\$ 3,887,392,138	\$ 2,612,344,760

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					
2017	2018	2019	2020	2021	2022
\$ 640,620	\$ 624,380	\$ 521,920	\$ 523,620	\$ 634,960	\$ 594,640
\$ 513,985,460	\$ 697,313,500	\$ 864,986,660	\$ 804,955,220	\$ 370,922,400	\$ 662,537,520
\$ 28,100,160	\$ 26,899,180	\$ 34,800,940	\$ 31,010,160	\$ 23,118,640	\$ 23,080,160
\$ 89,826,100	\$ 156,225,520	\$ 156,790,260	\$ 121,822,540	\$ 84,549,700	\$ 144,093,280
\$ 517,949,240	\$ 602,647,120	\$ 661,484,300	\$ 772,583,380	\$ 713,918,460	\$ 839,864,660
\$ 334,365,100	\$ 374,607,020	\$ 387,220,980	\$ 310,048,140	\$ 198,278,640	\$ 356,225,980
\$ 1,085,720	\$ 872,600	\$ 1,282,220	\$ 925,240	\$ 537,120	\$ 1,182,720
\$ 162,053,520	\$ 185,158,640	\$ 212,633,860	\$ 225,371,500	\$ 206,260,480	\$ 223,673,900
\$ 76,150,840	\$ 73,725,500	\$ 75,713,640	\$ 68,171,280	\$ 63,826,680	\$ 69,348,340
\$ 7,464,580	\$ 7,460,560	\$ 11,452,480	\$ 12,671,060	\$ 6,333,480	\$ 6,462,860
\$ 25,959,680	\$ 24,362,920	\$ 26,549,120	\$ 29,459,920	\$ 27,438,760	\$ 23,641,600
\$ 86,477,960	\$ 86,392,180	\$ 95,652,560	\$ 168,787,220	\$ 115,502,560	\$ 147,835,420
\$ 6,596,520	\$ 6,293,560	\$ 5,746,000	\$ 8,516,760	\$ 7,779,380	\$ 8,024,680
\$ 6,437,300	\$ 3,893,660	\$ 9,900,040	\$ 7,294,080	\$ 5,159,780	\$ 6,226,020
\$ 111,800	\$ 330,360	\$ 124,940	\$ 148,480	\$ 97,080	\$ 157,160
\$ 39,100	\$ 29,120	\$ 22,360	\$ 46,800	\$ 60,260	\$ 57,200
\$ 2,409,040	\$ 2,431,140	\$ 2,426,960	\$ 2,291,560	\$ 2,203,960	\$ 2,557,020
\$ 111,534,000	\$ 118,787,560	\$ 130,551,320	\$ 130,698,860	\$ 128,449,000	\$ 170,485,820
\$ 141,514,260	\$ 161,290,640	\$ 200,137,560	\$ 179,635,140	\$ 112,814,920	\$ 151,380,100
\$ 2,112,701,000	\$ 2,529,345,160	\$ 2,877,998,120	\$ 2,874,960,960	\$2,067,886,260	\$2,837,429,080

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

Fiscal Year ²	Campbell County ¹	State of Wyoming	TOTAL*
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%
2022	1.00%	4.00%	5.00%

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

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

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

Source: Wyoming Department of Revenue

*Used to calculate Taxable Sales in Schedule 13

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

Business Activity	Fiscal Year 2022		
	Rank	Tax Liability	Percentage of Total County Liability
Coal Mining	1	\$ 17,555,475	12.40%
Support activities for mining	2	\$ 14,653,742	10.35%
Executive, legislative and general government	3	\$ 11,128,329	7.86%
Building material and supplies dealers	4	\$ 9,610,534	6.79%
Machinery and equipment rental and leasing	5	\$ 6,552,069	4.63%
Machinery and supply merchant wholesalers	6	\$ 6,164,958	4.35%
Electronic shopping and mailorder houses	7	\$ 5,443,397	3.84%
Petroleum merchant wholesalers	8	\$ 5,047,656	3.56%
Auto parts, accessories, and tire stores	9	\$ 4,827,335	3.41%
Petroleum and coal products	10	\$ 4,715,994	3.33%
Other general merchandise stores		\$ -	-
Automotive repair and maintenance		\$ -	-
Commercial machinery repair and maintenance		\$ -	-
Total		\$ 85,699,489	60.52%
Total Campbell County		\$ 141,610,948	

