CITY OF GILLETTE
GILLETTE, WY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF CITY OF GILLETTE, WYOMING

For the fiscal year ended
June 30, 2015

Prepared by:
Finance Department

CITY OF GILLETTE, WYOMING

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CITY OF GILLETTE, WYOMING

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INTRODUCTORY SECTION

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CITY OF GILLETTE
Finance
P.O. Box 3003 • Gillette, Wyoming 82717-3003
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January 19, 2016

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. While the financial statements were completed in a timely manner, an extension was requested and granted to allow additional time to include them in a comprehensive reporting format. This report is published to fulfill that requirement for the fiscal year ending June 30, 2015.

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

Bennett, Weber and Hermstad, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Gillette's financial statements for the fiscal year ended June 30, 2015. 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. The City of Gillette is considered to be one of the top growth areas in the state. It currently occupies 21.66 square miles and serves an estimated population of 32,000. 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, 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. While the mining sector has been and continues to be a significant economic player and a major revenue player, after steady growth since 1975 coal production has leveled off and faces an uncertain future. This is primarily attributable to governmental regulations affecting coal fired electric generation facilities as well as mounting concerns the impact of burning coal has on global warming. In an effort to address this issue, the State of Wyoming has partnered with private investors to build a $21M Integrated Test Center at the Dry Fork Station just outside of Gillette. The Center will play host to teams of researchers seeking to devise cost-effective ways of turning the power plant's carbon emissions into industrial products that can be sold at a profit. Efforts are also ongoing to gain access to ports on the West Coast that would open exports of coal overseas where demand is still high. In the meantime, demand for coal is expected to remain under pressure as environmental concerns rise and natural gas continues to gain popularity as a viable alternative source of energy.

During the first half of fiscal year 2015, Gillette had benefited from a resurgence in oil exploration and production thanks to new drilling techniques that revitalized this energy base. As production worldwide has increased creating a glut in oil reserves, oil prices have subsequently fallen to a level that has stymied further exploration and limited production. This, in conjunction with declining coal production, has resulted in an increase in the unemployment rate from 3.4% in 2014 to 3.8% in 2015. Apartment rental property vacancy rates have also increased to 5.9% as compared to 1.3% the prior year.

The City of Gillette's share of sales tax revenues has increased from $25,526,874 in 2005 to $54,129,253 in 2015. This represents an historic high for sales tax revenue collections and is based on a very strong economy during the first six months of the fiscal year. As earlier described, the last six months of the fiscal year began a downward trend in sales tax collections as the energy sector reacted to negative influences.

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 provides 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, Waste Water, and Solid Waste). It also requires a minimum annual review of rates and the provision that one-time revenues are only used toward one-time expenses. Other provisions of the policy address financial reporting, change orders, recapture, budget, and establishment of a Finance Committee.

In accordance with the City's Financial Operating Policies, the annual performance evaluation of the Enterprise Funds was conducted. Through this review, it was determined that additional revenues would be required in the Waste Water and Power Funds in order to cover costs. Rates were adjusted 10% and 6% respectively. The net positions in the Water and Solid Waste Funds were adequate to meet their reserve standards so these rates remained unchanged.

In 2014, 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 approximately $21M annually and is used to fund capital projects undertaken by the City as well as contributions to local service agencies. Passage of the optional 1% sales tax is critical for continuation of high level services currently provided to this community and is highly promoted. The measure will be brought up for vote again in 2018.

Our investment decisions are also part of our long-term financial planning. The City of Gillette utilizes an Investment Advisory Committee which includes representatives from the banking and investment industries. With their input, investment decisions are made based on market conditions and future cash needs. A portion of the City's portfolio has been placed with an investment management firm in an attempt to maximize returns in an otherwise dismal market.

Major Initiatives

The City of Gillette is located in a semi-arid region with a limited potable water supply. The current water system consists 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 area has grown, the demand for water has neared (and at times exceeded) capacity 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 has partnered with the City of Gillette to finance construction of the Gillette Regional Water Supply System (also known as the Gillette Madison Pipeline Project) that will include the drilling of 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 7,000 gallons per minute, initially, and 16,000 gpm at full capacity. The entire project has an estimated cost of $217.6M with the State contributing $145.8M in the form of grant funding, with the remaining $71.8M financed through the State in the form of a loan to the City of Gillette. Loan payments will not be due until after substantial completion of the project, anticipated to be in 2016. In lieu of issuing debt to repay the note, the City opted to present to the voters consideration of an additional 1% "Capital Facilities Tax", the proceeds of which would be used to retire the debt. On May 3, 2011, the voters approved the additional tax which sunsets when the $110M is collected. The City of Gillette will receive $75M which will be used to pay off the note and reserve $20M for future water system extension projects. The remaining $15M will be distributed to the Town of Wright for non-related purposes. Collection of the $110M Capital Facilities Tax ceased as of March 31, 2015, at which time the full amount was collected.

