

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

For the fiscal year ended
June 30, 2024

Prepared by:
Finance Department

CITY OF GILLETTE, WYOMING

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CITY OF GILLETTE, WYOMING

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INTRODUCTORY SECTION



Finance Division

December 17, 2024

To the Honorable Mayor Lundvall, 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, 2024.

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, 2024. 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 volatility of the energy sector has historically caused sudden fluctuations in population estimates, the city’s population has gradually increased since a low in 2016, with the last four years remaining relatively stagnant based on the most recent census data. The city currently occupies 23.30 square miles and serves an estimated population of 33,579. 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 dismal outlook for the local economy. But after a strong post-pandemic rebound and increased coal demand from the turmoil caused by Russia's invasion of Ukraine, coal markets returned to more predictable patterns over the last year, and, as expected, are experiencing a slight downward trajectory. Though the immediate coal future is stable, 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.

As seen throughout the United States, the City's unemployment rate skyrocketed at the start of the pandemic in April 2020, reaching a high of 9.6%. With the economy recovering, the City has returned to pre-pandemic, and even historically low, unemployment levels with the latest estimates at 3.0%. Per capita personal income has risen steadily over the last few years, even through the pandemic, and over the course of the last year increased dramatically by 10.2% to the highest level in the last 20 years. The most recent figures indicate stability in our local economy, with City-issued building permits and completed building inspections remaining relatively flat year-over-year. The City's population stabilized and grew after the significant loss in 2016, with the most recent census data indicating a 10.2% increase in the last nine 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 a peak in fiscal year 2015 to a 12-year low in fiscal year 2017, representing over a \$24M decline. The energy sector experienced a sizeable rebound in the years following 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, and they remained at a consistently low level for the entirety of FY2021. FY2022 experienced a significant resurgence, with sales tax collections coming in 37% higher than the year before, and FY2023's collections were 33% higher than FY2022, setting an all-time record in sales tax revenues. While FY2024 continued to see healthy sales tax revenues throughout the year, there was an overall decrease of 4.4% from FY2023, and the first five months of FY2025 are experiencing a similar slightly downward trajectory.

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. After engaging FCS Group in February 2023 to conduct a comprehensive rate study to analyze the financial trajectory of the City's utility funds, the City recommenced its in-house analysis of the Enterprise Funds in FY2024. Historically, utility rates are analyzed each year and adjusted accordingly if necessary; however, the City implemented FCS Group's recommendation to adopt three years' worth of increases at once, and the annual analysis was performed in FY2024 to ensure the second- and third-year rates were still sufficient. After adopting increases of 5%, 10% and 10% for the Power Fund, the Water Fund and the Sewer Fund, respectively, for FY2024, the in-house analysis determined that FCS's recommended increases for FY2025 and FY2026 were still appropriate. Accordingly, the recommended adjustments of 2.5% in the Power Fund for both FY2025 and FY2026, of 10% in the Water Fund for FY2025 and 3.5% for FY2026, with all increases being applied to the City's distribution rate, and of 10% in the Sewer Fund for both FY2025 and FY2026 are adequate for additional revenue requirements. The Water Fund is analyzed separately for the transmission function, which will not require an increase over the next two years. The net position of the Solid Waste Fund was satisfactory to meet its reserve standards so these rates remained unchanged. However, the long-term forecast for the Solid Waste Fund predicts small annual rate increases beginning in FY2027 to offset expected increasing operational and tipping fee costs.

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. The City entered into an agreement for investment advisory services with a registered investment advisor 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 2025), and to fund future water system extension projects.

Over the last three fiscal years, the City has made a significant investment in an upgrade to its Wastewater Treatment Facility. The City secured a \$20,000,000 Capital Construction Loan from the State of Wyoming in FY2022 for the design and construction of the first phase of the upgrade project, with another \$15,000,000 State Revolving Fund loan acquired in 2024 for the second phase of the project. These loans will be repaid from wastewater user fees, which, as discussed earlier, are being increased accordingly. Additionally, the City was awarded a \$5.2M ARPA grant through the State of Wyoming, which will help offset rising construction costs due to inflation.

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, along with landscaping, parking and shelters. The City has taken advantage of grant opportunities to complete additional parking lots, shelters and landscaping, and will complete an outdoor fitness center in the spring of 2025. There are preliminary discussions regarding additional buildout over the next five years to potentially include another pod of baseball/softball fields, additional multipurpose fields, and further expansion of parking and landscaping.

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. This obligation will be fully repaid in FY2025. Gillette College, through a ballot initiative, took steps in FY2023 to become a stand-alone tax district, therefore separating from the Northern Wyoming Community College District. The City transferred land in November 2024 to the newly-formed community college district to assist with further development of programs and facilities at the college.

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, 2023. 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.

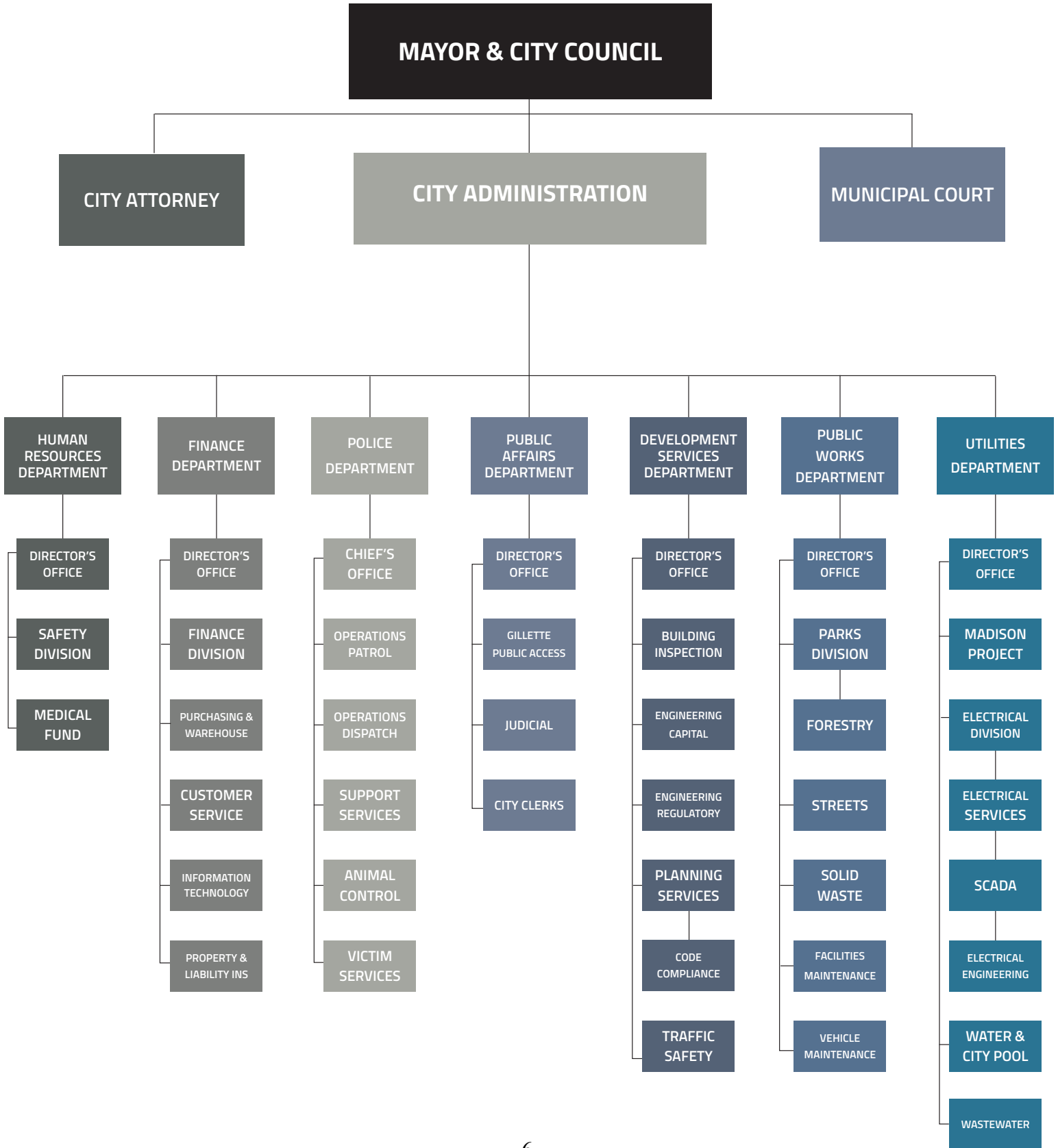
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. It should be noted 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, 2024

ELECTED OFFICIALS

Mayor		Shay Lundvall
City Council	Ward I	Jim West Tricia Simonson
	Ward II	Billy Montgomery Tim Carsrud
	Ward III	Nathan McLeland Heidi Gross

APPOINTED OFFICIALS

City Administrator	Mike Cole
City Attorney	Sean Brown
Interim Municipal Court Judge	Charlie Anderson

DEPARTMENT HEADS

Chief of Police	Chuck Deaton
Development Services Director	Ry Muzzarelli
Finance Director	Michelle Henderson
Human Resources Director	Déca Wasson
Public Affairs Director	Jennifer Toscana
Public Works Director	Sawley Wilde
Utilities Director	Joff Pilon



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, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

BENNETT, WEBER & HERMSTAD, LLP

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INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2024, 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, 2024, 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.

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 Total 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 83 through 85, 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 5, 2024, on our consideration of the **City of Gillette, Wyoming's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **City's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **City of Gillette, Wyoming's** internal control over financial reporting and compliance.

Bennett, Weber & Hermstad, LLP

Gillette, Wyoming
December 5, 2024

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, 2024. 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 \$738,444 (*net position*). Of this amount, \$136,417 (*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 \$33,570 from FY2023 to FY2024. The governmental-type net position increased by \$14,450 primarily attributable to a rise in federal grants and investment income compared to the prior fiscal year. The business-type net position increased by \$19,120 due to an increase in investment income.
- ❖ As of the close of the current fiscal year, the City of Gillette's governmental fund reported ending fund balance of \$103,709, an increase of \$12,450 in comparison with the prior year. Approximately 26 percent of this fund balance, \$26,762, 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 \$206 while the committed fund balance was \$27,213 and the assigned fund balance was \$48,773. Restricted fund balance is available for specific purpose as imposed by an external party, constitutional provision or enabling legislation. Committed fund balance is available for specific purpose as defined by Council and requires Council action to remove or change this constraint. Assigned fund balance is available for specific purpose as defined by Council and can be used without further formal Council action.
- ❖ The City of Gillette's total long-term debt decreased by \$14,320 during the current fiscal year. This is primarily due to a significant decrease in the pension liability as well as a notable reduction in the liabilities associated with GASB Statement No. 96 for subscription-based information technology arrangements. In addition to these major contributors, the city recognized further reductions through routine debt service payments.

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 35-46 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 47-48 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 49-82 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 pension liability and contributions are presented on pages 83-85. Individual fund statements for the Nonmajor Enterprise Funds and Internal Service Funds are presented on pages 86-93 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 \$738,444 at the close of the most recent fiscal year. Governmental activities net position was \$317,388 and business-type activities net position was \$421,057.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	124,970	107,234	107,025	98,713	231,995	205,947
Capital Assets	228,533	229,258	422,010	418,294	650,543	647,552
Total Assets	353,503	336,492	529,035	517,007	882,537	853,499
Deferred Outflows of Resources						
Relating to Pensions	5,001	8,835	595	1,486	5,596	10,321
Long-term Liabilities Outstanding:	18,033	27,527	100,093	104,920	118,126	132,446
Other Liabilities:	13,030	8,870	7,554	10,665	20,584	19,535
Total Liabilities	31,063	36,397	107,647	115,584	138,710	151,981
Relating to Leases	-	-	518	642	518	642
Relating to Pensions	6,675	3,321	407	330	7,083	3,651
Taxes Levied for Subsequent Years	3,378	2,672	-	-	3,378	2,672
Total Deferred Inflows of Resources	10,053	5,992	925	973	10,978	6,965
Net Position:						
Net Investment in Capital Assets	224,435	223,388	327,032	320,820	551,467	544,208
Restricted:	621	616	49,939	48,855	50,560	49,471
Unrestricted:	92,331	78,934	44,086	32,261	136,417	111,195
Total Net Position	317,388	302,938	421,057	401,937	738,444	704,875

The largest portion of the City of Gillette's net position (75 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 (seven percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$136,417) 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.

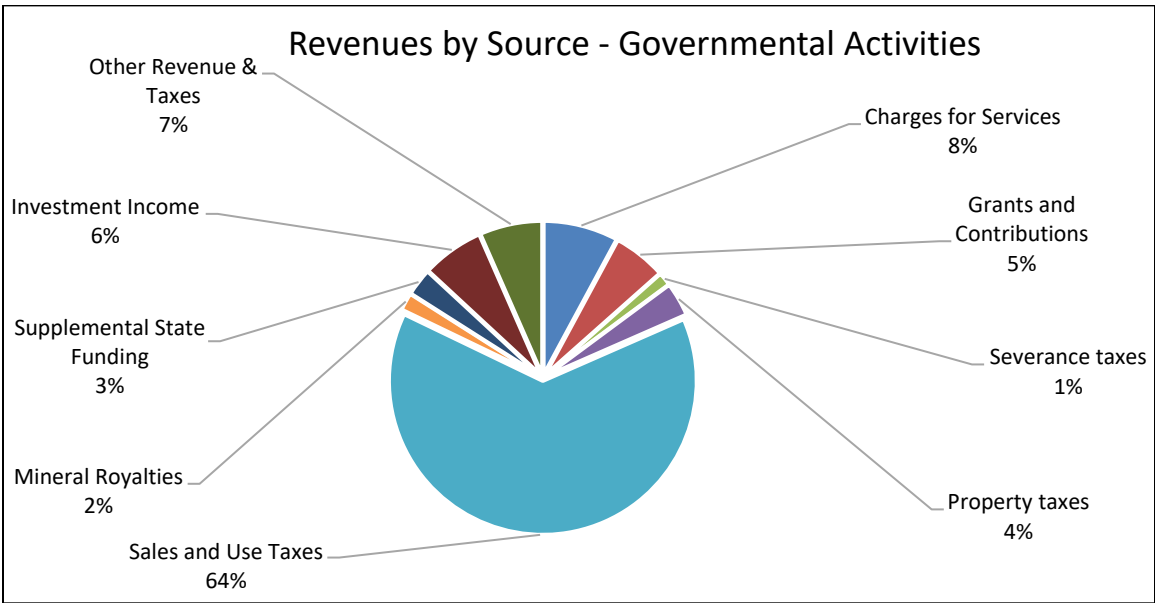
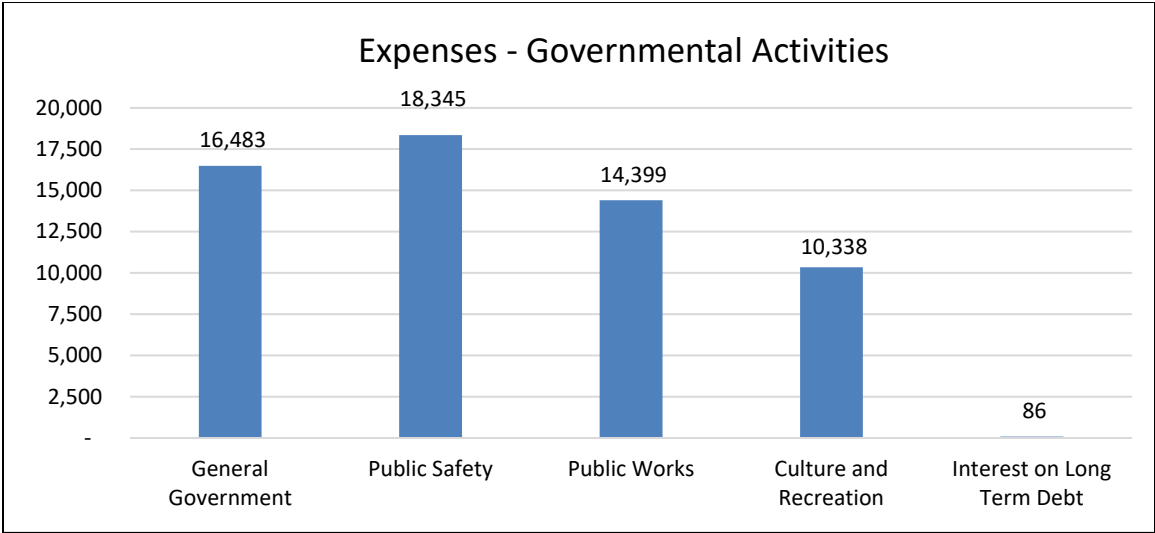
The government's net position increased by \$33,570 or five percent during the current fiscal year. Most of the increase is due to increased federal grants and investment income in comparison to the prior fiscal year. Additionally, investments in capital assets, net of related debt, increased from the 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; completion of an Alley Pavement Management System Project; completion of various Power Primary Cable Replacement Projects; Gillette Regional Water Supply Project; Improvements at the Wastewater Treatment Facility, Improvements to two Lift Stations and the Annual Water and Sewer Main Replacement projects including the Sutherland Subdivision Valve Project and McCann Heights Sewer Reconstruction Project.

City of Gillette's Changes in Net Position

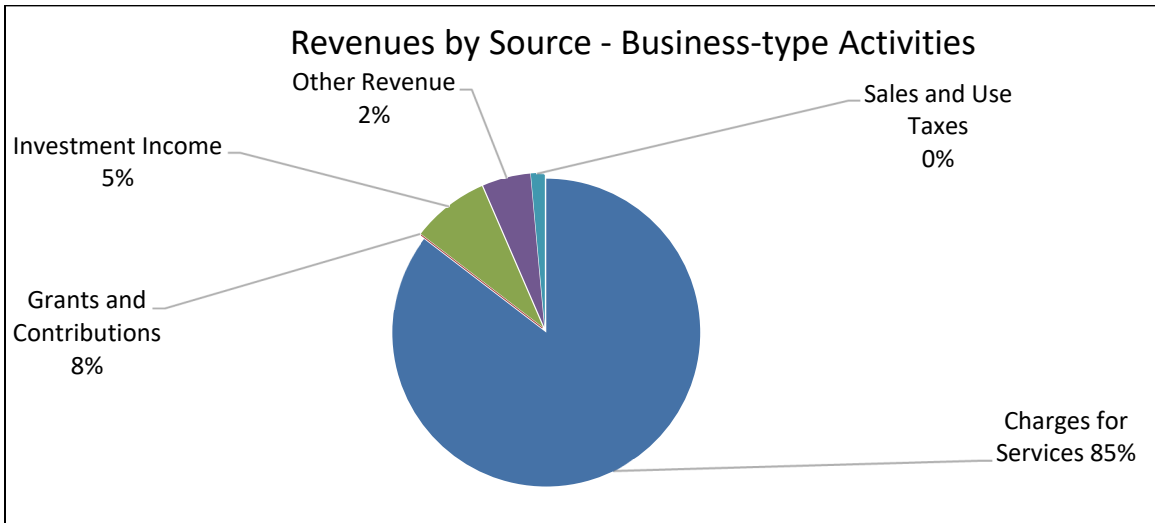
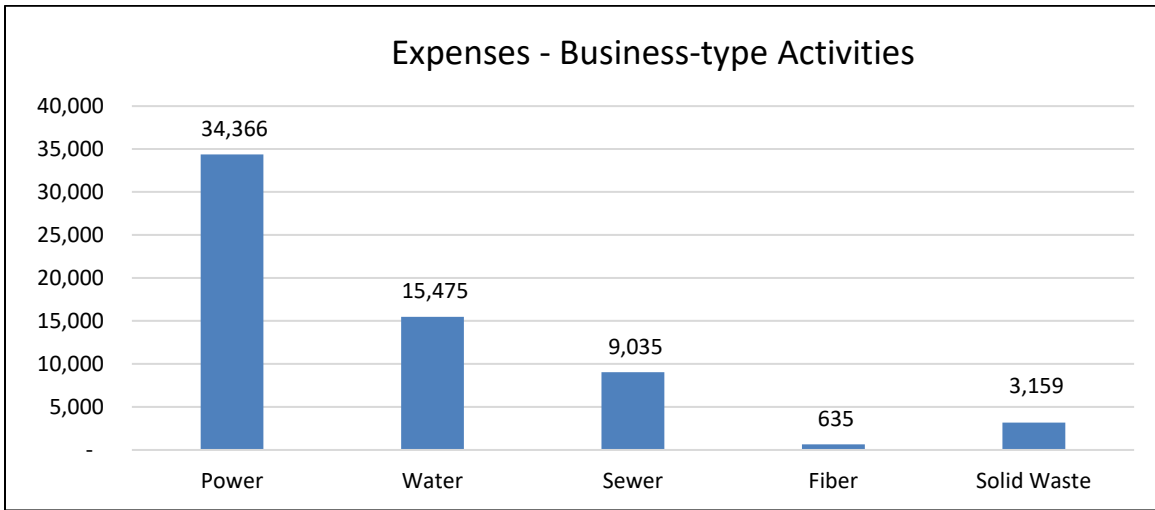
Rounded to \$,000s

	Governmental activities		Business-type activities		Total	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Revenues:						
Program revenues:						
Charges for Services	6,619	5,591	61,278	58,754	67,898	64,345
Operating Grants and Contributions	3,520	602	-	-	3,520	602
Capital grants and contributions	1,168	504	5,808	5,169	6,976	5,673
General revenues:						
Severance taxes	1,194	1,184	-	-	1,194	1,184
Property taxes	3,011	2,635	-	-	3,011	2,635
Sales and Use Taxes	53,603	56,057	1	-	53,603	56,057
Other taxes	3,240	3,229	-	-	3,240	3,229
Mineral Royalties	1,566	1,543	-	-	1,566	1,543
Supplemental State Funding	2,428	1,929	-	-	2,428	1,929
Investment Income (Loss)	5,488	2,414	3,628	1,019	9,116	3,433
Other revenue	2,304	1,992	1,035	1,273	3,339	3,265
Total revenues	84,141	77,681	71,750	66,215	155,891	143,896
Expenses:						
General Government	16,483	16,370	-	-	16,483	16,370
Public Safety	18,345	18,317	-	-	18,345	18,317
Public Works	14,399	14,775	-	-	14,399	14,775
Culture and Recreation	10,338	5,124	-	-	10,338	5,124
Interest on Long Term Debt	86	134	-	-	86	134
Power	-	-	34,366	40,201	34,366	40,201
Water	-	-	15,475	15,637	15,475	15,637
Sewer	-	-	9,035	8,084	9,035	8,084
Fiber	-	-	635	987	635	987
Solid Waste	-	-	3,159	3,290	3,159	3,290
Total Expenses	59,651	54,720	62,670	68,200	122,321	122,920
Increase/(decrease) in net position before transfers	24,490	22,962	9,080	(1,986)	33,570	20,976
Transfers	(10,041)	(9,966)	10,041	9,966	-	-
Increase/(decrease) in net position	14,450	12,996	19,121	7,980	33,570	20,976
Net position - Beginning of Fiscal Year	302,938	289,942	401,937	393,956	704,875	683,899
Net position - End of Fiscal Year	317,388	302,938	421,057	401,937	738,444	704,875

Governmental activities. Governmental activities increased the City of Gillette's net position by \$14,450. The increase in governmental activities resulted mainly from increased federal grants and increased investment income. Due to the volatility in sales tax receipts the city has experienced, the city has continued to budget conservatively in line with projected sales and use tax receipts. During FY2024 the city realized near-record sales tax receipts and realized a significant increase in investment income related to investments. While the increased revenues are offset by a nine percent increase in expenses, the governmental activities still increased their net position by five percent. There were capital asset transfers from governmental to business-type activities of \$10,041. These transfers consisted mainly of water and sewer projects that are proprietary fund assets but are funded by the General Fund and Optional One Percent Sales Tax.