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

Fiscal Year 2013			
Rank	Tax Liability	Percentage of Total County Liability	
1	\$ 30,028,651	16.36%	
2	\$ 25,298,784	13.79%	
4	\$ 10,344,744	5.64%	
5	\$ 8,822,701	4.81%	
7	\$ 6,526,037	3.56%	
	\$ -	-	
	\$ -	-	
3	\$ 15,815,359	8.62%	
6	\$ 7,018,206	3.82%	
	\$ -	-	
8	\$ 5,946,059	3.24%	
10	\$ 5,961,727	3.25%	
9	\$ 5,759,447	3.14%	
	<u>\$ 121,521,715</u>	66.22%	
	\$ 183,521,007		

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	Wyoming State Land and Investment Loans Power Fund
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	\$ -	\$ 676,791	\$ 6,155,000	\$ 6,874,124	\$ 2,259,941
2022 ¹	\$ -	\$ 586,488	\$ 4,985,000	\$ 9,938,842	\$ 2,128,991

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.

¹ 2022 Percentage of Personal Income calculated using 2021 Personal Income figures from Demographic and Economic Statistics, as 2022 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

Wy. Water Development														
Commission Loans		Capital Leases-Power Fund		Lease Liability		Total Primary Government	Percentage of Personal Income ¹	Per Capita						
Water Fund		Leases	Premiums/ (Discounts)	Power Fund	Water Fund									
\$	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				
\$	4,328,358	\$	75,450,000	\$	1,442,689	\$	8,237,343	\$	630,669	\$	107,728,381	4.15%	\$	3,268

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

	Fiscal Year			
	2013	2014	2015	2016
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 ¹	\$ 566,194	\$ 531,636	\$ 496,922	\$ 12,110,835
Total Direct and Overlapping Debt	\$ 566,194	\$ 531,636	\$ 496,922	\$ 12,110,835

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.

¹ 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					
2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	n/a	n/a	n/a	n/a	n/a
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,978,951	\$ 9,881,224	\$ 10,041,714	\$ 8,069,033	\$ 6,831,791	\$ 5,571,488
\$ 10,978,951	\$ 9,881,224	\$ 10,041,714	\$ 8,069,033	\$ 6,831,791	\$ 5,571,488

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

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$ 295,478,111
Debt Limitation (4% of Assessed Value)	\$ 11,819,124
Debt Applicable to Limitation	\$ -
Legal Debt Margin	\$ 11,819,124

	Fiscal Year			
	2013	2014	2015	2016
Debt Limit	\$ 8,397,794	\$ 8,573,651	\$ 9,217,168	\$ 9,811,222
Total Net Debt Applicable to Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 8,397,794	\$ 8,573,651	\$ 9,217,168	\$ 9,811,222
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 10,381,016	\$ 11,172,464	\$ 11,063,854	\$ 11,480,542	\$ 11,611,268	\$ 11,819,124
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,381,016	\$ 11,172,464	\$ 11,063,854	\$ 11,480,542	\$ 11,611,268	\$ 11,819,124
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>
2013 - 2022	\$ -	\$ -	\$ -

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			
	2013	2014	2015	2016
Population (CY Basis) ¹	30,646	32,000	32,520	30,467
Unemployment Rate ²	3.9%	3.4%	3.8%	6.2%
Median Age ^{3,6}	30.2	30.2	30.4	30.9
Personal Income (thousands of dollars) ^{4,6}	\$ 2,455,481	\$ 2,352,749	\$ 2,690,020	\$ 2,367,290
Per Capita Personal Income ^{4,6}	\$ 50,969	\$ 48,691	\$ 54,653	\$ 48,507
New Single-Family Residential:				
Number of Permits	143	128	142	53
Valuation	\$ 61,339,415	\$ 57,346,683	\$ 56,780,306	\$ 22,809,688
New Commercial/Industrial:				
Number of Permits	28	28	30	27
Valuation	\$ 40,107,881	\$ 45,800,319	\$ 95,279,433	\$ 55,090,590
Rental Vacancy Rates: ^{1,7}				
Building rentals	9.1%	1.3%	5.9%	22.4%
Mobile Home Parks	6.6%	6.3%	9.1%	22.6%
Homeowner Vacancy Rate ^{6,8}	n/a	n/a	n/a	1.8%
Rental Vacancy Rate ^{6,8}	n/a	n/a	n/a	7.6%
Area in Square Miles ¹	19.42	19.42	21.66	21.66
Number of Schools (In City of Gillette Only) ⁵				
Elementary Schools	9	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	13	13	13	13
County School Enrollment ⁵	8,524	8,714	8,986	9,038
County Student - Teacher Ratio ⁵				
Elementary Schools	19.18:1	18.90:1	18.90:1	18.80:1
Secondary Schools	15.46:1	15.06:1	15.06:1	16.23:1