As the City of Gillette grows so does the need for park and recreational facilities. In January, 2011, the City invested $2.5M in 320 acres of land purchased from the State of Wyoming with the intent of developing it for park and recreation use. An architect firm was hired to create possible designs and uses of the land which included ball fields, soccer fields, walking paths and a sledding hill, along with areas for golf course expansion and space for school and club facilities. As of June 30, 2015, Phases I and II of the design have been substantially completed which includes grading, infrastructure, and completion of four artificially turfed ball fields with concession facilities at a cost of approximately $16.2M.

In July, 2010, the City of Gillette acquired a 23% ownership interest in a newly constructed 100 megawatt coal fired electric generation facility known as WYGEN III at a cost of $62M. The acquisition was made to limit our exposure to increases in the cost of purchased power thereby offering more stability in the rates charged to our customers. Gillette has experienced an initial near breakeven point on the reduction of purchased power expense through ownership versus incurred debt service expense. In August, 2014, the City of Gillette also completed the purchase of a 43 megawatt gas turbine electric generator at a cost of $22.5M to further stabilize our electrical rates. It is anticipated that as time goes on the City will see an increased financial benefit to these purchases as the margin between actual costs and avoided costs widens.

On December 16, 2014, the Gillette City Council annexed an industrial area consisting of 488 acres containing over 100 businesses into the City limits. With this annexation the City of Gillette now encompasses 21.66 square miles.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gillette for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. It should be noted that staff from other departments provided great assistance in the preparation of the report and their work is also appreciated. Credit also must be given to City Administrator Napier, 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,

Tom Pitlick

Tom Pitlick
Finance Director

City of Gillette
Organizational Chart

Joint Powers Board

- Fire Board
- CAM-PLEX

Citizens of Gillette

Mayor & City Council

City Boards & Commissions

- Board of Adjustments
- Board of Examiners
- Gillette Public Access
- Mayor's Art Council
- Parks & Beautification
- Personnel Review Board
- Investment Advisory Board
- Planning Commission
- Public Works & Utilities Advisory

City Attorney

City Administration
- City Administrator's Office
- Community & Gov't Relations
- Communications/PIO
- Gillette Public Access

Municipal Court

Administrative Services Department
- Director's Office
  - Sustainability
  - Risk Mgmt
- City Clerk / Central Services
- Geographic Information Services
- Information Technology
- Judicial Support
- Building Maintenance/Custodial
- Vehicle Maintenance
- Property and Liability Insurance

Human Resources Department
- Director's Office
- Health Benefits
- Safety

Finance Department
- Director's Office
- Finance Operations
  - Grants Management
- Purchasing/ Warehouse
- Customer Service/ Meter Reading
- Special Projects

Penny Tax Fund:
- Community Projects and Programs
- C.I.P. Projects

Utility C.I.P Projects

Local Improvement Districts

Police Department
- Director's Office
- Administrative Services
  - Community Programs
  - School Programs
  - Victim Services
  - Substance Abuse
- Operations Division
  - Patrol
  - Dispatch
- Support Services
  - Detectives
  - Evidence
  - Records
  - Animal Control / Shelter Operations

Engineering & Development Services
- Director's Office
  - Capital Projects
- Administrative Support
- Building Inspection
- Engineering Division
  - Engineering Services
  - Traffic Safety
- Planning Division
  - Planning Services
  - Code Compliance

Public Works Department
- Director's Office
- Parks Division
  - Forestry
  - Pool
- Streets
- Solid Waste

Utilities Department
- Director's Office
  - Utilities Analyst
  - Utilities Engineering
- Madison Project
- Electrical Division
  - Electrical Services
  - SCADA/Electrical Engineering
- Water Division
- Wastewater Division

1//1/2013

City of Gillette
Elected and Appointed Officials
June 30, 2015

ELECTED OFFICIALS

Mayor		Louise Carter-King
City Council	Ward I	Kevin McGrath Dan Barks
	Ward II	Forrest Rothleutner Tim Carsrud
	Ward III	Robin Kuntz Ted Jerred

APPOINTED OFFICIALS

City Administrator	J. Carter Napier
City Attorney	Charlie Anderson
Municipal Court Judges	Doug Dumbrill Denise Urbin

DEPARTMENT HEADS

Administrative Services Director	Pamela Boger
Chief of Police	Jim Hloucal
Development Services Director	Dustin Hamilton
Finance Director	Tom Pitlick
Human Resources Director	John Aguirre
Public Works Director	Sawley Wilde
Utilities Director	Kendall Glover

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gillette

Wyoming

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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FINANCIAL SECTION

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BENNETT, WEBER & HERMSTAD, LLP

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Gillette, Wyoming** as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the **City's** basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Gillette, Wyoming**, as of June 30, 2015, 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.