Business-type activities. Business-type activities increased the City of Gillette’s net position by \$19,120. Increases in the business-type activity net position resulted primarily from increased investment income and significant decreases in expenses in the Power, Water, Fiber and Solid Waste Funds. The Sewer fund experienced increased expenses as compared to last year. There was 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 \$10,041. 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 \$103,709, an increase of \$12,450 in comparison with the prior year. As stated in the discussion of the Governmental activities above, this increase was driven mainly by increased federal grants and investment income. 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 has been continuing to improve and stabilize and sales tax receipts began to rebound in FY2022 and continued throughout FY2024. Approximately 26 percent of the ending fund balance (\$26,762) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The unassigned fund balance decreased by \$3,037 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 (\$15,392), along with the completion of contracts/projects in progress as of June 30, 2024 (\$11,302).

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 \$10,465; Water Fund \$13,729; Sewer Fund \$14,882; Solid Waste Fund \$2,578; and the Fiber Fund \$109. The increase in the total of the net position from FY2023 to FY2024 for the proprietary funds was \$19,046 due mainly to an increase in federal grants, investment income, and transfers. 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 \$39,605 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 FY2022/2023 budget, which for various reasons, were not completed by the City's June 30, 2023 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

FY2023/2024 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 FY2023, and therefore had to be carried over into FY2024, were: Lakeway Road Improvements, Saunders Subdivision Road Improvements, park development at the Energy Capital Sports Complex, City Park Improvements, 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 \$47,263. Total revenues exceeded budget by \$12,908 mainly due to sales and use tax receipts which came in 28 percent higher than what was budgeted. Expenditures were lower than budget by \$28,548 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, 2024, is \$650,543 (net of accumulated depreciation). This represents a net increase (additions, disposals, and depreciation) of \$2,991 or half a percent from last fiscal year. This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, machinery and equipment, allocation of Vehicle Maintenance capital assets, right to use assets, and SBITA 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 one percent for business-type activities.

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

- Material storage building
- Twin Spruce Sewer Repair
- Central Control Irrigation Improvement Phase I
- Continued work on 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 Cam-plex and Heritage Lift Stations
- 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
- Numerous Subscription-Based Information Technology Arrangement Assets due to adopting GASB Statement No. 96

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

	Governmental Activities		Business-Type Activities		Total	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Land	18,709	18,192	922	922	19,631	19,114
Construction in Progress	5,403	3,214	55,789	46,178	61,191	49,392
Infrastructure	150,816	155,194	230,065	234,078	380,881	389,272
Buildings & Improvements	41,194	40,278	111,990	112,671	153,184	152,949
Machinery & Equipment	6,620	6,515	11,525	12,153	18,145	18,668
Allocation of Vehicle Maintenance	4,721	4,398	3,490	3,607	8,210	8,005
Right to Use Assets	-	-	8,129	8,492	8,129	8,492
Subscription-Based Information Technology Arrangements	1,071	1,467	101	195	1,171	1,662
Total Assets	228,533	229,258	422,010	418,294	650,543	647,552

Additional information on the City of Gillette's capital assets can be found in note 3.D on pages 59-62 of this report.

Long-term debt. At the end of FY2024, the City of Gillette had total long-term debt outstanding of \$118,126 which is a decrease of \$14,320 during the current fiscal year. The main reason for the decrease was due to a decrease in the pension liability as well as a reduction in liabilities for GASB Statement No. 96 for subscription-based information technology arrangements. The city also recognized reductions through routine debt service 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 \$15,347. 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, 2024, the city's assessed valuation was \$383,665.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Long-term Liabilities:						
Accrued Sick Leave	38	36	24	23	62	58
Customer Deposits	-	-	994	948	994	948
Lease Liabilities	-	-	8,395	8,673	8,395	8,673
SBITA Liabilities	538	1,187	73	155	611	1,341
Certificate of Participation	2,555	3,785	-	-	2,555	3,785
Total Pension Liability	14,504	22,025	6,143	8,057	20,647	30,081
Subtotal	17,635	27,032	15,628	17,855	33,263	44,887
Capital Loan Agreements						
Special Assessment Debt	397	494	-	-	397	494
Gillette Madison Pipeline	-	-	4,328	4,328	4,328	4,328
Electric Facilities Improvement - Lease Revenue Bonds	-	-	60,635	63,515	60,635	63,515
Plus Bond Premium	-	-	4,428	4,953	4,428	4,953
Southern Industrial Addition	-	-	1,863	1,997	1,863	1,997
Wastewater Treatment Facility Improvements	-	-	13,212	12,272	13,212	12,272
Subtotal	397	494	84,466	87,064	84,863	87,559
Total Long-term Debt	18,033	27,527	100,093	104,920	118,126	132,446

Additional information on the City of Gillette's long-term debt can be found in note 3.I on pages 66-72 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 3.0 percent, which is a slight increase compared to the rate a year ago (based upon Campbell County statistical data). This compares unfavorably to the state's average unemployment rate of 2.9 percent and favorably to the national average rate of 4.3 percent.

All of these factors were considered in preparing the City of Gillette's budget for the 2025 fiscal year.

During the current fiscal year, unassigned fund balance for all governmental funds is \$26,762. The city has appropriated \$27,213 for several major projects and an additional \$48,773 for the operating budget in the 2025 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 2025 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 2024 budget year. The City Council approved a rate increase effective May 1, 2024, for the Sewer, Power, and Water Funds. The Sewer and Water rates were each adjusted by 10 percent while the Power rates were adjusted by two and a half percent. The increase to the Water Fund rates applies only to 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, 2024

(Page 1 of 2)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 5,878,637	\$ 13,345,182	\$ 19,223,819
Cash With Fiscal Agent	2,791	775,215	778,006
Investments	107,591,961	80,473,527	188,065,488
Accounts Receivable (Net of Allowance for Uncollectibles)	-	2,016,051	2,016,051
Property Taxes Receivable	3,378,153	-	3,378,153
Other Taxes Receivable	3,922,242	50	3,922,292
Unbilled Accounts Receivable	-	2,945,102	2,945,102
Accrued Interest Receivable	303,257	193,000	496,257
Special Assessment Receivable, Restricted	415,018	-	415,018
Other Receivables	455,293	216,286	671,579
Leases Receivable	-	140,631	140,631
Internal Balances	(104,094)	104,094	-
Due From Other Entities	2,115,399	860,716	2,976,115
Prepaid Items	479,009	-	479,009
Inventories	532,248	5,581,333	6,113,581
Leases Receivable, Noncurrent	-	373,475	373,475
Capital Assets:			
Nondepreciable Capital Assets	24,111,362	56,710,445	80,821,807
Depreciable Capital Assets, Net	203,350,923	357,069,921	560,420,844
Right to Use Leased Assets, Net	-	8,129,172	8,129,172
SBITA Assets, Net	1,070,579	100,502	1,171,081
Total Assets	\$ 353,502,778	\$ 529,034,702	\$ 882,537,480
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	\$ 5,001,060	\$ 594,542	\$ 5,595,602
LIABILITIES			
Vouchers Payable	\$ 1,640,270	\$ 3,076,045	\$ 4,716,315
Contracts and Retainage Payable	1,007,092	2,044,941	3,052,033
Estimated Claims Payable	534,775	198,225	733,000
Accrued Interest Payable	31,137	803,222	834,359
Other Accrued Liabilities	1,729,008	963,989	2,692,997
Advance Payments Received on Grants	2,913,813	457,392	3,371,205
Advance Payments Received for Repairs	5,467	10,185	15,652
Due To Other Entities	5,168,684	-	5,168,684
Noncurrent Liabilities:			
Due Within One Year			
Current Portion of Long-Term Debt	1,371,566	4,034,704	5,406,270
Current Portion of Lease Liabilities	-	210,186	210,186
Current Portion of SBITA Liabilities	450,095	23,554	473,649
Due In More Than One Year			
Long-Term Debt and Other Liabilities	1,618,609	81,448,798	83,067,407
Lease Liabilities	-	8,184,471	8,184,471
SBITA Liabilities	88,133	49,019	137,152
Total Pension Liability	14,504,190	6,142,715	20,646,905
Total Liabilities	\$ 31,062,839	\$ 107,647,446	\$ 138,710,285

(Continued)

CITY OF GILLETTE, WYOMING

STATEMENT OF NET POSITION

June 30, 2024

(Page 2 of 2)

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Relating to Leases	\$ -	\$ 517,667	\$ 517,667
Relating to Pensions	6,675,338	407,286	7,082,624
Taxes Levied for Subsequent Years	3,378,153	-	3,378,153
Total Deferred Inflows of Resources	\$ 10,053,491	\$ 924,953	\$ 10,978,444
NET POSITION			
Net Investment in Capital Assets	\$ 224,435,334	\$ 327,032,114	\$ 551,467,448
Restricted for:			
Criminal Forfeiture	6	-	6
Opioid Settlement	201,857	-	201,857
Lease Revenue Bonds	-	1,860,700	1,860,700
Water Development Repair and Replacement	-	3,500,000	3,500,000
Gillette Regional Water Supply Project	-	44,578,233	44,578,233
Student Housing Project	2,790	-	2,790
Gillette Historic Preservation Commission	1,043	-	1,043
Special Assessment Debt	415,018	-	415,018
Unrestricted	92,331,460	44,085,798	136,417,258
Total Net Position	\$ 317,387,508	\$ 421,056,845	\$ 738,444,353

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 16,483,176	\$ 6,524,784	\$ 836,594	\$ -
Public Safety	18,344,909	92,689	2,628,752	-
Public Works	14,399,234	1,950	-	1,168,289
Culture and Recreation	10,337,810	-	54,641	-
Debt Service:				
Interest and Other Charges	85,842	-	-	-
Total Governmental Activities	\$ 59,650,971	\$ 6,619,423	\$ 3,519,987	\$ 1,168,289
Business-type Activities:				
Power	\$ 34,365,630	\$ 39,282,834	\$ -	\$ 77,342
Water	15,475,228	9,524,350	-	2,927,065
Sewer	9,035,417	9,002,120	-	2,771,247
Fiber	635,378	174,020	-	32,477
Solid Waste	3,158,728	3,295,144	-	-
Total Business-type Activities	\$ 62,670,381	\$ 61,278,468	\$ -	\$ 5,808,131
Total Primary Government	\$ 122,321,352	\$ 67,897,891	\$ 3,519,987	\$ 6,976,420
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 Income				
Other Revenue				
Gain on Disposal of Equipment				
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.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
\$ (9,121,798)	\$ -	\$ (9,121,798)
(15,623,468)	-	(15,623,468)
(13,228,995)	-	(13,228,995)
(10,283,169)	-	(10,283,169)
(85,842)	-	(85,842)
\$ (48,343,272)	\$ -	\$ (48,343,272)
\$ -	\$ 4,994,546	\$ 4,994,546
-	(3,023,813)	(3,023,813)
-	2,737,950	2,737,950
-	(428,881)	(428,881)
-	136,416	136,416
\$ -	\$ 4,416,218	\$ 4,416,218
\$ (48,343,272)	\$ 4,416,218	\$ (43,927,054)
\$ 1,193,751	\$ -	\$ 1,193,751
3,011,048	-	3,011,048
1,159,133	-	1,159,133
53,602,895	50	53,602,945
1,236,110	-	1,236,110
603,648	-	603,648
138,559	-	138,559
102,689	-	102,689
1,566,196	-	1,566,196
2,427,501	-	2,427,501
1,729,867	-	1,729,867
5,487,702	3,628,461	9,116,163
477,896	993,299	1,471,195
96,375	41,563	137,938
(10,040,506)	10,040,506	-
\$ 62,792,864	\$ 14,703,879	\$ 77,496,743
\$ 14,449,592	\$ 19,120,097	\$ 33,569,689
302,937,916	401,936,748	704,874,664
\$ 317,387,508	\$ 421,056,845	\$ 738,444,353

CITY OF GILLETTE, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUND – GENERAL FUND
June 30, 2024**

ASSETS	
Cash	\$ 5,191,807
Cash With Fiscal Agent	2,791
Investments	103,862,652
Property Taxes Receivable	3,378,153
Other Taxes Receivable	3,922,242
Accrued Interest Receivable	303,257
Other Receivables	165,181
Due From Other Entities	2,115,399
Prepaid Items	479,009
Inventories	277,417
Total Assets	\$ 119,697,908
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Vouchers Payable	\$ 1,435,908
Contracts and Retainage Payable	1,007,092
Other Accrued Liabilities	1,699,909
Advance Payments Received on Grants	2,913,813
Due To Other Funds	384,920
Due To Other Entities	5,168,684
Total Liabilities	\$ 12,610,326
DEFERRED INFLOWS OF RESOURCES	
Unavailable Taxes	\$ 3,378,153
FUND BALANCE	
Nonspendable	\$ 756,426
Restricted	205,696
Committed	27,212,985
Assigned	48,772,611
Unassigned	26,761,711
Total Fund Balance	\$ 103,709,429
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 119,697,908

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, 2024

Total Governmental Fund Balance		\$ 103,709,429
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.		415,018
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Nondepreciable capital assets	\$ 24,111,362	
Depreciable assets	367,375,836	
Less: accumulated depreciation	(168,745,660)	
SBITA assets, net	1,070,579	
	<hr/>	223,812,117
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.		9,184,800
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	\$ (33,646)	
Total pension liability	(14,504,190)	
SBITA liabilities	(538,228)	
Accrued interest on SBITA liability	(4,735)	
Certificates of Participation	(2,555,000)	
Accrued interest on Certificates of Participation	(26,402)	
	<hr/>	(17,662,201)
Special Assessment debt with governmental commitment is not due and payable in the current period and therefore is not reported in the funds.		(397,377)
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	\$ 5,001,060	
Deferred inflows of resources related to pensions	(6,675,338)	
	<hr/>	(1,674,278)
Total Net Position of Governmental Activities		\$ 317,387,508

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, 2024

(Page 1 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Severance	\$ 1,183,500	\$ 1,183,500	\$ 1,193,751	\$ 10,251
Property	2,671,719	2,671,719	3,011,048	339,329
Automobile	1,072,100	1,072,100	1,159,133	87,033
Sales and Use	41,818,181	41,818,181	53,602,895	11,784,714
Gasoline	1,276,000	1,276,000	1,236,110	(39,890)
Franchise	646,025	646,025	603,648	(42,377)
Cigarette	153,000	153,000	138,559	(14,441)
Lodging	-	-	102,689	102,689
Total Taxes	\$ 48,820,525	\$ 48,820,525	\$ 61,047,833	\$ 12,227,308
Intergovernmental:				
Local and County Sources	\$ 349,436	\$ 427,936	\$ 415,051	\$ (12,885)
State Sources	5,091,965	5,089,675	5,810,789	721,114
Federal Sources	753,324	8,081,189	3,528,498	(4,552,691)
Total Intergovernmental	\$ 6,194,725	\$ 13,598,800	\$ 9,754,338	\$ (3,844,462)
Other:				
Licenses and Permits	\$ 268,793	\$ 268,793	\$ 280,745	\$ 11,952
Charges for Services	5,791,251	5,791,251	5,953,524	162,273
Fines and Fees	228,500	228,500	263,331	34,831
Investment Income	1,197,465	1,197,465	5,320,350	4,122,885
Miscellaneous	346,706	426,883	599,719	172,836
Special Assessment Revenue	38,700	38,700	59,332	20,632
Total Other	\$ 7,871,415	\$ 7,951,592	\$ 12,477,001	\$ 4,525,409
Total Revenues	\$ 62,886,665	\$ 70,370,917	\$ 83,279,172	\$ 12,908,255
EXPENDITURES				
General Government:				
Salaries and Benefits	\$ 9,436,212	\$ 9,541,581	\$ 9,139,971	\$ 401,610
Contractual Services	3,945,971	5,332,820	3,400,330	1,932,490
Supplies and Materials	1,329,276	1,391,491	1,240,073	151,418
Capital Outlay	1,240,000	2,817,535	1,328,241	1,489,294
Total General Government	\$ 15,951,459	\$ 19,083,427	\$ 15,108,615	\$ 3,974,812
Public Safety:				
Salaries and Benefits	\$ 12,024,603	\$ 12,195,679	\$ 11,318,541	\$ 877,138
Contractual Services	1,123,652	1,225,346	1,140,939	84,407
Supplies and Materials	804,726	901,343	749,202	152,141
Capital Outlay	87,000	856,859	118,098	738,761
Total Public Safety	\$ 14,039,981	\$ 15,179,227	\$ 13,326,780	\$ 1,852,447

(Continued)

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2024

(Page 2 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Works:				
Salaries and Benefits	\$ 1,527,044	\$ 1,532,144	\$ 1,457,317	\$ 74,827
Contractual Services	1,201,912	1,231,912	1,208,955	22,957
Supplies and Materials	732,195	782,195	572,842	209,353
Capital Outlay	13,801,300	24,534,490	8,270,053	16,264,437
Total Public Works	\$ 17,262,451	\$ 28,080,741	\$ 11,509,167	\$ 16,571,574
Culture and Recreation:				
Salaries and Benefits	\$ 1,447,193	\$ 1,461,126	\$ 1,463,490	\$ (2,364)
Contractual Services	620,225	810,296	718,615	91,681
Supplies and Materials	688,867	696,367	671,507	24,860
Capital Outlay	4,699,500	7,852,406	3,630,602	4,221,804
Total Culture and Recreation	\$ 7,455,785	\$ 10,820,195	\$ 6,484,214	\$ 4,335,981
Miscellaneous:				
Joint Powers Fire Board Funding	\$ 5,063,377	\$ 5,068,352	\$ 5,068,352	\$ -
Joint Powers Public Land Board Funding	2,291,070	2,367,143	2,204,621	162,522
Other	2,448,200	7,820,734	4,710,565	3,110,169
Debt Service:				
Principal	1,311,898	1,311,898	2,761,574	(1,449,676)
Interest and Other Charges	103,662	103,662	113,911	(10,249)
Total Miscellaneous	\$ 11,218,207	\$ 16,671,789	\$ 14,859,023	\$ 1,812,766
Total Expenditures	\$ 65,927,883	\$ 89,835,379	\$ 61,287,799	\$ 28,547,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,041,218)	\$ (19,464,462)	\$ 21,991,373	\$ 41,455,835
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 2,075,778	\$ 3,200,778	\$ 3,322,830	\$ 122,052
Transfers (Out)	(2,852,493)	(18,549,559)	(13,758,154)	4,791,405
Financing of SBITAs	-	-	893,715	893,715
Total Other Financing (Uses)	\$ (776,715)	\$ (15,348,781)	\$ (9,541,609)	\$ 5,807,172
Net Change in Fund Balance	\$ (3,817,933)	\$ (34,813,243)	\$ 12,449,764	\$ 47,263,007
FUND BALANCE, BEGINNING JULY 1	91,259,665	91,259,665	91,259,665	-
FUND BALANCE, ENDING JUNE 30	\$ 87,441,732	\$ 56,446,422	\$ 103,709,429	\$ 47,263,007