Source:

¹ City of Gillette, Planning Division

² U.S. Bureau of Labor Statistics

³ Campbell County Economic Development Corporation and U.S. Census Bureau

⁴ Regional Economic Information System, Bureau of Economic Analysis

⁵ Campbell County School District

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

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

⁸ 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					
2017	2018	2019	2020	2021	2022
31,147	32,252	31,843	31,879	33,403	32,962
5.7%	4.3%	3.7%	9.6%	6.9%	3.6%
30.9	33.5	35.6	35.1	36.0	n/a
\$ 2,258,500	\$ 3,092,300	\$ 3,251,830	\$ 3,200,850	\$ 2,598,834	n/a
\$ 48,842	\$ 51,064	\$ 53,438	\$ 52,463	\$ 56,008	n/a
14	30	27	24	33	40
\$ 5,676,085	\$ 7,448,000	\$ 6,967,500	\$ 7,045,199	\$ 10,602,195	\$ 15,371,674
12	16	9	22	18	19
\$ 13,677,262	\$ 6,261,000	\$ 7,061,500	\$ 7,062,266	\$ 7,599,662	\$ 24,621,565
21.5%	7.5%	n/a	n/a	n/a	n/a
16.7%	16.9%	n/a	n/a	n/a	n/a
2.1%	2.1%	3.0%	2.6%	2.2%	1.4%
6.6%	7.6%	13.6%	18.8%	21.4%	22.9%
21.71	23.15	23.15	23.19	23.19	23.20
10	10	11	11	11	11
2	2	2	2	2	2
1	2	2	2	2	2
1	1	1	1	1	1
14	15	16	16	16	16
8,567	8,603	8,612	8,718	8,409	8,561
18.22:1	18.82:1	18.98:1	18.48:1	17.42:1	17.15:1
15.76:1	15.23:1	17.04:1	17.45:1	16.81:1	17.62:1

City of Gillette, Wyoming
Principle Employers in Campbell County ¹
Current Year and Nine Years Ago

Industry	Fiscal Year 2022 ²	
	Employees	Percentage of Total County Employment
Mining	4,553	19.86%
Total Government	4,443	19.38%
Retail Trade	2,446	10.67%
Construction	1,840	8.03%
Accommodation and Food Services	2,229	9.73%
Wholesale Trade	1,225	5.34%
Health Care and Social Assistance	1,199	5.23%
Transportation and Warehousing	788	3.44%
Administrative and Waste Services	761	3.32%
Other Services, Except Public Administration	653	2.85%
Professional and Technical Services	633	2.76%
Manufacturing	483	2.11%
Finance and Insurance	425	1.85%
Utilities	322	1.40%
Real Estate and Rental and Leasing	270	1.18%
Information	242	1.06%
Management of companies and enterprises	77	0.34%
Arts, Entertainment and Recreation	163	0.71%
Educational Services	99	0.43%
Postal Service, Couriers and Messengers	-	-
Agriculture, Forestry, Fishing & Hunting	69	0.30%
Total	22,920	100.00%
Total Campbell County Employment	22,920	

Sources:

Department of Employment and Workforce Services, State of Wyoming

¹ 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.

² Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2022 ends on December 31, 2021)

Fiscal Year 2013 ²

Employees	Percentage of Total County Employment
7,951	29.12%
4,797	17.57%
2,497	9.15%
2,260	8.28%
1,932	7.08%
1,632	5.98%
1,000	3.66%
889	3.26%
632	2.31%
916	3.35%
742	2.72%
510	1.87%
394	1.44%
374	1.37%
321	1.18%
203	0.74%
-	-
89	0.33%
64	0.23%
100	0.37%
-	-
27,303	100.00%

27,303

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

Function/Program	Fiscal Year			
	2013	2014	2015	2016
General Government				
Finance, Human Resources, Safety	12	21.25	21.75	22.75
Judicial and Legal	10.5	10.5	11.5	11.75
City Hall, Buildings & Grounds	9	9	9	9
Planning & Building Inspection	14	13	11	11
Streets, Traffic	19	19	18	18
Parks	12	12	12	12
Central Administration	16.75	17.5	19.75	19.75
Other	23	23	23	23
Police				
Officers and Civilians	68	67	68	69
Dispatch	9	9	9	11.5
Animal Control/Shelter	6	6	7	7
Other - Grant Funded Positions	3	3	4	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	12.75	14.75	16.75
Solid Waste Collection	9	9	9	9
Water & Water Treatment	18	18	18	18
Power	16	16	16	18
Wastewater	11	11	12	14
Total FTE Employees	303.25	302	308.75	319.5
Total Temporary/Seasonal positions ¹	22.6	19.8	19.0	19.5

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
20.5	21	22	22	21	20
10	9	8	8	8	7
7	7	8	8	8	10
8	8.5	8.5	8	8	8
17	18	18	18	18	18
10	10	10	10	10	10
14.5	14	13	13	13	12
17	17.5	19.5	19	19	19
61	65	65	67	67	67
11	11	11	11	11	11
6	7	7	7	7	7
2	2	2	2	2	2
1	1.5	1.5	2	2	2
8	10	10	10	10	9
3	4	4	4	4	4
7	7	7	7	7	7
16.75	16	17	18	17	17
9	9	9	9	9	9
16	17	17	15	15	16
17	17	16	16	16	14
13	13	16	16	16	17
274.75	284.5	289.5	290	288	286
11.0	6.0	14.8	37.0	16.6	17.2

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

Function/Program	Fiscal Year			
	2013	2014	2015	2016
Police				
Stations	1	1	1	1
Patrol units	38	38	38	38
Public Works				
Refuse collection trucks	8	8	8	8
Streets (miles)	209.4	214.4	221.1	222.9
City parks (acres)	421.6	661.1	661.1	661.1
Bike paths (miles)	46.0	46.0	50.8	60.4
Storm sewers (miles)	90.31	96.95	101.17	99.63
Traffic signals	63	64	75	98
Utilities Department				
Water				
Water lines (miles)	289.3	291.4	310.7	340.3
Fire hydrants	2,251	2,269	2,305	2,322
Storage capacity (thousands of gallons)	22,000	22,000	22,000	22,300
Electric				
Electric lines (miles)-includes both transmission & distribution	337.9	344.0	365.0	365.0
Streetlights	3,157	3,233	3,346	3,383
Transformers	3,085	3,108	3,227	3,260
Number of substations	10	10	10	10
Wastewater				
Sanitary sewers (miles)	187.4	190.5	190.5	188.4
Number of manholes	3,667	3,690	3,718	3,776
Treatment capacity (thousands of gallons)	5,120	5,120	5,120	5,120

Fiscal Year					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
38	38	43	45	50	60
8	8	8	8	8	8
222.9	232.8	233.1	233.3	233.9	234.4
661.2	678.5	677.9	677.9	677.9	677.9
75.6	75.7	76.9	77.8	84.1	84.3
101.40	101.50	103.30	103.40	106.50	106.60
119	123	137	142	146	152
357.6	372.6	375.8	376.1	378.5	378.7
2,324	2,348	2,372	2,378	2,386	2,389
22,300	22,300	22,300	24,400	24,400	24,400
374.0	376.0	375.0	375.2	374.7	375.4
3,418	3,556	3,571	3,586	3,534	3,554
3,377	3,347	3,348	3,324	3,310	3,305
9	9	9	9	9	9
188.4	188.4	196.0	196.5	197.9	198.8
3,776	3,779	3,926	3,927	3,953	3,965
5,120	5,120	5,120	5,120	5,200	5,200