Change in Accounting Principle

As described in Note 4 to the financial statements, on July 1,2014, the **City** adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 24, the Schedule of City of Gillette, Wyoming's Proportionate Share of the Net Pension Liability - Public Employees' Pension Plan and Law Enforcement Pension Plan and the Schedule of City of Gillette, Wyoming's Contributions - Public Employees' Pension Plan and Law Enforcement Pension Plan on pages 70 and 71, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **City's** basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2016, 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 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 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
January 12, 2016

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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, 2015. 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 $565,190 (*net position*). Of this amount, $75,538 (*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 $79,941. The governmental-type net position increased by $29,950 and the business-type net position increased by $49,991. A majority of the growth resulted from increases in investments in capital assets which includes current year capital contributions equal to $7,664. Another key factor was an increased collection in sales and use tax, which includes a capital facilities tax for the Gillette Regional Water Supply Project and increased grant receipts related to this project.
- As of the close of the current fiscal year, the City of Gillette's governmental fund reported ending fund balance of $52,043, an increase of $8,286 in comparison with the prior year. Approximately six percent of this total amount, $3,033, is *available for spending* at the government's discretion (*unassigned fund balance).*
- At the end of the current fiscal year, the governmental committed fund balance was $26,358 while the assigned fund balance was $22,437. Committed fund balance is available for specific purpose as defined by Council and requires Council action to remove or change this constraint. Assigned fund balance is available for specific purpose as defined by Council and can be used without further formal Council action.
- The City of Gillette's total long-term debt increased by $36,817 during the current fiscal year. Part of the increase is due to the City recording a net pension liability of $2,632 due to the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71. The City acquired new debt for the CTII purchase and continues to acquire new debt for the Gillette Regional Water Supply Project. This new debt was offset by the payment made to the State Land and Investment Board for the Waste Water Treatment Plant debt and the payments made to Lease Revenue Bondholders related to the WyGen III and CTII purchases.
- A prior period adjustment, which resulted in a decrease in net position of $11,287, was recorded due to the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71. This statement recognizes a long-term obligation for pension benefits. See Note 4.C and 4.D for further information.

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, 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, Water, Power, and Sewer. The business-type activities function for all practical purposes as a department of the City of Gillette, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 25-27 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Gillette, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

requirements. All of the funds of the City of Gillette can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The basic governmental fund financial statements can be found on pages 28-32 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, 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 considered to be major funds of the City of Gillette, along with Solid Waste, a non-major fund. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in the report.

The basic proprietary fund financial statements can be found on pages 33-40 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 41-42 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 43-69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Gillette. Required supplementary information related to the City's net position liability and contributions are presented on pages 70-72. Individual fund statements for the Internal Service Funds and Agency Fund are presented on pages 73-78 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 $565,190 at the close of the most recent fiscal year. Governmental activities net position was $256,285 and business-type activities net position was $308,905.

City of Gillette's Net Position
Rounded to $000,s

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	66,715	60,953	150,470	115,876	217,185	176,829
Capital Assets	209,395	187,123	311,417	257,304	520,812	444,427
Total Assets	276,110	248,076	461,887	373,180	737,997	621,256
Deferred Outflows of Resources						
Relating to Pensions	2,393	1,026	883	345	3,276	1,371
Long-term Liabilities Outstanding:	11,003	9,197	142,796	107,784	153,799	116,981
Other Liabilities:	11,207	13,570	11,069	6,828	22,276	20,398
Total Liabilities	22,210	22,767	153,865	114,612	176,075	137,379
Deferred Inflows of Resources						
Relating to Pensions	8	-	-	-	8	-
Net Position:						
Invested in Capital Assets, net of related debt	207,544	184,097	167,722	151,571	375,266	335,668
Restricted:	4	14	114,382	83,811	114,386	83,825
Unrestricted:	48,737	42,224	26,801	23,531	75,538	65,755
Total Net Position	256,285	226,335	308,905	258,913	565,190	485,248

The largest portion of the City of Gillette's net position (66 percent) reflects its 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 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 (20 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($75,538) 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 $79,941, or 16% during the current fiscal year. Most of the growth is due to increased revenue collected, especially sales and use taxes and grant receipts; investments in capital assets; and capital contributions. Major capital projects for infrastructure throughout the City of Gillette include completion of both the Boxelder Road Extension Phase IIB and Gillette Avenue Reconstruction Projects; several Pavement Management System projects; Maple Avenue Culvert Replacement Project; several park improvement and park development projects including the Gillette Softball/Baseball Complex; building projects including construction of the YES House Girls Treatment Facility and City Hall HVAC Upgrade Phase II Project; Swanson Substation upgrade; Power improvements related to the Southern Industrial Addition Annexation; Gillette Regional Water Supply Project; and the Annual Water and Sewer Main Replacement projects. During FY2015, capital contributions from infrastructure dedicated from new developments and annexations equaled $7,664.