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, 2024

(Page 1 of 2)

Net Change in Fund Balance - Total Governmental Fund	\$ 12,449,764	
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.		(59,332)
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 depreciation exceeded capital outlays in the current period.		
Capital outlays	\$ 11,424,006	
Depreciation	<u>(12,256,705)</u>	(832,699)
Governmental funds recognize gain on sale of capital assets as the sales proceeds are received. However, in the Statement of Activities, this amount is reduced by the remaining net book value of the disposed assets. This is the amount of the net book value of the disposed assets.		(476,037)
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, 2024. Capital assets and any related capital contributions are not financial resources and are not reported in the funds.		657,502
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.		772,973
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	\$ 12,694	
Subscription-based information technology arrangements (SBITAs)	<u>15,375</u>	28,069
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.		(1,665)

(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, 2024

(Page 2 of 2)

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.	\$ 97,110
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.	1,230,000
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	331,683
Repayment of subscription-based information technology arrangements (SBITAs) is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position.	1,542,319
When subscription-based information technology arrangements (SBITAs) are cancelled or retired from tangible assets, an expense is recognized in the Statement of Activities.	(107,855)
When subscription-based information technology arrangements (SBITAs) are cancelled, a loss is recognized in the Statement of Activities.	(10,974)
Governmental funds report subscription-based information technology arrangements (SBITAs) as expenditures. However, in the Statement of Activities, the cost of those intangible assets is allocated over the life of the agreement as amortization expense. This is the amount by which amortization exceeded SBITA expense in the current period.	
SBITA expense	\$ 893,715
Amortization	<u>(1,171,266)</u>
	(277,551)
Subscription-based information technology arrangements (SBITAs) liabilities provide current financial resources to governmental funds, but decreases long-term liabilities in the Statement of Net Position.	(893,715)
Change in Net Position of Governmental Activities	\$ 14,449,592

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2024

(Page 1 of 2)

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
ASSETS			
CURRENT ASSETS			
Cash	\$ 2,281,418	\$ 2,550,319	\$ 6,660,458
Cash with Fiscal Agent	775,215	-	-
Investments	7,929,986	13,040,689	9,695,175
Accounts Receivable, Net of Allowance for Uncollectibles	1,104,156	396,402	353,920
Other Taxes Receivable	-	50	-
Unbilled Accounts Receivable	1,716,161	756,202	342,623
Accrued Interest Receivable	41,362	143,677	-
Other Receivables	24,651	4,100	31,559
Leases Receivable	-	-	-
Due From Other Entities	93,560	742,490	24,666
Due From Other Funds	-	-	-
Inventories	3,922,392	1,399,093	63,191
Total Current Assets	\$ 17,888,901	\$ 19,033,022	\$ 17,171,592
NONCURRENT ASSETS			
Leases Receivable	\$ -	\$ -	\$ -
Restricted Assets			
Investments Restricted for Lease Revenue Bonds	\$ 1,860,700	\$ -	\$ -
Investments Restricted for Gillette Regional Water Supply Project	-	44,578,150	-
Total Restricted Assets	\$ 1,860,700	\$ 44,578,150	\$ -
Capital Assets			
Land	\$ 200,903	\$ 194,417	\$ 526,485
Infrastructure	65,477,029	225,365,079	57,271,444
Buildings and Improvements	103,792,194	40,518,350	18,750,989
Machinery and Equipment	14,318,002	18,095,841	3,136,864
Construction in Progress	3,750,743	28,227,280	23,741,767
Less Accumulated Depreciation	(73,468,919)	(88,663,162)	(37,221,560)
Right to Use Leased Assets, Net of Accumulated Amortization	7,588,062	541,110	-
SBITA Assets, Net of Accumulated Amortization	92,152	-	-
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	\$ 121,750,166	\$ 224,278,915	\$ 66,205,989
Total Noncurrent Assets	\$ 123,610,866	\$ 268,857,065	\$ 66,205,989
Total Assets	\$ 141,499,767	\$ 287,890,087	\$ 83,377,581
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	\$ 305,305	\$ 128,550	\$ 112,481

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 1,332,309	\$ 12,824,504	\$ 1,207,508	\$ 14,032,012
-	775,215	-	775,215
1,684,571	32,350,421	5,413,565	37,763,986
161,573	2,016,051	-	2,016,051
-	50	-	50
130,116	2,945,102	-	2,945,102
7,961	193,000	-	193,000
-	60,310	446,088	506,398
140,631	140,631	-	140,631
-	860,716	-	860,716
-	-	384,920	384,920
-	5,384,676	451,488	5,836,164
\$ 3,457,161	\$ 57,550,676	\$ 7,903,569	\$ 65,454,245
\$ 373,475	\$ 373,475	\$ -	\$ 373,475
\$ -	\$ 1,860,700	\$ -	\$ 1,860,700
-	44,578,150	-	44,578,150
\$ -	\$ 46,438,850	\$ -	\$ 46,438,850
\$ -	\$ 921,805	\$ -	\$ 921,805
7,146,680	355,260,232	-	355,260,232
-	163,061,533	-	163,061,533
443,722	35,994,429	22,041,023	58,035,452
68,850	55,788,640	-	55,788,640
(1,382,144)	(200,735,785)	(13,830,764)	(214,566,549)
-	8,129,172	-	8,129,172
8,350	100,502	-	100,502
\$ 6,285,458	\$ 418,520,528	\$ 8,210,259	\$ 426,730,787
\$ 6,658,933	\$ 465,332,853	\$ 8,210,259	\$ 473,543,112
\$ 10,116,094	\$ 522,883,529	\$ 16,113,828	\$ 538,997,357
\$ 48,206	\$ 594,542	\$ -	\$ 594,542

(Continued)

CITY OF GILLETTE, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2024

(Page 2 of 2)

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
LIABILITIES			
CURRENT LIABILITIES			
Vouchers Payable	\$ 2,462,874	\$ 358,214	\$ 65,178
Contracts and Retainage Payable	2,021	1,392,271	650,649
Estimated Claims Payable	-	-	-
Accrued Interest Payable	286,109	16,375	500,738
Other Accrued Liabilities	622,041	141,336	119,735
Advance Payments Received on Grants	-	-	457,392
Advance Payments Received for Repairs	-	-	-
Current Portion of Lease Liabilities	209,512	674	-
Current Portion of SBITA Liabilities	23,554	-	-
Current Maturities of Long-Term Liabilities	4,022,000	-	9,499
Total Current Liabilities	\$ 7,628,111	\$ 1,908,870	\$ 1,803,191
NONCURRENT LIABILITIES			
Customer Deposits	\$ 627,550	\$ -	\$ -
Accrued Sick Leave Payable	1,438	-	10,055
Capital Loan Payable	1,728,149	4,328,358	13,211,579
Lease Revenue Bonds	61,541,669	-	-
Lease Liabilities	7,624,567	559,904	-
SBITA Liabilities	49,019	-	-
Total Pension Liability	3,154,367	1,328,155	1,162,135
Total Noncurrent Liabilities	\$ 74,726,759	\$ 6,216,417	\$ 14,383,769
Total Liabilities	\$ 82,354,870	\$ 8,125,287	\$ 16,186,960
DEFERRED INFLOWS OF RESOURCES			
Relating to Leases	\$ -	\$ -	\$ -
Relating to Pensions	209,147	88,062	77,054
Total Deferred Inflows of Resources	\$ 209,147	\$ 88,062	\$ 77,054
NET POSITION			
Net Investment in Capital Assets	\$ 46,915,675	\$ 217,997,708	\$ 52,343,761
Restricted for Lease Revenue Bonds	1,860,700	-	-
Restricted for Water Development Repair and Replacement	-	3,500,000	-
Restricted for Gillette Regional Water Supply Project	-	44,578,233	-
Unrestricted	10,464,680	13,729,347	14,882,287
Total Net Position	\$ 59,241,055	\$ 279,805,288	\$ 67,226,048
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
\$ 84,451	\$ 2,970,717	\$ 309,690	\$ 3,280,407
-	2,044,941	-	2,044,941
-	-	733,000	733,000
-	803,222	-	803,222
58,421	941,533	51,555	993,088
-	457,392	-	457,392
-	-	15,652	15,652
-	210,186	-	210,186
-	23,554	-	23,554
-	4,031,499	7,357	4,038,856
\$ 142,872	\$ 11,483,044	\$ 1,117,254	\$ 12,600,298
\$ -	\$ 627,550	\$ -	\$ 627,550
-	11,493	-	11,493
-	19,268,086	-	19,268,086
-	61,541,669	-	61,541,669
-	8,184,471	-	8,184,471
-	49,019	-	49,019
498,058	6,142,715	-	6,142,715
\$ 498,058	\$ 95,825,003	\$ -	\$ 95,825,003
\$ 640,930	\$ 107,308,047	\$ 1,117,254	\$ 108,425,301
\$ 517,667	\$ 517,667	\$ -	\$ 517,667
33,023	407,286	-	407,286
\$ 550,690	\$ 924,953	\$ -	\$ 924,953
\$ 6,285,458	\$ 323,542,602	\$ 8,210,259	\$ 331,752,861
-	1,860,700	-	1,860,700
-	3,500,000	-	3,500,000
-	44,578,233	-	44,578,233
2,687,222	41,763,536	6,786,315	48,549,851
\$ 8,972,680	\$ 415,245,071	\$ 14,996,574	\$ 430,241,645
	5,811,774		
	\$ 421,056,845		

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, 2024

Total Net Position of the Proprietary Funds		\$ 415,245,071
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	\$ 4,237,933	
Liability and Property Injury Insurance	347,831	
Health Insurance	1,226,010	
		<hr/>
Net Adjustment to Increase Net Position - Total Enterprise Funds		5,811,774
		<hr/>
Total Net Position - Business-Type Activities		\$ 421,056,845
		<hr/> <hr/>

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, 2024

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
OPERATING REVENUES	\$ 35,943,133	\$ 9,524,350	\$ 9,002,120
INTERFUND SERVICE REVENUES	3,339,701	-	-
Total Operating Revenues	\$ 39,282,834	\$ 9,524,350	\$ 9,002,120
OPERATING EXPENSES			
Cost of Power Purchased	\$ 18,000,221	\$ -	\$ -
Salaries and Benefits	3,164,642	1,907,967	1,780,651
Contractual Services	3,945,067	2,899,692	2,416,968
Materials	98,647	1,283,324	472,686
Claims	-	-	-
Repairs and Maintenance	956,362	1,157,102	972,762
Supplies	248,862	636,513	306,421
Depreciation and Amortization	4,721,541	7,385,453	2,717,369
Total Operating Expenses	\$ 31,135,342	\$ 15,270,051	\$ 8,666,857
Operating Income (Loss)	\$ 8,147,492	\$ (5,745,701)	\$ 335,263
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Equipment	\$ -	\$ (157,128)	\$ -
Federal Grants	-	936,899	2,372,436
Other Income	615,815	193,327	184,157
Sales and Use Tax - Capital Facilities Tax	-	50	-
Interest Expense	(3,079,170)	(3,912)	(303,915)
Interest Income on Lease Receivable	-	-	-
Investment Income	544,586	2,666,657	264,110
Total Nonoperating Revenues (Expenses)	\$ (1,918,769)	\$ 3,635,893	\$ 2,516,788
Income (Loss) Before Contributions and Transfers	\$ 6,228,723	\$ (2,109,808)	\$ 2,852,051
Capital Contributions and Local Annexations	77,342	196,304	398,811
Capital Contributions, Intergovernmental, Federal, State and Local Sources	-	1,793,862	-
Transfers In	564,482	2,174,052	7,596,135
Transfers (Out)	(186,718)	(595,586)	(79,755)
Changes in Net Position	\$ 6,683,829	\$ 1,458,824	\$ 10,767,242
NET POSITION, BEGINNING JULY 1	52,557,226	278,346,464	56,458,806
NET POSITION, ENDING JUNE 30	\$ 59,241,055	\$ 279,805,288	\$ 67,226,048
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
\$ 3,469,164	\$ 57,938,767	\$ 10,896,618	\$ 68,835,385
-	3,339,701	-	3,339,701
\$ 3,469,164	\$ 61,278,468	\$ 10,896,618	\$ 72,175,086
\$ -	\$ 18,000,221	\$ -	\$ 18,000,221
619,554	7,472,814	810,363	8,283,177
2,655,358	11,917,085	1,088,372	13,005,457
-	1,854,657	-	1,854,657
-	-	7,485,220	7,485,220
9,329	3,095,555	287,373	3,382,928
175,496	1,367,292	56,858	1,424,150
298,383	15,122,746	1,349,715	16,472,461
\$ 3,758,120	\$ 58,830,370	\$ 11,077,901	\$ 69,908,271
\$ (288,956)	\$ 2,448,098	\$ (181,283)	\$ 2,266,815
\$ -	\$ (157,128)	\$ 137,938	\$ (19,190)
-	3,309,335	-	3,309,335
-	993,299	-	993,299
-	50	-	50
(175)	(3,387,172)	-	(3,387,172)
4,583	4,583	-	4,583
75,349	3,550,702	240,528	3,791,230
\$ 79,757	\$ 4,313,669	\$ 378,466	\$ 4,692,135
\$ (209,199)	\$ 6,761,767	\$ 197,183	\$ 6,958,950
32,477	704,934	-	704,934
-	1,793,862	-	1,793,862
313,042	10,647,711	768,349	11,416,060
-	(862,059)	(118,677)	(980,736)
\$ 136,320	\$ 19,046,215	\$ 846,855	\$ 19,893,070
8,836,360	396,198,856	14,149,719	410,348,575
\$ 8,972,680	\$ 415,245,071	\$ 14,996,574	\$ 430,241,645
	5,811,774		
	\$ 421,056,845		

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, 2024

Total Changes in Net Position - Total Enterprise Funds	\$ 19,046,215
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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 of internal service funds is reported with business-type activities in the Statement of Activities.

Amounts attributable to:

Vehicle Maintenance	\$ (9,184)
Liability and Property Injury Insurance	(9,554)
Health Insurance	<u>92,620</u>

Net Adjustment to Increase Net Position - Total Enterprise Funds	73,882
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Total Change in Net Position - Business-Type Activities	\$ 19,120,097
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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, 2024

(Page 1 of 2)

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 35,507,065	\$ 9,010,116	\$ 8,892,424
Receipts from Interfund Services Provided	3,339,701	-	-
Payments to Suppliers	(17,254,926)	-	-
Payments to Employees	(3,725,581)	(1,974,260)	(1,850,314)
Payments for Goods and Services	(5,077,101)	(5,805,265)	(4,278,413)
Internal Activity - Payments From Other Funds	-	-	-
Other	630,407	193,323	189,564
Net Cash Provided By (Used In) Operating Activities	\$ 13,419,565	\$ 1,423,914	\$ 2,953,261
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal Grants	\$ -	\$ -	\$ 4,737,154
Transfers In	564,482	2,174,052	7,596,135
Transfers (Out)	(186,718)	(595,586)	(79,755)
Net Cash Provided By Noncapital Financing Activities	\$ 377,764	\$ 1,578,466	\$ 12,253,534
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Taxes Collected	\$ -	\$ 162	\$ -
Payments for Capital Acquisitions	(5,340,638)	(4,843,952)	(11,496,426)
Proceeds from Sale of Capital Assets	-	-	-
Proceeds from Capital Grant	-	1,192,125	-
Proceeds from Capital Loan	-	-	939,914
Payments on Lease Liability	(574,500)	(76,442)	-
Payments on SBITA Liability	(53,060)	(17,459)	-
Payments on Capital Loan	(153,550)	-	-
Payments on Lease Revenue Bonds	(6,181,782)	-	-
Net Cash (Used In) Capital and Related Financing Activities	\$ (12,303,530)	\$ (3,745,566)	\$ (10,556,512)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Increase) Decrease in Investments	\$ 514,454	\$ 386,140	\$ (1,930,665)
Investment Income	233,282	1,583,603	230,024
Interest Income From Leases Receivable	-	-	-
Net Cash Provided By (Used In) Investing Activities	\$ 747,736	\$ 1,969,743	\$ (1,700,641)
Net Increase (Decrease) in Cash	\$ 2,241,535	\$ 1,226,557	\$ 2,949,642
Cash and Cash With Fiscal Agent, Beginning July 1	815,098	1,323,762	3,710,816
Cash and Cash With Fiscal Agent, Ending June 30	\$ 3,056,633	\$ 2,550,319	\$ 6,660,458

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ 3,449,008	\$ 56,858,613	\$ -	\$ 56,858,613
-	3,339,701	10,718,857	14,058,558
-	(17,254,926)	-	(17,254,926)
(829,924)	(8,380,079)	(792,102)	(9,172,181)
(2,852,109)	(18,012,888)	(8,718,476)	(26,731,364)
-	-	(262,323)	(262,323)
-	1,013,294	-	1,013,294
\$ (233,025)	\$ 17,563,715	\$ 945,956	\$ 18,509,671
\$ -	\$ 4,737,154	\$ -	\$ 4,737,154
313,042	10,647,711	768,349	11,416,060
-	(862,059)	(118,677)	(980,736)
\$ 313,042	\$ 14,522,806	\$ 649,672	\$ 15,172,478
\$ -	\$ 162	\$ -	\$ 162
(134,535)	(21,815,551)	(1,626,092)	(23,441,643)
-	-	208,967	208,967
-	1,192,125	-	1,192,125
-	939,914	-	939,914
-	(650,942)	-	(650,942)
(15,000)	(85,519)	-	(85,519)
-	(153,550)	-	(153,550)
-	(6,181,782)	-	(6,181,782)
\$ (149,535)	\$ (26,755,143)	\$ (1,417,125)	\$ (28,172,268)
\$ (40,205)	\$ (1,070,276)	\$ (185,420)	\$ (1,255,696)
41,018	2,087,927	235,420	2,323,347
5,516	5,516	-	5,516
\$ 6,329	\$ 1,023,167	\$ 50,000	\$ 1,073,167
\$ (63,189)	\$ 6,354,545	\$ 228,503	\$ 6,583,048
1,395,498	7,245,174	979,005	8,224,179
\$ 1,332,309	\$ 13,599,719	\$ 1,207,508	\$ 14,807,227

(Continued)

CITY OF GILLETTE, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

Year Ended June 30, 2024

(Page 2 of 2)

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	\$ 8,147,492	\$ (5,745,701)	\$ 335,263
Adjustments:			
Depreciation and Amortization	4,721,541	7,385,453	2,717,369
Other Income	615,815	193,327	184,157
Changes in Assets and Liabilities:			
Accounts and Other Receivables	(380,433)	(445,613)	(91,231)
Leases Receivable	-	-	-
Due To/From Other Funds	-	-	-
Inventories	109,722	(140,434)	(25,121)
Deferred Outflows of Resources Relating to Pensions	474,887	168,666	147,583
Vouchers Payable	745,295	243,175	(97,513)
Accrued Expenses, Accrued Sick Leave, and Customer Deposits	24,954	26,241	11,305
Advanced Payments Received for Repairs	-	-	-
Estimated Claims Payable	-	-	-
Total Pension Liability	(1,075,472)	(283,212)	(247,811)
Deferred Inflows of Resources Relating to Leases Receivable	-	-	-
Deferred Inflows of Resources Relating to Pensions	35,764	22,012	19,260
Net Cash Provided By (Used In) Operating Activities	\$ 13,419,565	\$ 1,423,914	\$ 2,953,261
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of Capital and Local Annexations	\$ 77,342	\$ 196,304	\$ 398,811
Net Increase In Fair Value of Investments	\$ 301,199	\$ 1,032,495	\$ 34,086

See Notes to the Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total
\$ (288,956)	\$ 2,448,098	\$ (181,283)	\$ 2,266,815
298,383	15,122,746	1,349,715	16,472,461
-	993,299	-	993,299
(20,210)	(937,487)	(181,625)	(1,119,112)
131,568	131,568	-	131,568
-	-	(262,323)	(262,323)
-	(55,833)	13,137	(42,696)
100,402	891,538	-	891,538
(18,787)	872,170	(41,790)	830,380
(3,144)	59,356	18,261	77,617
-	-	3,864	3,864
-	-	228,000	228,000
(307,626)	(1,914,121)	-	(1,914,121)
(124,653)	(124,653)	-	(124,653)
(2)	77,034	-	77,034
\$ (233,025)	\$ 17,563,715	\$ 945,956	\$ 18,509,671
\$ 32,477	\$ 704,934	\$ -	\$ 704,934
\$ 32,381	\$ 1,400,161	\$ 5,108	\$ 1,405,269

CITY OF GILLETTE, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2024

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
ASSETS		
Investments, at Fair Value:		
Money Market Mutual Funds	\$ 4,051,639	\$ -
Due From Other Entities	-	6,195
Total Assets	\$ 4,051,639	\$ 6,195
NET POSITION		
Restricted for Retiree Health Benefit Plan	\$ 4,051,639	\$ -
Restricted for Individuals, Organizations, and Other Governments	-	6,195
Total Net Position	\$ 4,051,639	\$ 6,195

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2024

	Retiree Health Benefit Plan and Trust Fund	Custodial Fund
ADDITIONS		
Contributions:		
Participants	\$ -	\$ 146,997
Investment Earnings:		
Interest, Dividends and Other	206,616	-
Total Additions	\$ 206,616	\$ 146,997
DEDUCTIONS		
Benefits Paid to Retiree Participant or Eligible Spouse	\$ 308,683	\$ -
Administrative Expenses	11,231	-
Participant Reimbursements	-	145,296
Total Deductions	\$ 319,914	\$ 145,296
Net Increase (Decrease) in Fiduciary Net Position	\$ (113,298)	\$ 1,701
NET POSITION, BEGINNING July 1	4,164,937	4,494
NET POSITION, ENDING June 30	\$ 4,051,639	\$ 6,195

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

NOTES TO 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, refinancing debt related to the initial purchase of the interest in the power plant, and to acquire a simple-cycle gas turbine facility. The purchase of the power plant and simple-cycle gas turbine facility and the related initial debt and any refinancings 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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).