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

Function/Program	Fiscal Year			
	2013	2014	2015	2016
General Government				
Building permits issued	866	799	856	548
Building inspections conducted	9,515	8,176	10,430	5,367
Gas, Electrical, Plumbing & Mechanical Permits	1,795	1,537	1,717	1,051
Contractor Licences	1,161	1,281	1,387	1,325
Police ¹				
Incidents	35,536	33,533	36,433	37,005
Incident reports taken	9,824	8,933	9,172	8,583
Traffic citations	4,682	4,058	4,310	4,729
Physical arrests	3,906	3,686	3,934	4,672
Public Works				
Refuse collected (In Tons per Year)	12,667	13,213	13,565	13,073
Curbside Yard Waste collected (In Tons per Year)	624	1,281	692	715
Acres of parks mowed	2,142	2,480	3,245	1,643
Miles of streets plowed	33,972	54,469	34,825	27,065
Utilities Department				
Meters read - all Utilities (Water, Electric)	304,278	309,233	309,936	312,420
Utility bills mailed	194,474	194,687	199,073	200,928
Wastewater ¹				
Daily average flows (Million Gallons per Day)	3.0200	3.1800	3.2500	3.0000
Compost sold (In Yards per Year) ¹	2,705	3,164	2,789	4,460
Yard Waste collected-drop-off site (In Tons per Year)	n/a	2,031	4,560	4,918
Electric				
Amount billed	\$ 25,278,925	\$ 26,555,552	\$ 27,410,894	\$ 30,159,956
Water				
New connections	125	155	259	72
Average Daily Water Production (In millions of gallons) ¹	5.1	4.3	4.0	4.4
Average Daily Consumption per Capita (gallons) ^{1,2}	167	140	126	137
Peak Water Demand (in millions of gallons)	11.1	11.0	11.0	10.8

¹ Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2022 ends on December 31, 2021)

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

N/A - Data not available

Fiscal Year					
2017	2018	2019	2020	2021	2022
491	459	528	1,840	825	572
3,592	5,447	4,317	4,296	3,917	3,948
823	1,171	981	1,136	824	1,005
1,244	1,230	1,192	1,261	1,272	1,309
31,884	28,809	29,216	31,236	29,121	28,101
7,366	6,604	7,359	8,023	7,144	7,191
3,837	3,386	3,373	3,398	2,491	4,383
3,816	3,260	3,210	2,369	2,070	997
11,606	11,307	12,632	13,107	12,729	12,536
705	747	789	873	784	788
1,905	3,585	3,666	3,370	3,177	2,813
34,295	40,413	47,972	53,206	23,441	22,987
312,156	316,692	315,408	320,184	326,156	322,488
209,181	200,703	174,259	197,509	193,248	202,368
3.0200	3.0000	3.2000	3.0180	2.9000	2.9690
4,247	2,186	1,804	2,079	3,092	3,057
4,318	4,319	3,908	3,218	4,425	3,231
\$ 31,237,842	\$ 31,892,517	\$ 31,805,355	\$ 31,268,569	\$ 31,546,453	\$ 31,964,309
(31)	123	214	85	61	59
4.6	4.6	4.0	5.5	4.0	4.9
140	144	133	167	145	154
11.9	11.9	9.7	11.5	11.5	13.4

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SINGLE AUDIT SECTION

BENNETT, WEBER & HERMSTAD, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

319 S. Gillette Avenue, Suite 200
P.O. Box 2256
Gillette, WY 82717-2256

Tamara J. Hermstad, CPA
Ryan J. Gemar, CPA
Paula S. Steiger, CPA
Jennifer Besich, CPA, EA
Brandon E. Larson, CPA
Erica J. Mund, CPA

Telephone (307)682-5250
Fax (307) 682-6938
info@bwhllp.cpa

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, 2022, 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 15, 2022.

Report On 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 or significant deficiencies may exist that were not identified.