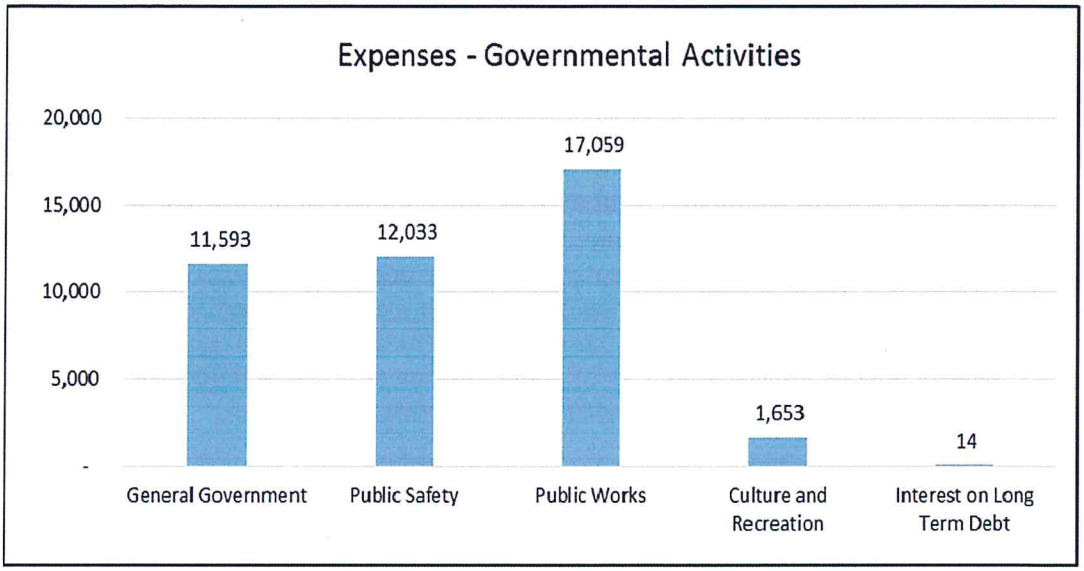
City of Gillette's Changes in Net Position