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."

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Property tax revenues represent property taxes for 2023 and prior years which were collectible during the year ended June 30, 2024. Property is annually valued and assessed January 1. 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. If not paid, property taxes attach as an enforceable lien on property on May 11 as of January 1. Property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period on the financial statements. Levied property taxes which are not current receivables are offset by deferred inflows of resources. 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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items and are accounted for on the consumption method.

5. 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.

6. Restricted Assets

Power enterprise fund investments of \$1,860,700 have been restricted for debt service reserves for lease revenue bonds.

In the Water enterprise fund, investments of \$44,578,150 have been restricted for the Gillette Regional Water Supply Project.

7. Capital Assets

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

8. Right To Use Assets

The City has recorded right to use lease assets in accordance with 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.

9. Subscription-Based Information Technology Arrangement (SBITA) Assets

The City has recorded subscription-based information technology arrangement (SBITA) assets as a result of GASB 96, *Subscription-Based Information Technology Arrangements*. The SBITA assets are initially measured at amount equal to the related SBITA liability plus any initial or setup charges to place the agreement into service. The SBITA assets are amortized on a straight-line basis over the life of the related arrangement.

10. 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.

11. 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 BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

12. 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, lease and SBITA arrangements, and the City's proportionate share of the long-term 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, payments on certificates of participation, and SBITA arrangements as expenditures in the current period.

13. Defined Benefit Pensions

For purposes of measuring the total 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.

14. 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 represent 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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

15. 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.

16. 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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability (Continued)

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.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

The City's deposits at June 30, 2024 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 (loss).

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 214 days but the weighted average maturity of this fund for the City is 1 day at June 30, 2024, due to the City being eligible to redeem these funds at any time, with no redemption notice period required.

The Wyoming Cooperative Liquid Assets Securities System is a statutory trust formed under the laws of the State of Wyoming in accordance with W.S. 17-23-114. Wyoming CLASS is a local government investment pool that invests only in instruments allowable under Wyoming State Statute, and is overseen by a Board of Trustees, comprised of public finance professionals representing eligible participants. Funds of the participating public entities are invested in prime or high-grade, short-term fixed income instruments selected to provide program safety, liquidity, and competitive rates as further defined by their investment policy. The weighted average maturity of Wyoming CLASS investments is 71 days, but the weighted average maturity of this fund for the City is 1 day at June 30, 2024, 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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

The City has the following recurring fair value measurements as of June 30, 2024:

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 \$58,414,313, application of the June 30, 2024 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).
- Wyoming Cooperative Liquid Assets Securities System (Wyoming CLASS) of \$55,207,869, a local government investment pool, is managed as a stable value NAV pool but does not meet all of the specific criteria outlined in GASB No. 79, therefore investments in the pool are reported at fair value by third parties.
- U.S. Treasuries of \$25,709,529, U.S. and Supra-National Agencies/Federal Agencies of \$30,806,529, and Corporate/Bank Obligations of \$14,927,248 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 \$4,051,639, fair value is provided by third parties based on published fair value per share (unit) for each fund (Level 2 input).

Investments - As of June 30, 2024, the City had the following investments:

Investment Type	Credit Quality Rating ⁽¹⁾	Fair Value	Investment Maturity (In Years)	
			Less Than One Year	1-5 Years
Primary Government				
Certificates of Deposit	N/A	\$ 3,000,000	\$ 3,000,000	\$ -
US Agency/Supra National Obligations	AAA	30,806,529	3,236,371	27,570,158
US Treasury Obligations	AA+	25,709,529	1,363,138	24,346,391
Corporate/Bank Obligations	A-AAA	14,927,248	156,323	14,770,925
Wyoming State Asset Reserve (WYO-STAR)	N/A	58,414,313	58,414,313	-
Wyoming Cooperative Liquid Asset Securities System (Wyoming CLASS)	AAAm	55,207,869	55,207,869	-
Total Primary Government		\$ 188,065,488	\$ 121,378,014	\$ 66,687,474
Fiduciary Funds				
Money Market Portfolio	AAAm	\$ 4,051,639	\$ 4,051,639	\$ -
Total Investments		\$ 192,117,127	\$ 125,429,653	\$ 66,687,474

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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

B. Property Taxes Receivable

Property taxes receivable of \$3,378,153 represents estimated property taxes for 2024 based on the 2024 assessed valuation. 2024 property taxes are not levied until the first Monday of August, but there is an enforceable legal claim to the taxes as of the lien date, defined as the January 1 preceding the start of the fiscal year for which the taxes are levied. These 2024 property taxes are included in deferred inflows of resources both on the statement of net position and in the fund financial statements.

C. Accounts Receivable

Accounts receivable as of June 30, 2024 for the City's enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds			Nonmajor	
	Power Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total
Accounts Receivable	\$ 1,676,564	\$ 613,575	\$ 520,107	\$ 234,348	\$ 3,044,594
Less: Allowance for Uncollectibles	(572,408)	(217,173)	(166,187)	(72,775)	(1,028,543)
Total Accounts Receivable, Net	\$ 1,104,156	\$ 396,402	\$ 353,920	\$ 161,573	\$ 2,016,051

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2024
Governmental Activities				
Nondepreciable/Nonamortizable Capital Assets:				
Land	\$ 18,192,383	\$ 516,406	\$ -	\$ 18,708,789
Construction In Progress	3,213,991	9,089,103	(6,900,521)	5,402,573
Total Nondepreciable/Nonamortizable Capital Assets	\$ 21,406,374	\$ 9,605,509	\$ (6,900,521)	\$ 24,111,362
Depreciable/Amortizable Capital Assets:				
Infrastructure	\$ 285,388,035	\$ 5,920,053	\$ (862,784)	\$ 290,445,304
Buildings and Improvements	56,091,049	2,386,034	(432,555)	58,044,528
Machinery and Equipment	18,077,600	1,070,433	(262,029)	18,886,004
Allocation of Vehicle Maintenance	12,399,555	1,121,330	(1,080,405)	12,440,480
SBITA Assets	2,331,538	893,715	(1,024,887)	2,200,366
Total Depreciable/Amortizable Capital Assets	\$ 374,287,777	\$ 11,391,565	\$ (3,662,660)	\$ 382,016,682
Less Accumulated Depreciation For:				
Infrastructure	\$ (130,194,074)	\$ (9,924,874)	\$ 489,695	\$ (139,629,253)
Buildings and Improvements	(15,813,237)	(1,373,973)	336,690	(16,850,520)
Machinery and Equipment	(11,562,975)	(957,858)	254,946	(12,265,887)
Allocation of Vehicle Maintenance	(8,001,215)	(727,894)	1,009,376	(7,719,733)
Less Accumulated Amortization For:				
SBITA Assets	(864,579)	(1,171,266)	906,058	(1,129,787)
Total Accumulated Depreciation/ Amortization	\$ (166,436,080)	\$ (14,155,865)	\$ 2,996,765	\$ (177,595,180)
Total Depreciable/Amortizable Capital Assets, Net	\$ 207,851,697	\$ (2,764,300)	\$ (665,895)	\$ 204,421,502
Governmental Activities Capital Assets, Net	\$ 229,258,071	\$ 6,841,209	\$ (7,566,416)	\$ 228,532,864

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

	Balance June 30, 2023	Additions/ Transfers	Retirements/ Transfers	Balance June 30, 2024
Business-type Activities				
Nondepreciable/Nonamortizable Capital Assets:				
Land	\$ 921,805	\$ -	\$ -	\$ 921,805
Construction In Progress	46,177,959	15,135,331	(5,524,650)	55,788,640
Total Nondepreciable/Nonamortizable Capital Assets	\$ 47,099,764	\$ 15,135,331	\$ (5,524,650)	\$ 56,710,445
Depreciable/Amortizable Capital Assets:				
Infrastructure	\$ 349,780,005	\$ 5,606,913	\$ (126,686)	\$ 355,260,232
Buildings and Improvements	160,052,196	3,009,337	-	163,061,533
Machinery and Equipment	35,377,377	952,251	(335,199)	35,994,429
Allocation of Vehicle Maintenance	9,237,329	504,762	(141,548)	9,600,543
Right To Use Assets:				
Land	9,085,230	444	(68,796)	9,016,878
SBITA Assets	261,794	-	(36,072)	225,722
Total Depreciable/Amortizable Capital Assets	\$ 563,793,931	\$ 10,073,707	\$ (708,301)	\$ 573,159,337
Less Accumulated Depreciation For:				
Infrastructure	\$ (115,702,460)	\$ (9,619,387)	\$ 126,686	\$ (125,195,161)
Buildings and Improvements	(47,381,435)	(3,689,691)	-	(51,071,126)
Machinery and Equipment	(23,224,398)	(1,423,171)	178,071	(24,469,498)
Allocation of Vehicle Maintenance	(5,630,758)	(621,821)	141,548	(6,111,031)
Less Accumulated Amortization For:				
Right To Use Assets:				
Land	(593,695)	(295,903)	1,892	(887,706)
SBITA Assets	(66,698)	(94,594)	36,072	(125,220)
Total Accumulated Depreciation/ Amortization	\$ (192,599,444)	\$ (15,744,567)	\$ 484,269	\$ (207,859,742)
Total Depreciable/Amortizable Capital Assets, Net	\$ 371,194,487	\$ (5,670,860)	\$ (224,032)	\$ 365,299,595
Business-type Activities Capital Assets, Net	\$ 418,294,251	\$ 9,464,471	\$ (5,748,682)	\$ 422,010,040

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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

Governmental Activities	
General Government	\$ 1,886,101
Public Safety	501,666
Public Works	8,341,550
Culture and Recreation	2,255,282
<hr/>	
Total Depreciation Expense - Governmental Activities	\$ 12,984,599

Business-type Activities	
Power	\$ 4,468,076
Water	7,555,917
Sewer	2,904,049
Solid Waste	158,001
Fiber	268,027
<hr/>	
Total Depreciation Expense - Business-Type Activities	\$ 15,354,070

Governmental Activities	
General Government	\$ 1,133,096
Public Safety	38,170
<hr/>	
Total Amortization Expense - Governmental Activities	\$ 1,171,266

Business-type Activities	
Power	\$ 341,397
Water	26,833
Fiber	22,267
<hr/>	
Total Amortization Expense - Business-Type Activities	\$ 390,497

The construction in progress in the governmental activities represents construction related to various projects which includes several street projects throughout the City including: McCann Heights Reconstruction Project, Alley PMS (Pavement Management Systems) Project, as well as roadway improvements included in the Water and Sewer Main Replacement Projects. Also included are the Central Controls Retrofit Phases I and II, the Streets Materials Storage Building, Foothills Drainage Improvements, and improvements at the Energy Capital Sports Complex. Actual signed contracts for these projects approximate \$9,500,000 and will be funded by the General Fund, taxes and grants. The remaining commitment on these contracts is approximately \$3,800,000 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, improvements at the Complex and Heritage Lift Stations, the City Pool Reconstruction Project, improvements at the Waste Water Treatment Facility and the Gillette Regional Water Supply Project (Madison Pipeline). Actual signed contracts for these projects approximate \$72,400,000 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 \$40,200,000.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

The Madison 2C well pump installation project (equipment installation project) was awarded in November 2023. The roadway work and installation of the pump buildings were completed in the spring of 2024. The contractor completed construction that could be finished with materials on hand. The project then issued a stop work order while waiting on electrical materials to be delivered, which have a 72-week lead time for delivery. The electrical materials are scheduled for delivery in March 2025. Once the materials are delivered, the contractor will complete the project in the spring of 2026. The City hired a Construction Manager at Risk (CMAR) for the 30 Inch Water Main Repair Project. The project will start inspecting and testing the existing pipe in the fall of 2024. The completion of testing and project design for the repairs are expected to be completed in the spring of 2025 with construction being completed in the spring of 2026.

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 \$27,000,000.

E. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2024 is as follows:

	Receivables	Payables
Major Funds:		
General Fund	\$ -	\$ 384,920
Nonmajor Funds:		
Internal Service Funds		
Health Insurance Fund	\$ 384,920	\$ -
Total	\$ 384,920	\$ 384,920

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	\$ 3,322,830
Transfers (Out)	(13,758,154)
Net Interfund Transfers	\$ (10,435,324)

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Interfund Transfers Business-Type Funds:

	Power Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Transfers In	\$ 564,482	\$ 2,174,052	\$ 7,596,135	\$ 313,042	\$ 768,349	\$ 11,416,060
Transfers (Out)	(186,718)	(595,586)	(79,755)	-	(118,677)	(980,736)
Net Interfund Transfers	\$ 377,764	\$ 1,578,466	\$ 7,516,380	\$ 313,042	\$ 649,672	\$ 10,435,324

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 governmental funds are for capital outlays from the business-type and internal service funds for projects related to governmental activities. Operating transfers out of the governmental funds are for capital outlays for business-type projects. 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 and out of the Internal Service Funds are for the purchase of additional equipment and vehicles that were added to the fleet and to fund operations.

F. Leases

For the year ended June 30, 2024, the financial statements include 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.

City as a Lessee

The City as a lessee, has entered into multiple lease agreements, involving the use of land by the Power and Water funds. As of June 30, 2024, the value of all lease liabilities was \$8,394,657. The City is required to make monthly fixed payments totaling \$34,000 for two leases and annual payments totaling \$9,561 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, 2024 was \$9,016,878, with accumulated amortization of \$887,706. One of the land leases has a variable payment component for maintenance, and the variable expense for the year ended June 30, 2024 was \$166,498. These payments were excluded from the City's lease liability.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024 were as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 210,186	\$ 208,029	\$ 418,215
2026	215,651	202,805	418,456
2027	221,257	197,444	418,701
2028	227,009	191,944	418,953
2029	232,910	186,300	419,210
2030 - 2034	1,254,961	841,635	2,096,596
2035 - 2039	1,425,527	677,103	2,102,630
2040 - 2044	1,620,334	490,009	2,110,343
2045 - 2049	1,841,763	277,243	2,119,006
2050 - 2054	578,999	108,403	687,402
2055 - 2059	9,957	99,707	109,664
2060 - 2064	-	111,938	111,938
2065 - 2069	16,858	108,866	125,724
2070 - 2074	75,181	66,026	141,207
2075 - 2079	103,696	54,901	158,597
2080 - 2084	138,342	39,788	178,130
2085 - 2089	180,228	19,838	200,066
2090 - 2091	41,798	1,080	42,878
Total Payments	\$ 8,394,657	\$ 3,883,059	\$ 12,277,716

City as a Lessor

The City has entered into multiple leases as lessor of public right-of-ways and a communications tower. For the year ended June 30, 2024, the value of the lease receivable is \$5,166. 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, 2024 was \$5,234, and the City recognized lease revenue of \$1,012 during the year.

The City has entered into multiple leases as lessor of conduit to the fiber raceway. For the year ended June 30, 2024, the value of the lease receivable is \$494,196. The lessees are required to make annual fixed payments totaling \$132,957. The leases have interest rates of 1.375%. The value of the deferred inflows of resources for the year ended June 30, 2024 was \$497,210, and the City recognized lease revenue of \$128,979 during the year.

The City has entered into multiple leases as lessor of the City's fiber network. For the year ended June 30, 2024, the value of the lease receivable is \$14,744. 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, 2024 was \$15,223, and the City recognized lease revenue of \$1,220 during the year.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

These leases are included in the Fiber Fund and principal and interest expected to maturity as of June 30, 2024 was as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 140,631	\$ 7,174	\$ 147,805
2026	146,931	5,233	152,164
2027	153,449	3,204	156,653
2028	61,975	1,085	63,060
2029	2,083	224	2,307
2030 - 2034	6,322	678	7,000
2035 - 2037	2,715	85	2,800
Total Payments	\$ 514,106	\$ 17,683	\$ 531,789

G. Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended June 30, 2024, the financial statements include GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. The statement establishes a single model for subscription accounting based on the principle that subscriptions are financing the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right to use subscription asset.

The City has entered into SBITAs involving:

- Various desktop and server software subscriptions
- Enterprise resource processing software
- Electronic workflows software
- Cloud backup services software
- Document management software
- Human resources services software
- E-mail/communication management software
- Risk management software
- Automated meter reading software
- Electronic signature software
- Public safety software
- Safety data sheets software
- Learning management software
- Debt management software
- eDiscovery software
- Online payment software
- Court management software
- Web content management system software
- Investigative software and storage
- Hardware and software inventory management software
- Drawing/design software
- Event communications software
- Project management platform software
- Utilities control and monitoring software

The total of the City's subscription assets are recorded at a cost of \$2,426,088, less accumulated amortization of \$1,255,007.

During June 30, 2024 there were no significant outflows of resources recognized for other payments, including termination penalties, not previously included in the measurement of subscription liability.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

The future subscription payments under SBITA agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 473,649	\$ 18,292	\$ 491,941
2026	103,250	3,912	107,162
2027	33,902	872	34,774
Total Payments	\$ 610,801	\$ 23,076	\$ 633,877

H. Compensated Absences

The City allows its employees one day of sick leave for each month of employment. The total accumulated sick leave approximated \$3,200,000 at June 30, 2024. Of this total, approximately \$62,000 represents actual vested amounts. Of this vested amount, approximately \$28,000 is included as a liability in the proprietary fund types and approximately \$4,200 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 \$34,000 is related to the governmental fund types and is not reflected as a liability in these funds as it is considered long-term in nature.

The City's employees have vested accrued vacation amounting to approximately \$1,550,000 at June 30, 2024. 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.

I. Long-Term Debt

A summary of the changes in long-term liabilities for the year ended June 30, 2024 is presented below:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Accrued Sick Leave Payable	\$ 35,740	\$ 2,058	\$ -	\$ 37,798	\$ 14,566
Special Assessment Debt					
With Governmental Commitment	494,487	-	(97,110)	397,377	97,000
Certificates of Participation	3,785,000	-	(1,230,000)	2,555,000	1,260,000
SBITA Liabilities	1,186,832	893,715	(1,542,319)	538,228	450,095
Total Pension Liability	22,024,578	-	(7,520,388)	14,504,190	-
Total Governmental Activities	\$ 27,526,637	\$ 895,773	\$ (10,389,817)	\$ 18,032,593	\$ 1,821,661
Business-Type Activities:					
Accrued Sick Leave Payable	\$ 22,629	\$ 1,787	\$ (219)	\$ 24,197	\$ 12,704
Customer Deposits	948,394	45,156	-	993,550	366,000
Capital Loans	18,596,755	939,914	(133,583)	19,403,086	135,000
Lease Liabilities	8,672,833	-	(278,176)	8,394,657	210,186
SBITA Liabilities	154,633	-	(82,060)	72,573	23,554
Total Pension Liability	8,056,836	-	(1,914,121)	6,142,715	-
	\$ 36,452,080	\$ 986,857	\$ (2,408,159)	\$ 35,030,778	\$ 747,444
Lease Revenue Bonds	\$ 63,515,000	\$ -	\$ (2,880,000)	\$ 60,635,000	\$ 3,020,000
Plus Bond Premium	4,952,571	-	(524,902)	4,427,669	501,000
Total Lease Revenue Bonds	\$ 68,467,571	\$ -	\$ (3,404,902)	\$ 65,062,669	\$ 3,521,000
Total Business-Type Activities	\$ 104,919,651	\$ 986,857	\$ (5,813,061)	\$ 100,093,447	\$ 4,268,444

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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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 total 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, 2024
	Balance June 30, 2023	Principal Additions	Principal Deletions	
	Special Assessment Debt with Governmental Commitment Interstate Industrial DWSRF Loan #196	\$ 494,487	\$ -	

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 \$9.5 million for the fiscal year ended June 30, 2024. 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.