Report On 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 15, 2022

BENNETT, WEBER & HERMSTAD, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Gillette, WY 82717-2256

Tamara J. Hermstad, CPA
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Jennifer Besich, CPA, EA
Brandon E. Larson, CPA
Erica J. Mund, CPA

Telephone (307)682-5250
Fax (307) 682-6938
info@bwhllp.cpa

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

Opinion on Each Major Federal Program

We have audited the **City of Gillette, Wyoming's (City)** compliance with the types of compliance requirements identified as subject to audit 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, 2022. The **City's** major federal programs are identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the **City** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the **City's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the **City's** federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 & Hermstad, LLP

Gillette, Wyoming
December 15, 2022

CITY OF GILLETTE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

(Page 1 of 3)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal 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	-	\$ 246,248
Passed Through the Wyoming Association of Sheriffs and Chiefs of Police			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance - 2021 and 2022	93.243	-	\$ 5,718
Center for Disease Control and Prevention			
Health Department Response to Public Health or Healthcare Crises	93.391	-	2,000
Total Passed Through the Wyoming Association of Sheriffs and Chiefs of Police			\$ 7,718
Total Department of Health and Human Services			\$ 253,966
<u>Department of Homeland Security</u>			
Passed Through the State of Wyoming, Office of Homeland Security and Emergency Management			
FEMA Hazard Mitigation Grant	97.039	18-FEMA-GIL-HM-5241	\$ 48,371
<u>Department of Justice</u>			
Direct Awards:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program - 2020 and 2021	16.607	-	\$ 6,270
Passed Through the State of Wyoming Division of Criminal Investigation			
Edward Byrne Memorial Justice Assistance			
Grant Program - 2018 and 2019	16.738	-	\$ 43,382
Missing Children's Assistance (Internet Crimes Against Children)	16.543	-	340
Total Passed Through the State of Wyoming Division of Criminal Investigation			\$ 43,722
Passed Through the State of Wyoming Office of Attorney General			
Crime Victim Assistance	16.575	2020-V2-GX-0016	\$ 48,259
Violence Against Women Formula Grants	16.588	2020-WF-AX-0049	18,740
Total Passed Through the State of Wyoming Office of Attorney General			\$ 66,999
Total Pass Through Awards			\$ 110,721
Total Department of Justice			\$ 116,991

The accompanying notes are an integral part of this schedule.

(Continued)

CITY OF GILLETTE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

(Page 2 of 3)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures
<u>Department of Transportation</u>			
Passed Through the State of Wyoming, Department of Transportation			
Highway Safety Cluster			
National Priority Safety Program - 2022	20.616	-	\$ 29,550
State and Community Highway Safety	20.600	-	11,562
Total Highway Safety Cluster			\$ 41,112
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	-	\$ 414,888
Total Department of Transportation			\$ 456,000
<u>Executive Office of the President</u>			
Passed Through the State of Wyoming			
Division of Criminal Investigation			
High Intensity Drug Trafficking Areas			
Program - 2021 and 2022	95.001	-	\$ 1,995
<u>Department of the Interior</u>			
Passed Through State of Wyoming Department of Environmental Quality			
Abandoned Mine Land Reclamation Program	15.252	-	\$ 65,961
Passed Through State of Wyoming Department of State Parks and Cultural Resources			
Historic Preservation Fund Grants-In-Aid	15.904	-	\$ 10,400
Outdoor Recreation Acquisition, Development and Planning	15.916	-	150,000
Total Passed Through State of Wyoming Department Of State Parks and Cultural Resources			\$ 160,400
Total Department of Interior			\$ 226,361
<u>Department of Treasury</u>			
Passed Through State of Wyoming, Department of Health			
COVID-19 - Coronavirus Relief Fund	21.019	-	\$ 14,700
Passed Through State of Wyoming, Department of Family Services			
COVID-19 - Emergency Rental Assistance Program	21.023	-	\$ 106,215
Homeowners Assistance Fund	21.026	-	1,529
Total Passed Through State of Wyoming, Department of Family Services			\$ 107,744

(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, **2022**

(Page 3 of 3)

Federal Grantor Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures
Passed Through State of Wyoming, State Budget Department COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	-	\$ 29,293
Total Department of Treasury			\$ 151,737
Total Expenditures of Federal Awards			\$ 1,255,421

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, 2022

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, 2022. 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 minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Amounts Passed Through to Subrecipients

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

Note 4. Loans Outstanding

The City of Gillette, Wyoming had previously received federal loan proceeds. There were no current year loan proceeds received during the year ended June 30, 2022. Following is the balance of the federal portion of the loans at June 30, 2022.

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	\$ 4,901,592

CITY OF GILLETTE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, **2022**

(Page 2 of 2)

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 2022.

CITY OF GILLETTE, WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, **2022**

1) Prior Year Findings:

There were no prior year findings.