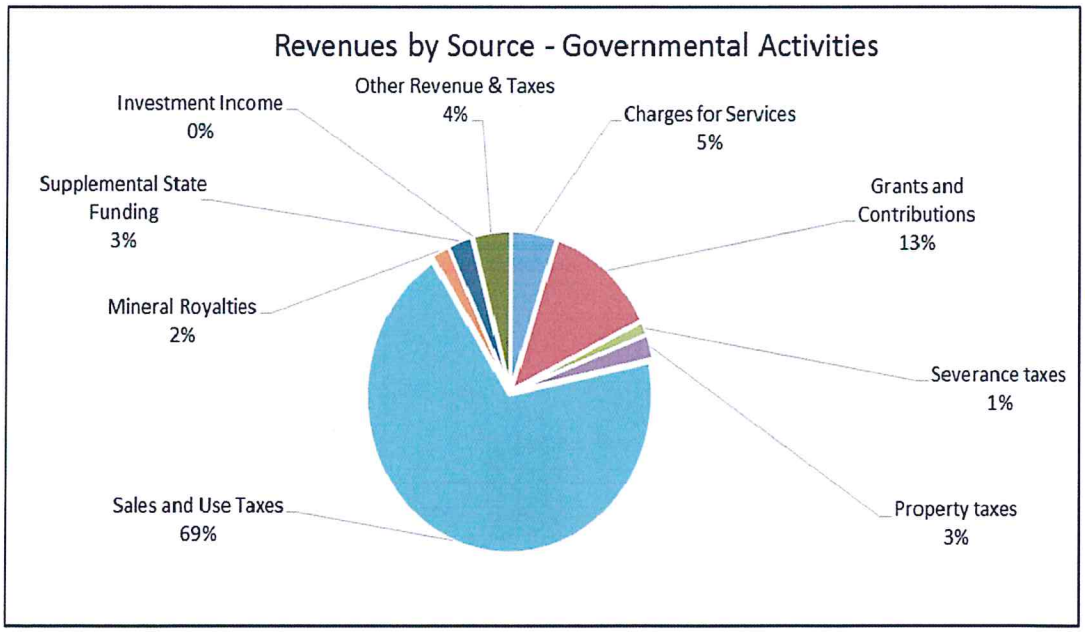
Rounded to $,000s

	Governmental activities		Business-type activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Revenues:						
Program revenues:						
Charges for Services	3,964	3,729	44,114	41,677	48,078	45,406
Operating Grants and Contributions	560	513	-	-	560	513
Capital grants and contributions	9,389	3,489	25,894	8,988	35,284	12,476
General revenues:						
Severance taxes	1,102	1,136	-	-	1,102	1,136
Property taxes	1,949	1,832	-	-	1,949	1,832
Sales and Use Taxes	54,129	49,198	28,622	29,364	82,752	78,562
Other taxes	3,035	2,918	-	-	3,035	2,918
Mineral Royalties	1,554	1,549	-	-	1,554	1,549
Supplemental State Funding	2,118	2,456	-	-	2,118	2,456
Investment Income (Loss)	116	186	484	479	600	665
Other revenue	295	850	1,279	892	1,573	1,742
Total revenues	78,211	67,856	100,394	81,400	178,605	149,256
Expenses:						
General Government	11,593	16,950	-	-	11,593	16,950
Public Safety	12,033	12,210	-	-	12,033	12,210
Public Works	17,059	14,744	-	-	17,059	14,744
Culture and Recreation	1,653	2,378	-	-	1,653	2,378
Interest on Long Term Debt	14	14	-	-	14	14
Power	-	-	35,625	30,631	35,625	30,631
Water	-	-	10,972	9,374	10,972	9,374
Sewer	-	-	6,619	5,731	6,619	5,731
Solid Waste	-	-	3,095	2,736	3,095	2,736
Total Expenses	42,352	46,296	56,311	48,472	98,663	94,768
Increase in net position before transfers	35,859	21,560	44,082	32,927	79,941	54,488
Gain (Loss) on Sale of Capital Assets	-	4	-	-	-	4
Transfers	(5,909)	(6,072)	5,909	6,072	-	-
Increase in net position	29,950	15,492	49,992	38,999	79,941	54,491
Net position - Beginning of Fiscal Year	233,835	218,343	262,701	223,702	496,536	442,044
Prior Period Adjustment	(7,499)	-	(3,788)	-	(11,287)	-
Net position - End of Fiscal Year	256,285	233,835	308,905	262,701	565,190	496,536

Governmental activities. Governmental activities increased the City of Gillette's net position by $29,950, thereby accounting for 37 percent of the total growth in the net position of the City of Gillette. Increases in governmental activities resulted from large capital contributions related to the Southern Industrial Addition Annexation, where the City acquired numerous street and drainage infrastructure assets. The large increase in governmental activities is also due to revenue collections that exceeded expenses, specifically a $4,931 increase in sales and use tax collection compared to the prior fiscal year. Expenses were significantly lower during the current fiscal year in comparison to the prior year mainly due to a large decrease in capital expenditures compared to FY2014. There were capital asset transfers between the governmental and business-type activities of $5,909. These transfers consisted mainly of water and sewer projects funded by the General Fund and Optional One Percent Fund that are proprietary fund assets.

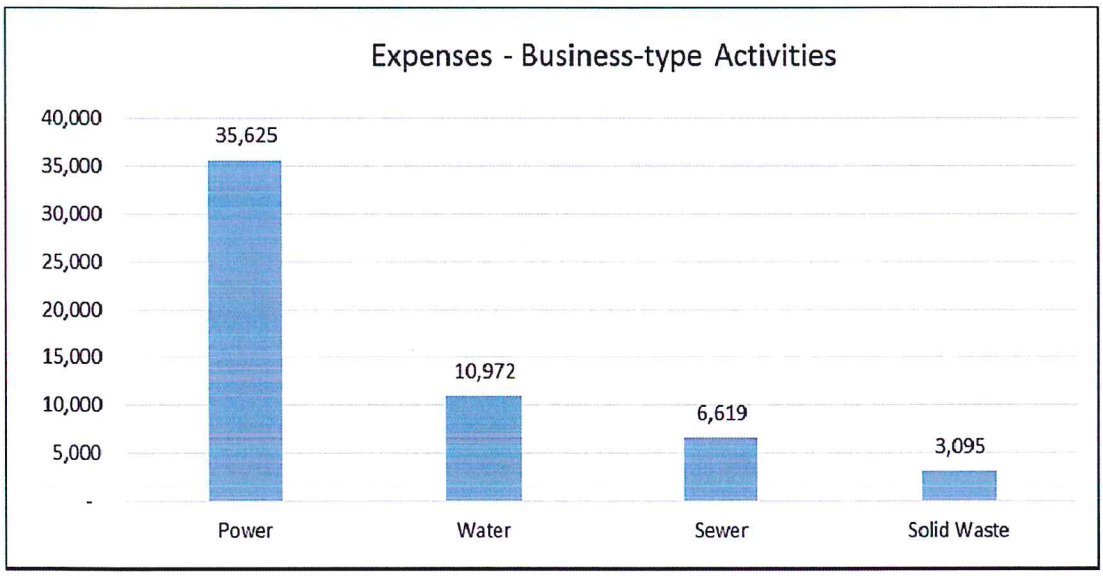
A prior period adjustment to decrease net position in governmental activities by $7,499 was recorded in FY2015. This adjustment was due to the implementation of GASB 68 as noted in the financial highlights.