Annual debt service requirements to maturity on the Interstate Industrial Business Park DWSRF Loan #196 based on the outstanding loan balance at June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2025	\$ 97,000	\$ 9,944	\$ 106,944
2026	99,378	7,566	106,944
2027	101,862	5,082	106,944
2028	99,137	4,823	103,960
Total Payments	\$ 397,377	\$ 27,415	\$ 424,792

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 total cost of the construction project was \$12,650,000 with the City contributing \$1,000,000 up front.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity on the Certificates of Participation for the Gillette College are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan	Accrued Interest Payable
2025	\$ 1,260,000	\$ 47,740	\$ 1,307,740	\$ 26,402
2026	1,295,000	16,058	1,311,058	-
Total Payments	\$ 2,555,000	\$ 63,798	\$ 2,618,798	\$ 26,402

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, the refinancing of the original bond issue, and to acquire a simple-cycle gas turbine facility ("CTII Facility"). These capital loans and bonds are as follows:

	Balance June 30, 2023	Principal Additions	Principal Deletions	Balance June 30, 2024	Accrued Interest Payable June 30, 2024
Sewer Fund					
Wastewater Treatment Facility Improvements					
CCL - 19003CL	\$ 12,271,665	\$ 939,914	\$ -	\$ 13,211,579	\$ -
Water Fund					
Gillette Madison Pipeline	\$ 4,328,358	\$ -	\$ -	\$ 4,328,358	\$ -
Power Fund					
Electric Facilities Improvement					
Lease Revenue Bonds (Wygen III)	\$ 46,995,000	\$ -	\$ (1,850,000)	\$ 45,145,000	\$ 191,208
Lease Revenue Bonds (CTII)	16,520,000	-	(1,030,000)	15,490,000	64,542
Southern Industrial Addition	1,996,732	-	(133,583)	1,863,149	12,965
Total Power Fund	\$ 65,511,732	\$ -	\$ (3,013,583)	\$ 62,498,149	\$ 268,715
Total Proprietary Funds	\$ 82,111,755	\$ 939,914	\$ (3,013,583)	\$ 80,038,086	\$ 268,715

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Sewer Fund Loan

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 2025. Therefore, repayment of the \$20,000,000 loan is expected to commence with the first payment in fiscal year 2026. This loan is secured by a pledge and assignment of revenues from the City's Sewer Fund, in which total customer net revenues were approximately \$9 million for the fiscal year ended June 30, 2024. 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 entered into amendment #10 on April 16, 2024 which extended the reversion date to July 1, 2026. The City didn't secure any loan with any of the final seven 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, 2026. 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, 2026. The City intends to repay this loan from Capital Facilities Tax funding, which the voters approved in May 2011.

NOTES TO 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. The original 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 obligated 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. In December 2022, the City, in conjunction with the JPB, completed a bond refunding of the original 2010B Series Bond Issue which had a remaining par value of \$57,945,000. New 2022 Series Bonds were issued for \$48,675,000 with \$430,000 in issuance costs. The 2022 Series Bonds were issued at a premium of \$3,877,965. The City applied the debt service reserve having a value of \$5,822,446 that was held as required by the 2010B Bond issue to the remaining balance of the 2010B Series Bonds. The 2022 Series Bonds' interest rates vary from 3.08% to 4.28% and mature on June 1, 2040. As a result of the reissue, the City will no longer receive a subsidy from the US Treasury as with the 2010B Issue Bonds. The total savings to the City as a result of the bond refunding was \$6.41 million, with a present value of \$4.82 million on December 1, 2022. The City is still obligated to repay the bond debt, along with operating costs as defined in the operating agreement. The City intends to continue to pay the bond from Power Fund revenues derived from the electrical system.

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 Obligation Under Capital Loan
2025	\$ 1,935,000	\$ 2,294,500	\$ 4,229,500
2026	2,030,000	2,197,750	4,227,750
2027	2,130,000	2,096,250	4,226,250
2028	2,230,000	1,989,750	4,219,750
2029	2,340,000	1,878,250	4,218,250
2030-2034	13,310,000	7,534,000	20,844,000
2035-2039	16,935,000	3,844,500	20,779,500
2040	4,235,000	222,338	4,457,338
Total Payments	\$ 45,145,000	\$ 22,057,338	\$ 67,202,338

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	\$ 3,877,965
Less accumulated amortization	(524,529)
Amortizable Amount	\$ 3,353,436

This difference (of which \$333,000 represents the amount due within one year), will be amortized as an adjustment of interest expense over the life of the debt (17 years) using the interest method using an effective interest rate of approximately 4.3%.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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.

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
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	1,255,000	603,500	1,858,500
2029	1,315,000	540,750	1,855,750
2030-2034	9,500,000	1,648,000	11,148,000
Total Payments	\$ 15,490,000	\$ 4,950,250	\$ 20,440,250

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	(1,785,227)
Amortizable Amount	\$ 1,074,233

This difference (of which \$168,000 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 \$36 million for the fiscal year ended June 30, 2024. 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 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
2025	\$ 135,000	\$ 18,550	\$ 153,550
2026	136,268	17,282	153,550
2027	137,630	15,920	153,550
2028	139,006	14,544	153,550
2029	140,396	13,154	153,550
2030-2034	723,324	44,426	767,750
2035-2037	451,525	9,117	460,642
Total Payments	\$ 1,863,149	\$ 132,993	\$ 1,996,142

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, 2024, the City's assessed valuation was \$383,664,973 and the City had no general obligation debt.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

J. Classifications of Equity

A summary of classifications of equity at June 30, 2024, not disclosed elsewhere, and not apparent from the description in the fund statements, is presented as follows:

	General Fund
Nonspendable:	
Prepaid Items	\$ 479,009
Inventory	277,417
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Total Nonspendable Fund Balance	\$ 756,426
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Restricted For:	
Criminal Forfeiture	\$ 6
Opioid Settlement	201,857
Student Housing Phase II	2,790
Gillette Historical Preservation Commission	1,043
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Total Restricted Fund Balance	\$ 205,696
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Committed For:	
Cash Reserves	\$ 15,392,476
Lodging Tax Revenue	499,207
Capital Projects Through Signed Contracts	11,301,925
Memorial Program	19,377
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Total Committed Fund Balance	\$ 27,212,985
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Assigned For:	
Budgeted Carryover of Capital Projects	\$ 42,181,115
Animal Control	136,093
State Forfeiture	31,849
Demolition Fund	50,000
Cash In Lieu Parkland	30,100
Cash In Lieu Drainage	257,185
Mayor's Art Council	54,244
Keep America Beautiful	4,120
Congressional Tour	27,905
Additional Overpass	6,000,000
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Total Assigned Fund Balance	\$ 48,772,611
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Unassigned:	\$ 26,761,711
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Total Fund Balance	\$ 103,709,429
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K. Restricted Net Position

- a) Net position restricted in the Governmental Activities total \$417,808 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.
- b) Net position restricted in the Power Enterprise Fund total \$1,860,700 which is restricted for future debt service on the lease revenue bonds.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

- c) Net position restricted in the Water Enterprise Fund total \$48,078,233 of which \$3,500,000 is for meeting repair and replacement requirements of the Gillette Regional Water Supply Project, as required by the State of Wyoming, Wyoming Water Development Commission, and \$44,578,233 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.

L. Tax Revenues

A summary of tax revenues for the year ended June 30, 2024 is presented below:

	General Fund
Severance Tax	\$ 1,193,751
Property Taxes	3,011,048
Automobile Taxes	1,159,133
Sales and Use Taxes	29,432,494
1% Optional Sales Tax	24,170,401
Gasoline Tax	1,236,110
Franchise Tax (gross receipt based)	603,648
Cigarette Tax	138,559
Lodging Tax	102,689
	\$ 61,047,833

Note 4. Other Information

A. Risk Management

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

The City uses its liability and personal injury insurance internal service fund to account for the purchase of its liability and personal injury insurance. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

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

The deductible 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.

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 \$210,000 per employee. This premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

The liability for estimated claims of \$733,000, 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, 2024, 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, 2023 to June 30, 2024	\$ 505,000	\$ 6,033,801	\$ 5,805,801	\$ 733,000
June 30, 2022 to June 30, 2023	\$ 465,000	\$ 4,889,487	\$ 4,849,487	\$ 505,000

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, 2024.

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 2022. The 1% optional sales tax generated approximately \$24,170,000 which is approximately 29% percent of general fund revenues during the year ended June 30, 2024.

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.wyo.gov>. 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, 2024 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.

Benefits provided

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

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 non-duty 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, 2024, the City's total payroll for all employees included in both Plans was approximately \$21,803,000. Total covered payroll was approximately \$20,992,000. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

NOTES TO 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, 2024, member contributions were required to be 9.25% of compensation and employer contributions were required to be 9.37% of compensation from July 1, 2023 through June 30, 2024. 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, 2024 were approximately \$2,858,000.

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, 2024, 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, 2024 were approximately \$971,000.

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

At June 30, 2024 the City reported a liability of \$20,646,905 for their proportionate share of the total pension liability. The total pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of January 1, 2024. The City's proportion of the total pension liability was based on the relationship of the City's total contributions to its respective plans for the year ended December 31, 2023 to the contributions of all participating employers for the same period. At December 31, 2023, the City's proportions were as follows:

	Liability At December 31, 2023	Increase (Decrease) From Proportion At December 31, 2022
Public Employees' Pension Plan	0.7313%	(0.0057%)
Law Enforcement Pension Plan	2.9944%	0.0767%

For the year ended June 30, 2024, the City recognized pension expense of approximately \$603,000 under the Public Employee Pension Plan and the Law Enforcement Pension Plan.

At June 30, 2024, 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	\$ 320,728	\$ 73,095
Net difference between projected and actual earnings on Plan investments	-	528,578
Change in proportion and differences between employer contributions and proportionate share of contributions	390,897	499,103
Changes in assumptions	168,649	-
Contributions subsequent to the measurement date	726,595	-
Total	\$ 1,606,869	\$ 1,100,776

NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

An amount of \$726,595 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 total pension liability in the year ending June 30, 2025. 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,	
2025	\$ (412,477)
2026	\$ (104,825)
2027	\$ 1,109,614
2028	\$ (812,814)

At June 30, 2024 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	\$ 342,661	\$ 205,769
Net difference between projected and actual earnings on Plan investments	-	166,038
Change in proportion and differences between employer contributions and proportionate share of contributions	1,413,195	826,916
Changes in assumptions	1,987,563	4,783,125
Contributions subsequent to the measurement date	245,314	-
Total	\$ 3,988,733	\$ 5,981,848

An amount of \$245,314 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 total pension liability in the year ending June 30, 2025. 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,	
2025	\$ 427
2026	\$ (1,309,409)
2027	\$ (607,301)
2028	\$ (322,146)

Actuarial Assumptions

The Public Employees' Pension Plan liability in the January 1, 2024 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

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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

The Law Enforcement Pension Plan liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	5.25% - 9.25%, 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 geometric and 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
Cash	0.50%	(0.30%)	(0.30%)
Gold	1.50%	2.13%	0.70%
Fixed Income	20.00%	3.38%	3.80%
Equity	51.50%	6.52%	8.20%
Marketable Alternatives	16.00%	4.39%	5.23%
Private Real Assets	10.50%	5.97%	7.48%
Total	100.00%		

Experience Analysis

An experience study was conducted on behalf of all WRS' plans covering the five-year period ended December 31, 2020. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

Discount Rate

The discount rate used to measure the total pension liability for the public employee plan remained at 6.80% for the years ended December 31, 2023 and 2022. The discount rate used to measure the total pension liability for the law enforcement plan as of December 31, 2023 was 6.80%, which changed from the December 31, 2022 percentage of 5.53%. 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 BASIC FINANCIAL STATEMENTS

Note 4. Other Information (Continued)

Sensitivity of the City's Proportionate Share of the Total Pension Liability to Changes in the Discount Rate

The following presents the City Public Employee Plan's proportionate share of the total pension liability calculated using the discount rate of 6.80%, as well as what their respective proportionate share of the total 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 Total Pension Liability
1% decrease	5.80%	\$ 26,364,411
Current discount rate	6.80%	\$ 16,601,933
1% increase	7.80%	\$ 8,511,787

The following presents the City Law Enforcement Plan's proportionate share of the total pension liability calculated using the discount rate of 6.80%, as well as what their respective proportionate share of the total 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 Total Pension Liability
1% decrease	5.80%	\$ 8,162,541
Current discount rate	6.80%	\$ 4,044,972
1% increase	7.80%	\$ 677,877

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, 2515 Warren Avenue, Suite 450, Cheyenne, Wyoming 82002 or at <http://retirement.wyo.gov>.

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 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, 2024
Retirees with over 30 years of service	36
Retirees with over 20 years of service	48
Terminated employees with less than 20 year of service with an account balance	45
Employees accruing benefits	17
Total Participants	146

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

E. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements:

In June, 2022 GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of a government's financial statement users by aligning the recognition and measurement guidance for compensated absences under a unified model and by amending certain previously required disclosures. Under the Statement, liabilities for certain types of compensated absences are required to be recognized that have 1) not been used; and 2) been used but not yet settled through cash or noncash means. This liability will be measured at the amount of cash or noncash settlement to be made. The Statement also amends the existing disclosure requirement to allow governments to disclose only the net annual change in the liability for compensated absences and no longer requires the disclosure of which governmental funds are used to liquidate the liability for compensated absences. This standard is effective for reporting periods beginning after December 15, 2023. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

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

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

	City's Percentage Of Total Pension Liability	City's Proportionate Share Of Total Pension Liability	City's Covered Payroll	City's Proportionate Share of Total Pension Liability as A Percentage Of Covered Payroll	Plan's Fiduciary Net Position As A Percentage Of Total Pension Liability
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%
2022	.737045700%	\$ 20,142,090	\$ 13,847,000	145.46%	75.47%
2023	.731304300%	\$ 16,601,933	\$ 14,703,000	112.92%	80.19%

*GASB Statement No. 68 requires ten years of information to be presented in this table. Years presented are as of the measurement date of December 31.

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

	City's Percentage Of Total Pension Liability	City's Proportionate Share Of Total Pension Liability	City's Covered Payroll	City's Proportionate Share of Total Pension Liability as A Percentage Of Covered Payroll	Plan's Fiduciary Net Position As A Percentage Of Total Pension Liability
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%
2022	2.917712900%	\$ 9,939,324	\$ 4,936,000	201.36%	70.30%
2023	2.994412200%	\$ 4,044,972	\$ 5,450,000	74.22%	86.90%

*GASB Statement No. 68 requires ten years of information to be presented in this table. 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
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%
2023	\$ 1,379,000	\$ 1,379,000	\$ -	\$ 14,717,000	9.37%
2024	\$ 1,438,000	\$ 1,438,000	\$ -	\$ 15,347,000	9.37%

*GASB Statement No. 68 requires ten years of information to be presented in this table. 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
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%
2023	\$ 471,000	\$ 471,000	\$ -	\$ 5,478,000	8.60%
2024	\$ 485,000	\$ 485,000	\$ -	\$ 5,645,000	8.60%

*GASB Statement No. 68 requires ten years of information to be presented in this table. 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, 2023 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 and 2020 actuarial experience studies. 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, 2023 measurement date. See the tables below:

Public Employee Pension Plan

Measurement Date

(Plan Year End)	2015	2016	2017	2018	2019	2020	2021	2022	2023
Discount Rate	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	6.80%	6.80%	6.80%
Investment Rate of Return	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	6.80%	6.80%	6.80%
Inflation Increase Rate	3.25%	3.25%	3.25%	2.25%	2.25%	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%	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%	2.50%	2.50%
Cost of Living	0.00%	0.00%	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	2022	2023
Discount Rate	7.75%	7.75%	7.00%	5.92%	7.00%	7.00%	5.17%	5.53%	6.80%
Investment Rate of Return	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	6.80%	6.80%	6.80%
Inflation Increase Rate	3.25%	3.25%	3.25%	2.25%	2.25%	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%	5.25%- 9.25%	5.25%- 9.25%
Payroll Growth Rate	4.25%	4.25%	4.25%	2.50%	2.50%	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%	0.00%	0.00%

NONMAJOR ENTERPRISE FUNDS

CITY OF GILLETTE, WYOMING

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

June 30, 2024

	Solid Waste	Fiber	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 1,222,583	\$ 109,726	\$ 1,332,309
Investments	1,684,571	-	1,684,571
Accounts Receivable, Net of Allowance For Uncollectibles	161,573	-	161,573
Unbilled Accounts Receivable	130,116	-	130,116
Accrued Interest Receivable	4,775	3,186	7,961
Leases Receivable	-	140,631	140,631
Total Current Assets	\$ 3,203,618	\$ 253,543	\$ 3,457,161
NONCURRENT ASSETS			
Leases Receivable	\$ -	\$ 373,475	\$ 373,475
Capital Assets:			
Infrastructure	-	7,146,680	7,146,680
Machinery and Equipment	62,540	381,182	443,722
Construction in Progress	-	68,850	68,850
Less Accumulated Depreciation	(20,102)	(1,362,042)	(1,382,144)
SBITA Assets, Net of Accumulated Amortization	-	8,350	8,350
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	\$ 42,438	\$ 6,243,020	\$ 6,285,458
Total Noncurrent Assets	\$ 42,438	\$ 6,616,495	\$ 6,658,933
Total Assets	\$ 3,246,056	\$ 6,870,038	\$ 10,116,094
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	\$ 48,206	\$ -	\$ 48,206
LIABILITIES			
CURRENT LIABILITIES			
Vouchers Payable	\$ 84,451	\$ -	\$ 84,451
Other Accrued Liabilities	58,421	-	58,421
Total Current Liabilities	\$ 142,872	\$ -	\$ 142,872
NONCURRENT LIABILITIES			
Total Pension Liability	498,058	-	498,058
Total Liabilities	\$ 640,930	\$ -	\$ 640,930
DEFERRED INFLOWS OF RESOURCES			
Relating to Leases	\$ -	\$ 517,667	\$ 517,667
Relating to Pensions	33,023	-	33,023
Total Deferred Inflows of Resources	\$ 33,023	\$ 517,667	\$ 550,690
NET POSITION			
Net Investment in Capital Assets	\$ 42,438	\$ 6,243,020	\$ 6,285,458
Unrestricted	2,577,871	109,351	2,687,222
Total Net Position	\$ 2,620,309	\$ 6,352,371	\$ 8,972,680

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2024

	Solid Waste	Fiber	Total
OPERATING REVENUES	\$ 3,295,144	\$ 174,020	\$ 3,469,164
OPERATING EXPENSES			
Salaries and Benefits	\$ 619,554	\$ -	\$ 619,554
Contractual Services	2,316,586	338,772	2,655,358
Repairs and Maintenance	1,916	7,413	9,329
Supplies	175,496	-	175,496
Depreciation and Amortization	9,293	289,090	298,383
Total Operating Expenses	\$ 3,122,845	\$ 635,275	\$ 3,758,120
Operating Income (Loss)	\$ 172,299	\$ (461,255)	\$ (288,956)
NONOPERATING REVENUES (EXPENSES)			
Interest Expense	\$ -	\$ (175)	\$ (175)
Interest Income on Leases Receivable	-	4,583	4,583
Investment Income	75,349	-	75,349
Total Nonoperating Revenues	\$ 75,349	\$ 4,408	\$ 79,757
Income (Loss) Before Contributions and Transfers	\$ 247,648	\$ (456,847)	\$ (209,199)
Capital Contributions	-	32,477	32,477
Transfers In	-	313,042	313,042
Changes in Net Position	\$ 247,648	\$ (111,328)	\$ 136,320
NET POSITION, BEGINNING JULY 1	2,372,661	6,463,699	8,836,360
NET POSITION, ENDING JUNE 30	\$ 2,620,309	\$ 6,352,371	\$ 8,972,680