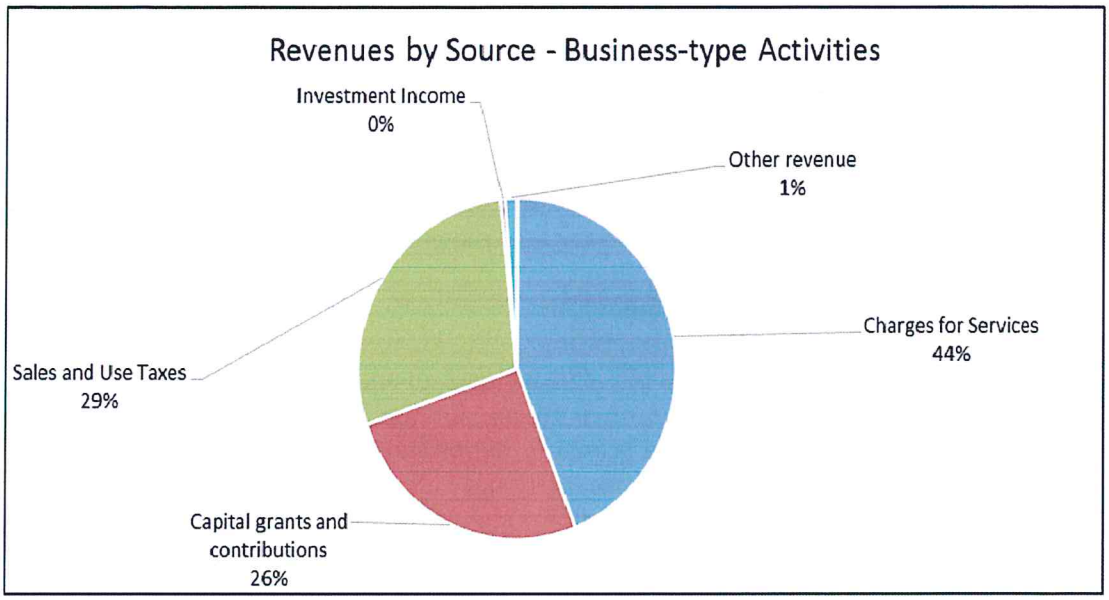




Business-type activities. Business-type activities increased the City of Gillette's net position by $49,992, thereby accounting for 63 percent of the total growth in the net position of the City of Gillette. Increases in the business-type activity net position resulted from investments in capital assets ($16,151) including substation upgrades and power line, sewer line, and water line construction and infrastructure dedicated to the City from local developments and annexations. The largest portion of this increase is due to the capitalization of assets related to the Gillette Regional Water Supply Project. The Capital Facilities sales tax collections of $28,622 related to this same project were a significant portion of the large increase in business-type net position. These increases are offset by a significant increase in expenses in comparison to last fiscal year. The Power Fund experienced increased capital expenditures related to the Southern Industrial Addition Annexation. Additionally, the Water and Wastewater Funds both experienced significant repair and maintenance expenses compared to the last fiscal year. There were capital asset transfers between the governmental and business-type activities of $5,909. These transfers consisted mainly of water and sewer projects funded by the General Fund and Optional One Percent Fund that are proprietary fund assets.

A prior period adjustment to decrease net position in business-type activities by $3,788 was recorded in FY2015. This adjustment was due to the implementation of GASB 68 as noted in the financial highlights.





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 $52,043, an increase of $8,286 in comparison with the prior year. As stated in the discussion of the Governmental activities above, this increase was driven in part by increased sales tax collections and decreased capital spending across the Governmental functions. Approximately six percent of this total amount ($3,033) constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The unassigned fund balance decreased dramatically due to the designation of funds for future capital projects. The remainder of fund balance is *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending because it has already been committed to the funding of the Cash Reserves equal to 120 days of operating costs ($12,519), and the completion of contracts/projects in progress as of June 30, 2015 ($13,827).

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 Power Fund at the end of the year amounted to $8,152, the Water Fund at $11,022, the Sewer Fund at $4,435 and the Solid Waste Fund at $1,236. The increase in the total of the net position from FY2014 to FY2015 for the proprietary funds was $49,976 reflecting an increase in capital contributions and investments in capital assets. Other factors concerning the finances of these four 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 $23,870 increase in appropriations between the original and final amended budget. The main reason for the increase resulted from the carryover budget process. The increase primarily represents projects approved in the FY2013/2014 budget, which for various reasons, were not completed by the City's June 30, 2014 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 FY2014/2015 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 FY2014, and therefore had to be carried over into FY2015, were: Gillette Softball/Baseball Complex, Gillette Avenue Improvements, Sunflower Park/Maple Avenue Culvert Replacement Project, various Pavement Management System projects and Park Improvement projects.

When comparing actuals against final budget, the General Fund reflects an increased fund balance of $31,096. Total revenues exceeded budget by $4,221 due to increased sales and use tax receipts. This is partially offset by lower than budget intergovernmental revenues due to timing of work related to grant funded projects, specifically the Downtown Public Facilities Enhancement Project and Fire Station #3 Construction. Expenditures were lower than budget by $26,701 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, 2015 is $520,812 (net of accumulated depreciation). This represents a net increase (additions, disposals, and depreciation) of $76,386 or 17% from last fiscal year. This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, machinery and equipment, and allocation of Vehicle Maintenance capital assets. Also included in this figure is the capital contributed to the City through local developments and annexations. The City of Gillette's investment in capital assets for the current fiscal year increased 12 percent for governmental activities and 21 percent for business-type activities.