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2024

	Solid Waste	Fiber	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 3,262,673	\$ 186,335	\$ 3,449,008
Payments to Employees	(829,924)	-	(829,924)
Payments for Goods and Services	(2,505,924)	(346,185)	(2,852,109)
Net Cash (Used In) Operating Activities	\$ (73,175)	\$ (159,850)	\$ (233,025)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	\$ -	\$ 313,042	\$ 313,042
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
(Payments) for Capital Acquisitions	\$ -	\$ (134,535)	\$ (134,535)
(Payments) on SBITA Liability	-	(15,000)	(15,000)
Net Cash (Used In) Capital and Related Financing Activities	\$ -	\$ (149,535)	\$ (149,535)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Increase) in Investments	\$ (40,205)	\$ -	\$ (40,205)
Investment Income	41,018	-	41,018
Interest Income from Lease Receivables	-	5,516	5,516
Net Cash Provided By Investing Activities	\$ 813	\$ 5,516	\$ 6,329
Net Increase (Decrease) in Cash	\$ (72,362)	\$ 9,173	\$ (63,189)
Cash, Beginning July 1	1,294,945	100,553	1,395,498
Cash, Ending June 30	\$ 1,222,583	\$ 109,726	\$ 1,332,309
Reconciliation of Operating Income (Loss) to Net Cash (Used In) Operating Activities			
Operating Income (Loss)	\$ 172,299	\$ (461,255)	\$ (288,956)
Adjustments:			
Depreciation and Amortization	9,293	289,090	298,383
Changes in Assets and Liabilities:			
Accounts and Other Receivables	(25,610)	5,400	(20,210)
Leases Receivable	-	131,568	131,568
Deferred Outflows of Resources Relating to Pensions	100,402	-	100,402
Vouchers Payable	(18,787)	-	(18,787)
Accrued Expenses	(3,144)	-	(3,144)
Total Pension Liability	(307,626)	-	(307,626)
Deferred Inflows of Resources Relating to Leases Receivable	-	(124,653)	(124,653)
Deferred Inflows of Resources Relating to Pensions	(2)	-	(2)
Net Cash (Used In) Operating Activities	\$ (73,175)	\$ (159,850)	\$ (233,025)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital and Local Annexations	\$ -	\$ 32,477	\$ 32,477
Net Increase in Fair Value of Investments	\$ 32,381	\$ -	\$ 32,381

INTERNAL SERVICE FUNDS

CITY OF GILLETTE, WYOMING

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

June 30, 2024

	Vehicle Maintenance	Liability and Personal Injury Insurance	Health Insurance	Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 526,940	\$ 281,647	\$ 398,921	\$ 1,207,508
Investments	867,614	202,423	4,343,528	5,413,565
Other Receivable	-	92,928	353,160	446,088
Due From Other Funds	-	-	384,920	384,920
Inventories	451,488	-	-	451,488
Total Current Assets	\$ 1,846,042	\$ 576,998	\$ 5,480,529	\$ 7,903,569
CAPITAL ASSETS				
Machinery and Equipment	\$ 22,041,023	\$ -	\$ -	\$ 22,041,023
Less Accumulated Depreciation	(13,830,764)	-	-	(13,830,764)
Net Capital Assets	\$ 8,210,259	\$ -	\$ -	\$ 8,210,259
Total Assets	\$ 10,056,301	\$ 576,998	\$ 5,480,529	\$ 16,113,828
LIABILITIES				
CURRENT LIABILITIES				
Vouchers Payable	\$ 68,895	\$ 26,822	\$ 213,973	\$ 309,690
Estimated Claims Payable	-	-	733,000	733,000
Other Accrued Liabilities	51,555	-	-	51,555
Advance Payments Received for Repairs	-	15,652	-	15,652
Current Maturities of Long-Term Liabilities	7,357	-	-	7,357
Total Liabilities	\$ 127,807	\$ 42,474	\$ 946,973	\$ 1,117,254
NET POSITION				
Investment in Capital Assets	\$ 8,210,259	\$ -	\$ -	\$ 8,210,259
Unrestricted	1,718,235	534,524	4,533,556	6,786,315
Total Net Position	\$ 9,928,494	\$ 534,524	\$ 4,533,556	\$ 14,996,574

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2024

	Vehicle Maintenance	Liability and Personal Injury Insurance	Health Insurance	Total
OPERATING REVENUES	\$ 2,546,177	\$ 1,133,748	\$ 7,216,693	\$ 10,896,618
OPERATING EXPENSES				
Salaries and Benefits	\$ 810,363	\$ -	\$ -	\$ 810,363
Contractual Services	223,151	865,221	-	1,088,372
Claims	-	268,527	7,216,693	7,485,220
Repairs and Maintenance	287,373	-	-	287,373
Supplies	56,858	-	-	56,858
Depreciation	1,349,715	-	-	1,349,715
Total Operating Expenses	\$ 2,727,460	\$ 1,133,748	\$ 7,216,693	\$ 11,077,901
Operating (Loss)	\$ (181,283)	\$ -	\$ -	\$ (181,283)
NONOPERATING REVENUES				
Gain on Disposal of Equipment	\$ 137,938	\$ -	\$ -	\$ 137,938
Investment Income	30,613	8,085	201,830	240,528
Total Nonoperating Revenues	\$ 168,551	\$ 8,085	\$ 201,830	\$ 378,466
Income (Loss) Before Transfers	\$ (12,732)	\$ 8,085	\$ 201,830	\$ 197,183
Transfers In	531,779	95,910	140,660	768,349
Transfers (Out)	-	(118,677)	-	(118,677)
Changes in Net Position	\$ 519,047	\$ (14,682)	\$ 342,490	\$ 846,855
NET POSITION, BEGINNING				
JULY 1	9,409,447	549,206	4,191,066	14,149,719
NET POSITION, ENDING				
JUNE 30	\$ 9,928,494	\$ 534,524	\$ 4,533,556	\$ 14,996,574

CITY OF GILLETTE, WYOMING

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

Year Ended June 30, 2024

	Vehicle Maintenance	Liability and Personal Injury Insurance	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Interfund Services Provided	\$ 2,546,177	\$ 1,186,422	\$ 6,986,258	\$ 10,718,857
Payments to Employees	(792,102)	-	-	(792,102)
Payments for Goods and Services	(563,160)	(1,120,733)	(7,034,583)	(8,718,476)
Internal Activity - Payments (To) Other Funds	-	-	(262,323)	(262,323)
Net Cash Provided By (Used In) Operating Activities	\$ 1,190,915	\$ 65,689	\$ (310,648)	\$ 945,956
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	\$ 531,779	\$ 95,910	\$ 140,660	\$ 768,349
Transfers (Out)	-	(118,677)	-	(118,677)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 531,779	\$ (22,767)	\$ 140,660	\$ 649,672
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for Capital Acquisitions	\$ (1,626,092)	\$ -	\$ -	\$ (1,626,092)
Proceeds From Sale of Capital Assets	208,967	-	-	208,967
Net Cash (Used In) Capital and Related Financing Activities	\$ (1,417,125)	\$ -	\$ -	\$ (1,417,125)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net (Increase) in Investments	\$ (37,098)	\$ (8,655)	\$ (139,667)	\$ (185,420)
Investment Income	37,098	8,655	189,667	235,420
Net Cash Provided By Investing Activities	\$ -	\$ -	\$ 50,000	\$ 50,000
Net Increase (Decrease) in Cash	\$ 305,569	\$ 42,922	\$ (119,988)	\$ 228,503
Cash, Beginning July 1	221,371	238,725	518,909	979,005
Cash, Ending June 30	\$ 526,940	\$ 281,647	\$ 398,921	\$ 1,207,508
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities				
Operating (Loss)	\$ (181,283)	\$ -	\$ -	\$ (181,283)
Adjustments:				
Depreciation	1,349,715	-	-	1,349,715
Changes in Assets and Liabilities:				
Other Receivables	-	48,810	(230,435)	(181,625)
Due From Other Funds	-	-	(262,323)	(262,323)
Inventories	13,137	-	-	13,137
Vouchers Payable	(8,915)	13,015	(45,890)	(41,790)
Accrued Expenses and Accrued Sick Leave	18,261	-	-	18,261
Advance Payment Received for Repairs	-	3,864	-	3,864
Estimated Claims Payable	-	-	228,000	228,000
Net Cash Provided By (Used In) Operating Activities	\$ 1,190,915	\$ 65,689	\$ (310,648)	\$ 945,956
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Net Increase (Decrease) in Fair Value of Investments	\$ (6,485)	\$ (570)	\$ 12,163	\$ 5,108

CITY OF GILLETTE, WYOMING

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2024

State Grantor Program Title	Grant Number	Total State Expenditures
<u>Office of Attorney General</u>		
State Surcharge	N/A	\$ 17,046
Victim Witness Funding	N/A	59,978
Total Office of Attorney General		\$ 77,024
<u>Wyoming Association of Sheriffs and Police</u>		
Alcohol Inspection Contract	N/A	\$ 5,100
Tobacco Inspection Contract	N/A	5,100
Total Wyoming Association of Sheriffs and Police		\$ 10,200
<u>Wyoming Loan and Investments Board</u>		
Pump Station Improvement Project	MRG-21014	\$ 6,994
Waste Water Treatment Plant Improvements	CCL-19003CL	939,914
Total Wyoming Loan and Investments Board		\$ 946,908
<u>Wyoming Water Development Commission</u>		
Gillette Regional Extensions	N/A	\$ 188,804
Total State Financial Assistance		\$ 1,222,936

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, 2024.

Program	Grant Number	Amount
<u>Wyoming Loan and Investment Board</u>		
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System	DWSRF Loan #196	\$ 397,377
Capital Construction Loan		
Wastewater Treatment Plant Improvements	CC Loan #19003	13,211,579
<u>Wyoming Water Development Commission</u>		
Gillette Madison Pipeline	-	4,328,358
<u>Wyoming Business Council</u>		
Southern Industrial Addition	-	1,863,149
Total State Loans		\$ 19,800,463

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	96
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	107
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	118
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	125
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	129
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			
	2015	2016	2017	2018
Governmental Activities				
Net investment in Capital Assets	207,543,932	216,228,110	212,061,695	209,621,750
Restricted	4,343	8,026,893	171,789	121,777
Unrestricted	48,736,967	29,954,212	40,519,056	49,508,463
Total Governmental Activities Net Position	256,285,242	254,209,215	252,752,540	259,251,990
Business-Type Activities				
Net investment in Capital Assets	167,721,963	201,310,306	233,993,830	258,142,870
Restricted	114,382,200	109,824,328	101,670,982	96,552,166
Unrestricted	26,800,695	26,098,902	28,741,229	32,324,767
Total Business-Type Activities Net Position	308,904,858	337,233,536	364,406,041	387,019,803
Primary Government				
Net investment in Capital Assets	375,265,895	417,538,416	446,055,525	467,764,620
Restricted	114,386,543	117,851,221	101,842,771	96,673,943
Unrestricted	75,537,662	56,053,114	69,260,285	81,833,230
Total Primary Government Net Position	565,190,100	591,442,751	617,158,581	646,271,793

Fiscal Year					
2019	2020	2021	2022	2023	2024
207,934,661	209,201,236	220,312,547	221,308,459	223,387,960	224,435,334
1,314,311	679,771	611,965	568,932	615,994	620,714
60,021,756	69,122,532	58,601,443	68,064,762	78,933,962	92,331,460
269,270,728	279,003,539	279,525,955	289,942,153	302,937,916	317,387,508
262,876,287	264,274,405	306,649,038	307,850,082	320,820,333	327,032,114
96,354,012	97,396,419	55,924,405	54,603,410	48,855,085	49,938,933
35,210,715	37,118,684	32,935,544	31,502,914	32,261,330	44,085,798
394,441,014	398,789,508	395,508,987	393,956,406	401,936,748	421,056,845
470,810,948	473,475,641	526,961,585	529,158,541	544,208,293	551,467,448
97,668,323	98,076,190	56,536,370	55,172,342	49,471,079	50,559,647
95,232,471	106,241,216	91,536,987	99,567,676	111,195,292	136,417,258
663,711,742	677,793,047	675,034,942	683,898,559	704,874,664	738,444,353

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
<i>Governmental Activities</i>				
Program Revenues				
Charges for services	\$ 3,964,099	\$ 3,629,498	\$ 3,826,265	\$ 4,267,498
Operating grants and contributions	560,028	1,031,303	2,978,890	296,242
Capital grants and contributions	9,389,472	3,201,917	2,730,131	1,170,583
General Revenues				
Severance taxes	1,101,729	1,107,316	1,107,006	1,106,950
Property taxes	1,949,432	2,100,922	2,282,253	2,125,450
Sales and use taxes	54,129,253	37,012,709	29,917,814	36,167,074
Other taxes	3,035,184	3,153,044	3,188,444	3,312,473
Mineral Royalties	1,553,582	1,578,741	1,585,221	1,584,413
Supplemental state funding	2,117,809	2,408,642	1,123,958	1,218,873
Gaming revenue	210,240	332,079	457,337	570,942
Investment income (loss)	115,723	225,326	149,693	426,532
Other revenue	84,337	59,559	296,647	312,377
Special assessment revenue	-	-	-	-
Gain on Disposal of Equipment	-	-	-	-
Total Governmental Activities Revenues	\$ 78,210,888	\$ 55,841,056	\$ 49,643,659	\$ 52,559,407
<i>Business-Type Activities</i>				
Program Revenues				
Charges for services	\$ 44,114,037	\$ 47,853,751	\$ 49,134,472	\$ 49,719,881
Operating grants and contributions	-	-	-	-
Capital grants and contributions	25,894,064	28,438,097	26,811,099	22,015,166
General Revenues				
Sales and use taxes ¹	28,622,346	100,133	105,109	25,483
Investment income (loss)	484,439	850,367	445,454	1,152,882
Other revenue	1,278,871	709,261	477,383	788,551
Gain on Disposal of Equipment	-	-	-	-
Total Business-Type Activities Revenues	\$ 100,393,757	\$ 77,951,609	\$ 76,973,517	\$ 73,701,963
Total Government-Wide Revenues	\$ 178,604,645	\$ 133,792,665	\$ 126,617,176	\$ 126,261,370
Expenses				
<i>Governmental Activities</i>				
Administration	\$ 11,592,999	\$ 21,059,390	\$ 18,530,082	\$ 14,311,284
Law Enforcement/Public Safety	12,032,781	14,055,218	13,810,716	11,812,747
Public Works	17,059,376	17,181,066	11,456,369	12,609,284
Culture and Recreation	1,653,206	2,992,915	4,101,144	3,911,251
Interest on Long-Term Debt	13,728	355,333	275,582	248,382
Total Governmental Activities Expenses	\$ 42,352,090	\$ 55,643,922	\$ 48,173,893	\$ 42,892,948
<i>Business-Type Activities</i>				
Power	\$ 35,625,314	\$ 32,120,690	\$ 33,430,555	\$ 33,242,868
Water	10,972,303	10,390,243	10,666,942	11,747,663
Sewer	6,618,579	6,432,835	5,945,545	6,244,321
Fiber ²	n/a	n/a	n/a	190,756
Solid Waste	3,095,177	2,952,324	2,684,411	2,829,602
Total Business-Type Activities Expenses	\$ 56,311,373	\$ 51,896,092	\$ 52,727,453	\$ 54,255,210
Total Government-Wide Expenses	\$ 98,663,463	\$ 107,540,014	\$ 100,901,346	\$ 97,148,158

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

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	4,600,452	\$	6,513,884	\$	4,742,943	\$	4,878,660	\$	5,591,396	\$	6,619,423
	427,362		369,938		3,756,932		924,185		601,878		3,519,987
	3,490,102		179,761		1,250,153		2,796,071		503,588		1,168,289
	1,106,221		1,106,221		1,160,406		1,202,387		1,183,500		1,193,751
	2,219,506		2,315,292		2,389,269		2,423,096		2,635,102		3,011,048
	42,020,705		43,071,165		30,864,973		42,150,995		56,056,866		53,602,895
	3,191,098		3,310,780		3,579,323		3,226,319		3,229,381		3,240,139
	1,521,535		1,535,907		1,543,164		1,564,462		1,543,390		1,566,196
	1,359,104		1,414,357		1,310,576		1,328,433		1,929,364		2,427,501
	867,605		755,680		952,954		878,939		1,530,443		1,729,867
	1,584,553		1,765,550		4,254		(973,146)		2,414,412		5,487,702
	306,009		422,892		347,486		323,667		461,822		477,896
	1,357,426		-		-		-		-		-
	-		-		-		-		-		96,375
\$	64,051,678	\$	62,761,427	\$	51,902,433	\$	60,724,068	\$	77,681,142	\$	84,141,069
\$	49,597,215	\$	49,767,222	\$	52,097,535	\$	53,741,923	\$	58,753,837	\$	61,278,468
	-		-		222,337		43,993		-		-
	4,016,622		3,566,428		3,418,030		3,180,367		5,169,218		5,808,131
	2,187		68,281		-		1,879		162		50
	3,609,749		3,312,369		(147,833)		(2,025,987)		1,019,004		3,628,461
	700,963		807,506		772,838		837,123		1,272,672		993,299
	-		-		-		-		-		41,563
\$	57,926,736	\$	57,521,806	\$	56,362,907	\$	55,779,298	\$	66,214,893	\$	71,749,972
\$	121,978,414	\$	120,283,233	\$	108,265,340	\$	116,503,366	\$	143,896,035	\$	155,891,041
\$	16,287,756	\$	18,632,422	\$	15,100,267	\$	13,537,840	\$	16,369,945	\$	16,483,176
	13,783,560		12,712,326		13,341,118		15,181,666		18,317,053		18,344,909
	15,126,078		14,119,606		12,995,454		13,005,106		14,774,540		14,399,234
	3,578,436		4,108,769		4,265,042		4,447,106		5,123,966		10,337,810
	246,160		221,061		164,702		142,688		134,001		85,842
\$	49,021,990	\$	49,794,184	\$	45,866,583	\$	46,314,406	\$	54,719,505	\$	59,650,971
\$	31,519,972	\$	31,083,900	\$	39,108,592	\$	35,140,293	\$	40,200,904	\$	34,365,630
	13,123,554		13,704,345		15,235,936		14,309,036		15,637,396		15,475,228
	7,172,715		7,467,513		7,315,849		7,862,402		8,084,293		9,035,417
	715,475		740,321		532,187		782,648		987,338		635,378
	2,984,759		3,411,665		2,964,298		3,230,964		3,290,494		3,158,728
\$	55,516,475	\$	56,407,744	\$	65,156,862	\$	61,325,343	\$	68,200,425	\$	62,670,381
\$	104,538,465	\$	106,201,928	\$	111,023,445	\$	107,639,749	\$	122,919,930	\$	122,321,352

(Continued)

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

	Fiscal Year			
	2015	2016	2017	2018
Change in Net Position Before Transfers				
Governmental Activities	\$ 35,858,798	\$ 197,134	\$ 1,469,766	\$ 9,666,459
Business-Type Activities	44,082,384	26,055,517	24,246,064	19,446,753
Government-Wide	\$ 79,941,182	\$ 26,252,651	\$ 25,715,830	\$ 29,113,212
Transfers				
Governmental Activities	\$ (5,909,183)	\$ (2,273,161)	\$ (2,926,441)	\$ (3,167,009)
Business-Type Activities	5,909,183	2,273,161	2,926,441	3,167,009
Government-Wide	\$ -	\$ -	\$ -	\$ -
Change in Net Position				
Governmental Activities	\$ 29,949,615	\$ (2,076,027)	\$ (1,456,675)	\$ 6,499,450
Business-Type Activities	49,991,567	28,328,678	27,172,505	22,613,762
Government-Wide	\$ 79,941,182	\$ 26,252,651	\$ 25,715,830	\$ 29,113,212
Net Position, Beginning of Fiscal Year				
Governmental Activities	\$ 233,834,685	\$ 256,285,242	\$ 254,209,215	\$ 252,752,540
Business-Type Activities	262,701,066	308,904,858	337,233,536	364,406,041
Government-Wide	\$ 496,535,751	\$ 565,190,100	\$ 591,442,751	\$ 617,158,581
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	\$ 256,285,242	\$ 254,209,215	\$ 252,752,540	\$ 259,251,990
Business-Type Activities	308,904,858	337,233,536	364,406,041	387,019,803
Government-Wide	\$ 565,190,100	\$ 591,442,751	\$ 617,158,581	\$ 646,271,793