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

- Completion of various street projects throughout the City to include the Boxelder Road Extension Phase IIB and the Gillette Avenue Reconstruction Project
- Continued construction of the Gillette Softball/Baseball Complex
- Pavement Management System projects
- Continued construction related to the Gillette Regional Water Supply Project
- Upgrades to the Swanson Substation
- Power Line construction in the Southern Industrial Addition Annexation area
- Annual Water and Sanitary Sewer Main Replacement

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

	Governmental Activities		Business-Type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Land	13,339	13,110	662	651	14,001	13,761
Construction in Progress	18,589	18,520	43,982	55,126	62,571	73,647
Infrastructure	138,295	123,799	142,335	97,086	280,630	220,885
Buildings & Improvements	28,341	21,299	111,837	91,481	140,179	112,780
Machinery & Equipment	6,763	6,522	10,407	11,010	17,170	17,531
Allocation of Vehicle Maintenance	4,067	3,874	2,194	1,949	6,261	5,823
Total Assets	209,395	187,123	311,417	257,304	520,812	444,427

Additional information on the City of Gillette's capital assets can be found in note 3.C on pages 51-53 of this report.

Long-term debt. At the end of FY2015, the City of Gillette had total long-term debt outstanding of $153,798 which is an increase of $36,817 during the current fiscal year. The City acquired additional debt of $10,230 for the Gillette Madison Pipeline Project. Additionally, the City acquired debt of $24,470 related to the CTII purchase (simple-cycle gas turbine facility). The net pension liability related to the adjustment for GASB 68 increased the City's debt by $2,632. These increases were offset by the payments made for Lease Revenue Bonds related to the WyGen III and CTII purchases as well as the payment made for debt related to the Wastewater Treatment Facility.

State statutes limit the amount of general obligation debt a governmental entity may issue to 4 percent of its total assessed valuation. The current debt limitation for the City of Gillette is $9,217. 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, 2015, the City's assessed valuation was $230,429.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Long-term Liabilities:						
Accrued Sick Leave	144	140	137	159	281	299
Customer Deposits	-	-	950	928	950	928
Net Pension Liability	10,362	8,525	4,928	4,132	15,290	12,657
Subtotal	10,506	8,665	6,015	5,219	16,521	13,884
Capital Loan Agreements						
Special Assessment Debt	497	532	-	-	497	532
Gillette Madison Pipeline	-	-	29,592	19,362	29,592	19,362
Electric Facilities Improvement - Lease Revenue Bonds	-	-	93,380	71,460	93,380	71,460
Plus Bond Premium	-	-	2,773	-	2,773	-
Wastewater Treatment Facility Improvements	-	-	11,035	11,743	11,035	11,743
Subtotal	497	532	136,780	102,565	137,277	103,097
Total Long-term Debt	11,003	9,197	142,796	107,784	153,798	116,981

Additional information on the City of Gillette's long-term debt can be found in note 3.F on pages 54-59 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City of Gillette is currently 3.8 percent, which is a slight increase compared to the rate a year ago (based upon Campbell County statistical data). This compares favorably to the state's average unemployment rate of 3.9 percent and is substantially lower than the national average rate of 5.5 percent.

All of these factors were considered in preparing the City of Gillette's budget for the 2016 fiscal year.

During the current fiscal year, unassigned fund balance for all governmental funds is $3,033. The City of Gillette has appropriated $26,358 for several major projects and an additional $22,437 for the operating budget in the 2016 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 2016 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 2015 budget year. The City Council approved a rate increase for wastewater service and electrical service. As of May 1, 2015, the wastewater rates were increased by 10 percent, while the increase in electric rates was six percent.

The rates affect both residential and commercial consumers by approximately the same percentage. 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, P.O. Box 3003, Gillette, WY 82717.