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									
		2019	2020	2021	2022	2023	2024				
\$	15,029,688	\$	12,967,243	\$	6,035,850	\$	14,409,662	\$	22,961,637	\$	24,490,098
	2,410,261		1,114,062		(8,793,955)		(5,546,045)		(1,985,532)		9,079,591
\$	17,439,949	\$	14,081,305	\$	(2,758,105)	\$	8,863,617	\$	20,976,105	\$	33,569,689
\$	(5,010,950)	\$	(3,234,432)	\$	(5,513,434)	\$	(3,993,464)	\$	(9,965,874)	\$	(10,040,506)
	5,010,950		3,234,432		5,513,434		3,993,464		9,965,874		10,040,506
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	10,018,738	\$	9,732,811	\$	522,416	\$	10,416,198	\$	12,995,763	\$	14,449,592
	7,421,211		4,348,494		(3,280,521)		(1,552,581)		7,980,342		19,120,097
\$	17,439,949	\$	14,081,305	\$	(2,758,105)	\$	8,863,617	\$	20,976,105	\$	33,569,689
\$	259,251,990	\$	269,270,728	\$	279,003,539	\$	279,525,955	\$	289,942,153	\$	302,937,916
	387,019,803		394,441,014		398,789,508		395,508,987		393,956,406		401,936,748
\$	646,271,793	\$	663,711,742	\$	677,793,047	\$	675,034,942	\$	683,898,559	\$	704,874,664
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	269,270,728	\$	279,003,539	\$	279,525,955	\$	289,942,153	\$	302,937,916	\$	317,387,508
	394,441,014		398,789,508		395,508,987		393,956,406		401,936,748		421,056,845
\$	663,711,742	\$	677,793,047	\$	675,034,942	\$	683,898,559	\$	704,874,664	\$	738,444,353

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
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
2023	\$ 1,183,500	\$ 2,635,102	\$ 1,104,626	\$ 56,056,866	\$ 1,217,282	\$ 148,435	\$ 759,038	\$ 63,104,849
2024	\$ 1,193,751	\$ 3,011,048	\$ 1,159,133	\$ 53,602,895	\$ 1,236,110	\$ 138,559	\$ 706,337	\$ 61,047,833
% Change								
2015 - 2024	8.4%	54.5%	25.4%	-1.0%	8.9%	-39.6%	-5.5%	1.4%

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

	Fiscal Year			
	2015	2016	2017	2018
Total All Governmental Funds				
Non spendable	\$ 209,851	\$ 220,154	\$ 214,418	\$ 227,521
Restricted	4,343	8,026,893	171,789	121,777
Committed	26,358,184	24,700,520	15,348,710	17,659,545
Assigned	22,437,032	13,490,105	25,372,791	25,292,678
Unassigned	3,033,318	4,690,638	8,820,711	15,466,678
Total Fund Balance - Governmental Funds	\$ 52,042,728	\$ 51,128,310	\$ 49,928,419	\$ 58,768,199

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 212,257	\$ 228,673	\$ 222,528	\$ 277,490	\$ 250,591	\$ 756,426	
121,197	2,731	1,143	1,053	141,644	205,696	
21,072,126	28,356,630	20,816,702	20,470,382	22,372,790	27,212,985	
38,609,977	32,484,215	24,713,222	31,744,489	38,696,287	48,772,611	
12,284,111	18,214,391	23,331,152	25,998,215	29,798,353	26,761,711	
\$ 72,299,668	\$ 79,286,640	\$ 69,084,747	\$ 78,491,629	\$ 91,259,665	\$ 103,709,429	

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

	Fiscal Year		
	2015	2016	2017
Revenues			
<i>General Fund</i>			
Taxes	\$ 60,215,598	\$ 43,373,991	\$ 36,495,517
Intergovernmental	7,165,775	7,153,524	6,701,647
Licenses and Permits	361,710	282,099	247,743
Charges for Services	2,894,186	2,842,597	2,965,029
Fines and Fees	444,771	424,677	372,367
Investment Income (Loss)	108,679	212,988	142,513
Miscellaneous	347,769	139,684	538,005
Special Assessment Revenue	56,643	39,209	131,275
Total Revenues	\$ 71,595,131	\$ 54,468,769	\$ 47,594,096
Expenditures			
<i>General Fund</i>			
Current			
Administration/General Government	\$ 14,397,204	\$ 13,956,973	\$ 11,916,234
Police/Public Safety	10,384,584	10,544,363	9,467,994
Public Works	15,142,517	19,846,187	8,079,928
Culture and Recreation	3,170,268	3,422,281	2,220,609
Miscellaneous	14,331,633	16,829,447	12,806,587
Debt Service			
Principal	34,714	36,087	1,131,884
Interest	13,728	234,948	286,899
Total Expenditures	\$ 57,474,648	\$ 64,870,286	\$ 45,910,135
Excess of Revenues Over (Under) Expenditures	\$ 14,120,483	\$ (10,401,517)	\$ 1,683,961
Other Financing Sources (Uses)			
<i>General Fund</i>			
Proceeds from Certificates of Participation	\$ -	\$ 11,650,000	\$ -
Transfers In	178,885	2,675,925	152,407
Transfers Out	(6,013,558)	(5,038,591)	(3,036,259)
Proceeds from Special Assessment Debt	-	-	-
Financing of SBITAs	-	-	-
Proceeds from Sale of Capital Assets	-	199,765	-
Total Other Financing Sources (Uses)	\$ (5,834,673)	\$ 9,487,099	\$ (2,883,852)
Net Change In Fund Balance	\$ 8,285,810	\$ (914,418)	\$ (1,199,891)
Debt Service as a Percentage of Noncapital Expenditures	0.08%	0.62%	3.84%
Fund Balance, Beginning July 1	\$ 43,756,918	\$ 52,042,728	\$ 51,128,310
Fund Balance, Ending June 30	\$ 52,042,728	\$ 51,128,310	\$ 49,928,419

		Fiscal Year											
		2018	2019	2020	2021	2022	2023	2024					
\$	42,711,947	\$	48,537,530	\$	49,803,458	\$	37,993,971	\$	49,002,797	\$	63,104,849	\$	61,047,833
	4,056,951		5,161,421		4,255,643		8,097,096		4,846,019		5,874,794		9,754,338
	283,027		272,658		308,839		286,165		274,539		286,095		280,745
	3,296,056		3,609,268		5,607,557		3,949,199		4,151,608		4,996,070		5,953,524
	363,872		353,823		311,978		265,968		252,812		230,242		263,331
	404,105		1,514,618		1,716,120		2,897		(948,306)		2,333,146		5,320,350
	636,920		670,712		708,402		589,097		523,368		540,811		599,719
	13,994		178,355		526,151		69,177		42,943		93,529		59,332
\$	51,766,872	\$	60,298,385	\$	63,238,148	\$	51,253,570	\$	58,145,780	\$	77,459,536	\$	83,279,172
\$	11,145,476	\$	11,683,187	\$	12,231,646	\$	12,832,591	\$	12,264,813	\$	15,094,676	\$	15,108,615
	9,749,739		10,178,923		10,572,848		10,325,663		10,754,540		12,422,037		13,326,780
	11,168,994		11,582,833		12,024,204		13,425,604		9,724,180		9,135,792		11,509,167
	2,879,640		2,925,299		3,353,122		5,548,637		4,301,004		3,673,855		6,484,214
	2,904,784		4,776,837		12,596,611		11,192,771		5,553,694		13,320,410		11,983,538
	1,097,727		1,163,627		1,972,681		1,237,242		1,260,303		2,403,557		2,761,574
	259,335		257,372		232,582		176,482		154,778		126,307		113,911
\$	39,205,695	\$	42,568,078	\$	52,983,694	\$	54,738,990	\$	44,013,312	\$	56,176,634	\$	61,287,799
\$	12,561,177	\$	17,730,307	\$	10,254,454	\$	(3,485,420)	\$	14,132,468	\$	21,282,902	\$	21,991,373
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	100		113,901		208,879		53,016		222,935		116,420		3,322,830
	(3,721,497)		(5,746,177)		(3,477,019)		(6,770,005)		(4,948,574)		(10,930,566)		(13,758,154)
	-		1,324,117		-		-		-		-		-
	-		-		-		-		-		2,298,388		893,715
	-		109,321		658		516		53		892		-
\$	(3,721,397)	\$	(4,198,838)	\$	(3,267,482)	\$	(6,716,473)	\$	(4,725,586)	\$	(8,514,866)	\$	(9,541,609)
\$	8,839,780	\$	13,531,469	\$	6,986,972	\$	(10,201,893)	\$	9,406,882	\$	12,768,036	\$	12,449,764
	4.26%		3.87%		5.63%		3.90%		3.88%		5.66%		5.77%
\$	49,928,419	\$	58,768,199	\$	72,299,668	\$	79,286,640	\$	69,084,747	\$	78,491,629	\$	91,259,665
\$	58,768,199	\$	72,299,668	\$	79,286,640	\$	69,084,747	\$	78,491,629	\$	91,259,665	\$	103,709,429

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				
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
2023	2022	\$ 326,893,634	\$ 113,938,181	\$ 294,385,970	\$ 72,467,187	\$ 13,209,112	n/a
2024	2023	\$ 387,822,227	\$ 127,795,977	\$ 258,319,285	\$ 62,979,724	\$ 12,930,874	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
\$ 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%
\$ 820,594,084	8.000	\$ 333,964,903	\$ 3,339,649,060	10.0%
\$ 849,848,087	8.000	\$ 383,664,973	\$ 3,836,649,730	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						
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
2023	8.000	32.000	11.235	12.000	7.318	70.553
2024	8.000	32.000	11.100	12.000	7.255	70.355

TAX LEVIES						
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
2023	\$ 2,760,487	\$ 182,592,808	\$ 64,107,194	\$ 68,472,303	\$ 41,756,693	\$ 359,689,485
2024*	\$ 2,760,487	\$ 182,592,808	\$ 64,107,194	\$ 68,472,303	\$ 41,756,693	\$ 359,689,485

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.

* The Campbell County Assessor's Office transitioned from using a Tax Year basis to a Fiscal Year basis for financial reporting purposes. This change in reporting period may affect the comparability of certain financial reporting information between the two periods.

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

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

Taxpayer	Type of Business	Fiscal Year 2024		
		Assessed Valuation	Rank	Percentage of Total City Valuation
Burlington Northern Santa Fe Railway	Railroad Company	\$ 3,294,379	1	0.86%
Pearl South Fork LLC	Apartment Complex	\$ 2,258,191	2	0.59%
City of Gillette	Power System	\$ 2,236,695	3	0.58%
Menard Inc	Retail	\$ 1,648,012	4	0.43%
Remmington Village ICG LLC	Apartment Complex	\$ 1,593,870	5	0.42%
L & H Industrial Inc	Welding/Industrial	\$ 1,521,631	6	0.40%
Tower West Holdings LLC	Motel	\$ 1,483,151	7	0.39%
Black Hills Wyoming Gas LLC	Natural Gas Company	\$ 1,379,055	8	0.36%
TKG Powder Basin LLC	Retail	\$ 1,340,198	9	0.35%
L & H Industrial Inc	Personal	\$ 1,103,870	10	0.29%
SFA Phase I LLC	Commercial	-	-	-
MFG Remington LLC	Apartment Complex/Real Estate	-	-	-
South Fork Apartments LLC	Apartment Complex	-	-	-
Walmart Real Estate Business Trust	Retail	-	-	-
Wyoming Machinery	Commercial Machinery Repair	-	-	-
Gillette Retirement LLC	Primrose Retirement Community	-	-	-
Total		\$ 17,859,052		4.65%
Total City Assessed Valuation		\$ 383,664,973		

Source: Campbell County Assessor's Office

Fiscal Year 2015		
Assessed Valuation	Rank	Percentage of Total City Valuation
\$ 1,763,170	2	0.77%
-	-	-
\$ 2,857,244	1	1.24%
-	-	-
-	-	-
\$ 1,249,982	5	0.54%
\$ 819,969	9	0.36%
-	-	-
-	-	-
-	-	-
\$ 1,624,546	3	0.71%
\$ 1,491,834	4	0.65%
\$ 1,217,286	6	0.53%
\$ 1,059,268	7	0.46%
\$ 976,566	8	0.42%
\$ 818,631	10	0.36%
<u>\$ 13,878,496</u>		<u>6.02%</u>

\$ 230,429,209

**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	
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%	\$ 62,688	\$ 2,124,579	99.97%	\$ 712
2017	2016	\$ 2,249,380	\$ 2,214,623	98.45%	\$ 33,030	\$ 2,247,653	99.92%	\$ 1,727
2018	2017	\$ 2,161,452	\$ 2,088,912	96.64%	\$ 71,558	\$ 2,160,470	99.95%	\$ 982
2019	2018	\$ 2,250,032	\$ 2,159,110	95.96%	\$ 89,320	\$ 2,248,430	99.93%	\$ 1,602
2020	2019	\$ 2,273,548	\$ 2,236,696	98.38%	\$ 35,038	\$ 2,271,734	99.92%	\$ 1,814
2021	2020	\$ 2,371,599	\$ 2,291,044	96.60%	\$ 78,680	\$ 2,369,724	99.92%	\$ 1,875
2022	2021	\$ 2,412,974	\$ 2,359,249	97.77%	\$ 50,697	\$ 2,409,946	99.87%	\$ 3,028
2023	2022	\$ 2,859,302	\$ 2,781,144	97.27%	\$ 74,080	\$ 2,855,224	99.86%	\$ 4,078
2024	2023	\$ 3,057,054	\$ 2,889,249	94.51%	\$ -	\$ 2,889,249	94.51%	\$ 167,805

Source: Campbell County Treasurer's Office

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

Category	Fiscal Year			
	2015	2016	2017	2018
Agriculture / Forestry	\$ 716,296	\$ 737,360	\$ 640,620	\$ 624,380
Mining	\$ 1,420,173,026	\$ 745,995,340	\$ 513,985,460	\$ 697,313,500
Contract Construction	\$ 63,802,348	\$ 50,098,060	\$ 28,100,160	\$ 26,899,180
Manufacturing	\$ 104,950,591	\$ 57,805,900	\$ 89,826,100	\$ 156,225,520
Retail Trade	\$ 719,212,626	\$ 579,732,680	\$ 517,949,240	\$ 602,647,120
Wholesale Trade	\$ 610,714,713	\$ 404,406,120	\$ 334,365,100	\$ 374,607,020
Finance / Insurance	\$ 1,603,948	\$ 1,996,620	\$ 1,085,720	\$ 872,600
Public Administration	\$ 262,655,235	\$ 181,610,940	\$ 162,053,520	\$ 185,158,640
Utilities	\$ 79,892,139	\$ 85,451,720	\$ 76,150,840	\$ 73,725,500
Transportation / Warehousing	\$ 15,191,339	\$ 8,818,520	\$ 7,464,580	\$ 7,460,560
Information	\$ 32,401,304	\$ 27,308,180	\$ 25,959,680	\$ 24,362,920
Real Estate / Rental / Leasing	\$ 188,324,852	\$ 155,116,300	\$ 86,477,960	\$ 86,392,180
Professional Services	\$ 6,304,487	\$ 7,208,240	\$ 6,596,520	\$ 6,293,560
Administrative / Support / Waste	\$ 8,511,843	\$ 10,396,080	\$ 6,437,300	\$ 3,893,660
Educational Services	\$ 89,530	\$ 90,420	\$ 111,800	\$ 330,360
Health Care / Social Assistance	\$ 69,617	\$ 41,980	\$ 39,100	\$ 29,120
Arts, Entertainment & Recreation	\$ 2,373,096	\$ 2,273,620	\$ 2,409,040	\$ 2,431,140
Accommodation / Food Services	\$ 154,045,478	\$ 131,713,360	\$ 111,534,000	\$ 118,787,560
Other Services	\$ 216,359,670	\$ 161,543,320	\$ 141,514,260	\$ 161,290,640
Total	\$ 3,887,392,138	\$ 2,612,344,760	\$ 2,112,701,000	\$ 2,529,345,160

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 70.07% of the entire county's population.

Source: Wyoming Department of Revenue

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 521,920	\$ 523,620	\$ 634,960	\$ 594,640	\$ 634,480	\$ 1,693,160	
\$ 864,986,660	\$ 804,955,220	\$ 370,922,400	\$ 662,537,520	\$ 1,011,818,100	\$ 927,515,540	
\$ 34,800,940	\$ 31,010,160	\$ 23,118,640	\$ 23,080,160	\$ 26,529,640	\$ 29,962,360	
\$ 156,790,260	\$ 121,822,540	\$ 84,549,700	\$ 144,093,280	\$ 187,609,080	\$ 154,492,820	
\$ 661,484,300	\$ 772,583,380	\$ 713,918,460	\$ 839,864,660	\$ 1,035,053,520	\$ 1,021,068,360	
\$ 387,220,980	\$ 310,048,140	\$ 198,278,640	\$ 356,225,980	\$ 423,394,920	\$ 342,889,680	
\$ 1,282,220	\$ 925,240	\$ 537,120	\$ 1,182,720	\$ 784,780	\$ 1,372,140	
\$ 212,633,860	\$ 225,371,500	\$ 206,260,480	\$ 223,673,900	\$ 247,729,400	\$ 268,046,840	
\$ 75,713,640	\$ 68,171,280	\$ 63,826,680	\$ 69,348,340	\$ 75,795,480	\$ 77,971,600	
\$ 11,452,480	\$ 12,671,060	\$ 6,333,480	\$ 6,462,860	\$ 8,720,960	\$ 10,202,860	
\$ 26,549,120	\$ 29,459,920	\$ 27,438,760	\$ 23,641,600	\$ 23,439,020	\$ 22,835,900	
\$ 95,652,560	\$ 168,787,220	\$ 115,502,560	\$ 147,835,420	\$ 179,687,140	\$ 196,541,880	
\$ 5,746,000	\$ 8,516,760	\$ 7,779,380	\$ 8,024,680	\$ 8,947,480	\$ 8,939,800	
\$ 9,900,040	\$ 7,294,080	\$ 5,159,780	\$ 6,226,020	\$ 5,980,300	\$ 6,883,740	
\$ 124,940	\$ 148,480	\$ 97,080	\$ 157,160	\$ 151,340	\$ 134,980	
\$ 22,360	\$ 46,800	\$ 60,260	\$ 57,200	\$ 72,440	\$ 60,840	
\$ 2,426,960	\$ 2,291,560	\$ 2,203,960	\$ 2,557,020	\$ 2,581,420	\$ 2,745,960	
\$ 130,551,320	\$ 130,698,860	\$ 128,449,000	\$ 170,485,820	\$ 188,678,280	\$ 198,223,900	
\$ 200,137,560	\$ 179,635,140	\$ 112,814,920	\$ 151,380,100	\$ 192,794,440	\$ 200,962,480	
\$ 2,877,998,120	\$ 2,874,960,960	\$ 2,067,886,260	\$ 2,837,429,080	\$ 3,620,402,220	\$ 3,472,544,840	

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

Fiscal Year ²	Campbell County ¹	State of Wyoming	TOTAL*
2015	2.00%	4.00%	6.00%
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%
2023	1.00%	4.00%	5.00%
2024	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

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

Business Activity	Fiscal Year 2024		
	Rank	Tax Liability	Percentage of Total County Liability
Support activities for mining	1	\$ 26,018,144	15.03%
Coal Mining	2	\$ 19,183,477	11.08%
Executive, legislative and general government	3	\$ 13,345,535	7.71%
Building material and supplies dealers	4	\$ 12,980,561	7.50%
Machinery and equipment rental and leasing	5	\$ 8,713,230	5.03%
Electronic shopping and mailorder houses	6	\$ 8,085,394	4.67%
Machinery and supply merchant wholesalers	7	\$ 5,463,550	3.16%
Automotive repair and maintenance	8	\$ 5,308,064	3.07%
Auto parts, accessories, and tire stores	9	\$ 5,166,834	2.98%
Other miscellaneous store retailers	10	\$ 5,136,692	2.97%
Petroleum merchant wholesalers	-	-	-
Chemical merchant wholesalers	-	-	-
Commercial machinery repair and maintenance	-	-	-
Total		\$ 109,401,481	63.18%
Total Campbell County		\$ 173,163,732	

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 70.7% of the entire county's population.

Source: Wyoming Department of Revenue

Fiscal Year 2015			
Rank	Tax Liability	Percentage of Total County Liability	
1	\$ 41,838,819	18.74%	
2	\$ 36,005,214	16.13%	
3	\$ 15,060,004	6.75%	
6	\$ 9,872,319	4.42%	
7	\$ 9,242,693	4.14%	
-	-	-	
5	\$ 10,527,135	4.72%	
-	-	-	
-	-	-	
8	\$ 7,126,909	3.19%	
4	\$ 12,537,754	5.62%	
9	\$ 6,982,293	3.13%	
10	\$ 5,920,263	2.65%	
	<u>\$ 155,113,403</u>	69.49%	
	\$ 223,208,218		

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	SBITA Liability	Wyoming State Land and Investment Loans		WWDC Loans
					Wastewater Fund	Power Fund	Water Fund
2015	\$ -	\$ 496,922	\$ -	\$ -	\$ 11,035,381	\$ -	\$ 29,591,655
2016	\$ -	\$ 460,835	\$ 11,650,000	\$ -	\$ 10,306,388	\$ 1,440,465	\$ 40,131,770
2017	\$ -	\$ 423,951	\$ 10,555,000	\$ -	\$ 9,558,564	\$ 2,645,046	\$ 44,328,358
2018	\$ -	\$ 386,224	\$ 9,495,000	\$ -	\$ 8,801,817	\$ 2,645,046	\$ 44,328,358
2019	\$ -	\$ 1,631,714	\$ 8,410,000	\$ -	\$ 8,009,750	\$ 2,517,077	\$ 44,328,358
2020	\$ -	\$ 774,033	\$ 7,295,000	\$ -	\$ 7,205,116	\$ 2,389,595	\$ 44,328,358
2021	\$ -	\$ 676,791	\$ 6,155,000	\$ -	\$ 6,874,124	\$ 2,259,941	\$ 4,328,358
2022	\$ -	\$ 586,488	\$ 4,985,000	\$ -	\$ 9,938,842	\$ 2,128,991	\$ 4,328,358
2023	\$ -	\$ 494,487	\$ 3,785,000	\$ 1,186,832	\$ 12,271,665	\$ 1,996,732	\$ 4,328,358
2024	\$ -	\$ 397,377	\$ 2,555,000	\$ 538,228	\$ 13,211,579	\$ 1,863,149	\$ 4,328,358

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 2024 Percentage of Personal Income calculated using 2023 Personal Income figures from Demographic and Economic Statistics, as 2024 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

Capital Leases-Power Fund		Lease Liability		SBITA Liability			Total Primary Government	Percentage of Personal Income ¹	Per Capita
Leases	Premiums/ (Discounts)	Power Fund	Water Fund	Power Fund	Water Fund	Fiber Fund			
\$ 93,380,000	\$ 2,773,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,277,044	5.10%	\$ 4,221
\$ 91,020,000	\$ 2,627,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,637,421	6.66%	\$ 5,174
\$ 88,610,000	\$ 2,459,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,580,567	7.02%	\$ 5,091
\$ 86,140,000	\$ 2,272,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,069,196	4.98%	\$ 4,777
\$ 83,600,000	\$ 2,070,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,567,129	4.63%	\$ 4,728
\$ 80,985,000	\$ 1,851,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,828,803	4.52%	\$ 4,543
\$ 78,270,000	\$ 1,642,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,206,590	3.13%	\$ 3,000
\$ 75,450,000	\$ 1,442,689	\$ 8,237,343	\$ 630,669	\$ -	\$ -	\$ -	\$ 107,728,381	4.15%	\$ 3,268
\$ 63,515,000	\$ 4,952,571	\$ 8,038,294	\$ 634,539	\$ 122,986	\$ 17,113	\$ 14,534	\$ 101,358,111	3.82%	\$ 3,043
\$ 60,635,000	\$ 4,427,669	\$ 7,834,079	\$ 560,578	\$ 72,573	\$ -	\$ -	\$ 96,423,590	3.27%	\$ 2,872

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

	Fiscal Year			
	2015	2016	2017	2018
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	\$ 496,922	\$ 12,110,835	\$ 10,978,951	\$ 9,881,224
Total Direct and Overlapping Debt	\$ 496,922	\$ 12,110,835	\$ 10,978,951	\$ 9,881,224

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					
2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	n/a	n/a	n/a	n/a	n/a
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,041,714	\$ 8,069,033	\$ 6,831,791	\$ 5,571,488	\$ 5,466,319	\$ 3,490,605
\$ 10,041,714	\$ 8,069,033	\$ 6,831,791	\$ 5,571,488	\$ 5,466,319	\$ 3,490,605

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

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	\$ 383,664,973
Debt Limitation (4% of Assessed Value)	\$ 15,346,599
Debt Applicable to Limitation	\$ -
Legal Debt Margin	\$ 15,346,599

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	\$ 9,217,168	\$ 9,811,222	\$ 10,381,016	\$ 11,172,464
Total Net Debt Applicable to Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 9,217,168	\$ 9,811,222	\$ 10,381,016	\$ 11,172,464
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 11,063,854	\$ 11,480,542	\$ 11,611,268	\$ 11,819,124	\$ 13,358,596	\$ 15,346,599
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,063,854	\$ 11,480,542	\$ 11,611,268	\$ 11,819,124	\$ 13,358,596	\$ 15,346,599
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>
2015 - 2024	\$ -	\$ -	\$ -

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

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

Date of Incorporation 1891
Form of Government Mayor - Council

	Fiscal Year			
	2015	2016	2017	2018
Population (CY Basis) ¹	32,520	30,467	31,147	32,252
Unemployment Rate ²	3.8%	6.2%	5.7%	4.3%
Median Age ^{3,6}	30.4	30.9	30.9	33.5
Personal Income (thousands of dollars) ^{4,6}	\$ 2,690,020	\$ 2,367,290	\$ 2,258,500	\$ 3,092,300
Per Capita Personal Income ^{4,6}	\$ 54,653	\$ 48,507	\$ 48,842	\$ 51,064
New Single-Family Residential:				
Number of Permits	142	53	14	30
Valuation	\$ 56,780,306	\$ 22,809,688	\$ 5,676,085	\$ 7,448,000
New Commercial/Industrial:				
Number of Permits	30	27	12	16
Valuation	\$ 95,279,433	\$ 55,090,590	\$ 13,677,262	\$ 6,261,000
Rental Vacancy Rates: ^{1,7}				
Building rentals	5.9%	22.4%	21.5%	7.5%
Mobile Home Parks	9.1%	22.6%	16.7%	16.9%
Homeowner Vacancy Rate ^{6,8}	n/a	1.8%	2.1%	2.1%
Rental Vacancy Rate ^{6,8}	n/a	7.6%	6.6%	7.6%
Area in Square Miles ¹	21.66	21.66	21.71	23.15
Number of Schools (In City of Gillette Only) ⁵				
Elementary Schools	9	9	10	10
Junior High Schools	2	2	2	2
High Schools	1	1	1	2
Alternative Transitional Center (For at-risk Students)	1	1	1	1
Total Number of Schools	13	13	14	15
County School Enrollment ⁵	8,986	9,038	8,567	8,603
County Student - Teacher Ratio ⁵				
Elementary Schools	18.90:1	18.80:1	18.22:1	18.82:1
Secondary Schools	15.06:1	16.23:1	15.76:1	15.23:1

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					
2019	2020	2021	2022	2023	2024
31,843	31,879	33,403	32,962	33,309	33,579
3.7%	9.6%	6.9%	3.6%	2.9%	3.0%
35.6	35.1	36.0	36.0	36.3	n/a
\$ 3,251,830	\$ 3,200,850	\$ 2,598,834	\$ 2,652,863	\$ 2,951,869	n/a
\$ 53,438	\$ 52,463	\$ 56,008	\$ 56,374	\$ 62,147	n/a
27	24	33	40	35	27
\$ 6,967,500	\$ 7,045,199	\$ 10,602,195	\$ 15,371,674	\$ 14,584,139	\$ 9,871,474
9	22	18	19	14	16
\$ 7,061,500	\$ 7,062,266	\$ 7,599,662	\$ 24,621,565	\$ 67,555,614	\$ 11,076,245
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
3.0%	2.6%	2.2%	1.4%	1.3%	0.7%
13.6%	18.8%	21.4%	22.9%	25.3%	21.1%
23.15	23.19	23.19	23.20	23.20	23.35
11	11	11	11	11	11
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
16	16	16	16	16	16
8,612	8,718	8,409	8,561	8,546	8,443
18.98:1	18.48:1	17.42:1	17.15:1	18.09:1	17.96:1
17.04:1	17.45:1	16.81:1	17.62:1	17.52:1	16.45:1

City of Gillette, Wyoming
Principle Employers in Campbell County¹
Current Year and Nine Years Ago

Industry	Fiscal Year 2024 ²	
	Employees	Percentage of Total County Employment
Mining	5,574	22.15%
Total Government	4,672	18.57%
Retail Trade	2,517	10.00%
Accommodation and Food Services	2,300	9.14%
Construction	2,155	8.56%
Wholesale Trade	1,394	5.54%
Health Care and Social Assistance	1,342	5.33%
Transportation and Warehousing	788	3.13%
Administrative and Waste Services	772	3.07%
Other Services, Except Public Administration	754	3.00%
Professional and Technical Services	684	2.72%
Manufacturing	488	1.94%
Finance and Insurance	425	1.69%
Utilities	324	1.29%
Real Estate and Rental and Leasing	263	1.05%
Information	256	1.02%
Arts, Entertainment and Recreation	163	0.65%
Educational Services	139	0.55%
Management of companies and enterprises	84	0.33%
Agriculture, Forestry, Fishing & Hunting	67	0.27%
Total	25,161	100.00%
Total Campbell County Employment	25,161	

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 70.7% 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 FY2024 ends on December 31, 2023)

Fiscal Year 2015 ²

Employees	Percentage of Total County Employment
8,218	28.89%
4,959	17.43%
2,419	8.50%
2,279	8.01%
2,527	8.88%
1,791	6.30%
995	3.50%
1,019	3.58%
657	2.31%
748	2.63%
792	2.78%
599	2.11%
399	1.40%
380	1.34%
297	1.04%
203	0.71%
107	0.38%
61	0.21%
-	-
-	-
28,450	100.00%

28,450

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

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General Government				
Finance, Human Resources, Safety	21.75	22.75	20.5	21
Judicial and Legal	11.5	11.75	10	9
City Hall, Buildings & Grounds	9	9	7	7
Planning & Building Inspection	11	11	8	8.5
Streets, Traffic	18	18	17	18
Parks	12	12	10	10
Central Administration	19.75	19.75	14.5	14
Other	23	23	17	17.5
Police				
Officers and Civilians	68	69	61	65
Dispatch	9	11.5	11	11
Animal Control/Shelter	7	7	6	7
Other - Grant Funded Positions	4	4	2	2
Code Enforcement	2	2	1	1.5
Engineering	12	12	8	10
Warehouse & Purchasing	4	4	3	4
Vehicle Maintenance	7	7	7	7
Utilities Administration	14.75	16.75	16.75	16
Solid Waste Collection	9	9	9	9
Water & Water Treatment	18	18	16	17
Power	16	18	17	17
Wastewater	12	14	13	13
Total FTE Employees	308.75	319.5	274.75	284.5
Total Temporary/Seasonal positions ¹	19.0	19.5	11.0	6.0

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
22	22	21	20	21	22
8	8	8	7	6	6
8	8	8	10	10	10
8.5	8	8	8	8	9
18	18	18	18	18	18
10	10	10	10	14	14
13	13	13	12	11	11
19.5	19	19	19	21	21
65	67	67	67	69	71
11	11	11	11	11	11
7	7	7	7	7	7
2	2	2	2	2	2
1.5	2	2	2	2	2
10	10	10	9	8	9
4	4	4	4	4	4
7	7	7	7	7	7
17	18	17	17	17	17
9	9	9	9	9	9
17	15	15	16	17	16
16	16	16	14	14	14
16	16	16	17	17	17
289.5	290	288	286	293	297
14.8	37.0	16.6	17.2	12.6	9.8

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

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Police				
Stations	1	1	1	1
Patrol units	38	38	38	38
Public Works				
Refuse collection trucks	8	8	8	8
Streets (miles)	221.1	222.9	222.9	232.8
City parks (acres)	661.1	661.1	661.2	678.5
Bike paths (miles)	50.8	60.4	75.6	75.7
Storm sewers (miles)	101.17	99.63	101.40	101.50
Traffic signals	75	98	119	123
Utilities Department				
Water				
Water lines (miles)	310.7	340.3	357.6	372.6
Fire hydrants	2,305	2,322	2,324	2,348
Storage capacity (thousands of gallons)	22,000	22,300	22,300	22,300
Electric				
Electric lines (miles)-includes both transmission & distribution	365.0	365.0	374.0	376.0
Streetlights	3,346	3,383	3,418	3,556
Transformers	3,227	3,260	3,377	3,347
Number of substations	10	10	9	9
Wastewater				
Sanitary sewers (miles)	190.5	188.4	188.4	188.4
Number of manholes	3,718	3,776	3,776	3,779
Treatment capacity (thousands of gallons)	5,120	5,120	5,120	5,120

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
43	45	50	60	68	72
8	8	8	8	8	8
233.1	233.3	233.9	234.4	234.4	234.4
677.9	677.9	677.9	677.9	677.9	677.9
76.9	77.8	84.1	84.3	85.2	85.2
103.30	103.40	106.50	106.60	106.60	111.80
137	142	146	152	157	160
375.8	376.1	378.5	378.7	379.1	376.4
2,372	2,378	2,386	2,389	2,391	2,394
22,300	24,400	24,400	24,400	24,400	24,400
375.0	375.2	374.7	375.4	391.4	395.0
3,571	3,586	3,534	3,554	3,642	3,648
3,348	3,324	3,310	3,305	3,492	3,516
9	9	9	9	9	9
196.0	196.5	197.9	198.8	199.1	199.6
3,926	3,927	3,953	3,965	3,974	3,994
5,120	5,120	5,200	5,200	5,200	5,200

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

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General Government				
Building permits issued	856	548	491	459
Building inspections conducted	10,430	5,367	3,592	5,447
Gas, Electrical, Plumbing & Mechanical Permits	1,717	1,051	823	1,171
Contractor Licences	1,387	1,325	1,244	1,230
Police ¹				
Incidents	36,433	37,005	31,884	28,809
Incident reports taken	9,172	8,583	7,366	6,604
Traffic citations	4,310	4,729	3,837	3,386
Physical arrests	3,934	4,672	3,816	3,260
Public Works				
Refuse collected (In Tons per Year)	13,565	13,073	11,606	11,307
Curbside Yard Waste collected (In Tons per Year)	692	715	705	747
Acres of parks mowed	3,245	1,643	1,905	3,585
Miles of streets plowed	34,825	27,065	34,295	40,413
Utilities Department				
Meters read - all Utilities (Water, Electric)	309,936	312,420	312,156	316,692
Utility bills mailed	199,073	200,928	209,181	200,703
Wastewater ¹				
Daily average flows (Million Gallons per Day)	3.2500	3.0000	3.0200	3.0000
Compost sold (In Yards per Year) ¹	2,789	4,460	4,247	2,186
Yard Waste collected-drop-off site (In Tons per Year)	4,560	4,918	4,318	4,319
Electric				
Amount billed	\$ 27,410,894	\$ 30,159,956	\$ 31,237,842	\$ 31,892,517
Water				
New connections	259	72	(31)	123
Average Daily Water Production (In millions of gallons) ¹	4.0	4.4	4.6	4.6
Average Daily Consumption per Capita (gallons) ¹	126	137	140	144
Peak Water Demand (in millions of gallons)	11.0	10.8	11.9	11.9

¹ Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2024 ends on December 31, 2023)

Fiscal Year					
2019	2020	2021	2022	2023	2024
528	1,840	825	572	530	521
4,317	4,296	3,917	3,948	3,968	4,773
981	1,136	824	1,005	875	1,095
1,192	1,261	1,272	1,309	1,309	1,318
29,216	31,236	29,121	28,101	30,412	31,147
7,359	8,023	7,144	7,191	8,662	8,146
3,373	3,398	2,491	4,383	2,830	2,915
3,210	2,369	2,070	997	2,092	1,944
12,632	13,107	12,729	12,536	12,531	12,701
789	873	784	788	1,119	1,148
3,666	3,370	3,177	2,813	3,011	3,921
47,972	53,206	23,441	22,987	47,285	19,104
315,408	320,184	326,156	322,488	331,116	333,504
174,259	197,509	193,248	202,368	203,443	206,134
3.2000	3.0180	2.9000	2.9690	3.1245	3.1662
1,804	2,079	3,092	3,057	3,009	2,409
3,908	3,218	4,425	3,231	6,144	7,372
\$ 31,805,355	\$ 31,268,569	\$ 31,546,453	\$ 31,964,309	\$ 34,925,775	\$ 35,943,133
214	85	61	59	49	68
4.0	5.5	4.0	4.9	4.8	4.7
133	167	145	154	151	141
9.7	11.5	11.5	13.4	12.1	10.7

SINGLE AUDIT SECTION

BENNETT, WEBER & HERMSTAD, LLP

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Gillette, Wyoming (City)** as of and for the year ended June 30, 2024, 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 5, 2024.

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 a 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 5, 2024

BENNETT, WEBER & HERMSTAD, LLP

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

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

Report on Compliance for Each Major Federal Program

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, 2024. 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 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, 2024.

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 5 2024

CITY OF GILLETTE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

(Page 1 of 2)

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	93.568	-	\$ 210,178
Passed Through the State of Wyoming Department of Health			
Epidemiology and Laboratory Capacity for			
Infectious Diseases (ELC)	93.323	-	\$ 16,200
Passed Through the State of Wyoming Association of Sheriff's and Chiefs of Police			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance -			
2023 and 2024	93.243	-	\$ 8,266
Activities to Support State, Tribal, Local and Territorial (STLT)			
Health Department Response to Public Health or			
Healthcare Crises 2024	93.391	-	30,000
Total Passed Through the State of Wyoming Wyoming			
Association of Sheriffs and Chiefs of Police			\$ 38,266
Total Department of Health and Human Services			\$ 264,644
<u>Department of Homeland Security</u>			
Passed Through the State of Wyoming, Office of Homeland Security and Emergency Management			
Homeland Security Grant Program			
	97.067	22-SHSP-GIL-PD-AET	\$ 384
BRIC: Building Resilient Infrastructure			
and Communities			
	97.047	21-BRIC-GILL-GILL6	51,521
Total Passed Through the State of Wyoming			
Office of Homeland Security			\$ 51,905
<u>Department of Justice</u>			
Direct Awards:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program			
	16.607	-	\$ 8,385
Passed Through the State of Wyoming Division of Criminal Investigation			
Edward Byrne Memorial Justice Assistance			
Grant Program	16.738	-	\$ 44,035
Missing Children's Assistance	16.543	-	490
Total Passed Through the State of Wyoming			
Division of Criminal Investigation			\$ 44,525
Passed Through the State of Wyoming Office of Attorney General			
Crime Victim Assistance			
	16.575	15POVC-22-GG-00814	\$ 24,826
Violence Against Women Formula Grants			
	16.588	15JOVW-22-GG-00461	21,963
Total Passed Through the State of Wyoming			
Office of Attorney General			\$ 46,789
Total Pass Through Awards			\$ 91,314
Total Department of Justice			\$ 99,699

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, 2024

(Page 2 of 2)

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 Programs - 2023 and 2024	20.616	-	\$ 40,861
<u>Executive Office of the President</u>			
Passed Through the State of Wyoming Division of Criminal Investigation			
High Intensity Drug Trafficking Areas Program 2023 and 2024			
	95.001	-	\$ 4,356
<u>Department of the Interior</u>			
Passed Through the State of Wyoming Department of Environmental Quality			
Abandoned Mine Land Reclamation Program (AMLR)	15.252	-	\$ 1,598,064
Passed Through the State of Wyoming Department of State Parks and Cultural Resources			
Outdoor Recreation Acquisition, Development, and Planning			
	15.916	-	\$ 1,447,686
Historic Preservation Fund Grants-In-Aid	15.904	CLG #56-23-08	3,120
Total Passed Through the State of Wyoming Department of State Parks and Cultural Resources			\$ 1,450,806
Total Department of the Interior			\$ 3,048,870
<u>Department of the Treasury</u>			
Passed Through the State of Wyoming, State Budget Department			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			
	21.027	-	\$ 4,313,419
Passed Through State of Wyoming, Department of Family Services			
COVID-19 - Emergency Rental Assistance Program			
	21.023	-	\$ 1,982
Homeowners Assistance Fund			
	21.026	-	8,501
Total Passed Through the State of Wyoming, Department of Family Services			\$ 10,483
Total Department of the Treasury			\$ 4,323,902
<u>Department of Housing and Urban Development</u>			
Passed Through the Wyoming Community Development Authority			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
	14.228	-	\$ 822,520
Total Expenditures of Federal Awards			\$ 8,656,757

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, 2024

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, 2024. 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.

CITY OF GILLETTE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

(Page 1 of 2)

Section I. Summary of Independent Auditor's Results

Financial Statements

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

Internal control over financial reporting:

◦ Material weakness(es) identified? _____ yes X no
 ◦ Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

◦ Material weakness(es) identified? _____ yes X no
 ◦ Significant deficiency(ies) identified? _____ yes X none reported

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

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

Identification of major federal programs:

Federal Assistance

<i>Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Amount Expended</i>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	\$ 4,313,419
15.252	Abandoned Mine Land Reclamation Program	\$ 1,598,064
15.916	Outdoor Recreation Acquisition, Development and Planning	\$ 1,447,686
14.228	Community Development Block Grants	\$ 822,520

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

Auditee qualified as low-risk auditee? X yes _____ no

(Continued)

CITY OF GILLETTE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

(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 were no findings and questioned costs in 2024.

CITY OF GILLETTE, WYOMING

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year Ended June 30, **2024**

1) Prior Year Findings:

There were no prior year findings.