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CITY OF GILLETTE, WYOMING

STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$ 7,961,343	$ 3,542,090	$ 11,503,433
Cash With Fiscal Agent	-	2,195,072	2,195,072
Investments	53,643,429	125,374,105	179,017,534
Accounts Receivable (Net of Allowance for Uncollectibles)	-	1,541,279	1,541,279
Taxes Receivable	3,972,068	7,506,377	11,478,445
Unbilled Accounts Receivable	-	2,032,947	2,032,947
Accrued Interest Receivable	3,161	45,021	48,182
Special Assessment Receivable	212,474	-	212,474
Other Receivable	186,346	99,187	285,533
Internal Balances	(35,966)	35,966	-
Due From Other Entities	460,218	4,075,590	4,535,808
Inventories	311,904	4,021,957	4,333,861
Capital Assets:			
Non-depreciable Capital Assets	31,928,349	44,644,155	76,572,504
Depreciable Capital Assets, Net	177,466,818	266,773,113	444,239,931
Total Assets	$ 276,110,144	$ 461,886,859	$ 737,997,003
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	$ 2,392,564	$ 883,070	$ 3,275,634
LIABILITIES			
Vouchers Payable	$ 1,240,818	$ 2,418,144	$ 3,658,962
Contracts and Retainage Payable	1,851,235	6,915,183	8,766,418
Estimated Claims Payable	468,643	194,579	663,222
Accrued Interest Payable	-	721,641	721,641
Other Accrued Liabilities	1,936,638	803,437	2,740,075
Advance Payments Received on Grants	183,998	16,504	200,502
Due To Other Entities	5,525,727	-	5,525,727
Noncurrent Liabilities:			
Due Within One Year	59,821	3,646,361	3,706,182
Due Within More Than One Year	10,942,970	139,149,222	150,092,192
Total Liabilities	$ 22,209,850	$ 153,865,071	$ 176,074,921
DEFERRED INFLOWS OF RESOURCES			
Relating to Pensions	$ 7,616	$ -	$ 7,616
NET POSITION			
Net Investment in Capital Assets	$ 207,543,932	$ 167,721,963	$ 375,265,895
Restricted for:			
Criminal Forfeiture	4,343	-	4,343
Lease Revenue Bonds	-	7,983,968	7,983,968
Water Development Repair and Replacement	-	3,500,000	3,500,000
Gillette Regional Water Supply Project	-	102,648,232	102,648,232
Wastewater Treatment Plant Repair and Replacement	-	250,000	250,000
Unrestricted	48,736,967	26,800,695	75,537,662
Total Net Position	$ 256,285,242	$ 308,904,858	$ 565,190,100

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, **2015**

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 11,592,999	$ 3,690,626	$ 147,514	$ 2,034,071
Public Safety	12,032,781	113,691	403,514	-
Public Works	17,059,376	159,782	9,000	7,355,401
Culture and Recreation	1,653,206	-	-	-
Debt Service:				
Interest on Long Term Debt	13,728	-	-	-
Total Governmental Activities	$ 42,352,090	$ 3,964,099	$ 560,028	$ 9,389,472
Business-type Activities:				
Power	$ 35,625,314	$ 30,540,355	$ -	$ 3,171,684
Water	10,972,303	6,262,531	-	22,090,336
Sewer	6,618,579	4,425,263	-	632,044
Solid Waste	3,095,177	2,885,888	-	-
Total Business-type Activities	$ 56,311,373	$ 44,114,037	$ -	$ 25,894,064
Total Primary Government	$ 98,663,463	$ 48,078,136	$ 560,028	$ 35,283,536
General Revenues:				
Taxes:				
Severance Taxes				
Property Taxes, levied for general purposes				
Automobile Taxes				
Sales and Use Taxes				
Gasoline Tax				
Franchise Taxes				
Cigarette Taxes				
Mineral Royalties				
Supplemental State Funding, Unrestricted				
Gaming Revenue				
Investment Income				
Other Revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, Beginning July 1				
Prior Period Adjustment				
Net Position, Beginning July 1, As Restated				
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
$ (5,720,788)	$ -	$ (5,720,788)
(11,515,576)	-	(11,515,576)
(9,535,193)	-	(9,535,193)
(1,653,206)	-	(1,653,206)
(13,728)	-	(13,728)
$ (28,438,491)	$ -	$ (28,438,491)
$ -	$ (1,913,275)	$ (1,913,275)
-	17,380,564	17,380,564
-	(1,561,272)	(1,561,272)
-	(209,289)	(209,289)
$ -	$ 13,696,728	$ 13,696,728
$ (28,438,491)	$ 13,696,728	$ (14,741,763)
$ 1,101,729	$ -	$ 1,101,729
1,949,432	-	1,949,432
923,993	-	923,993
54,129,253	28,622,346	82,751,599
1,134,685	-	1,134,685
747,052	-	747,052
229,454	-	229,454
1,553,582	-	1,553,582
2,117,809	-	2,117,809
210,240	-	210,240
115,723	484,439	600,162
84,337	1,278,871	1,363,208
(5,909,183)	5,909,183	-
$ 58,388,106	$ 36,294,839	$ 94,682,945
$ 29,949,615	$ 49,991,567	$ 79,941,182
$ 233,834,685	$ 262,701,066	$ 496,535,751
(7,499,058)	(3,787,775)	(11,286,833)
$ 226,335,627	$ 258,913,291	$ 485,248,918
$ 256,285,242	$ 308,904,858	$ 565,190,100

CITY OF GILLETTE, WYOMING

BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
June 30, **2015**

ASSETS	
Cash	**$ 7,279,367**
Investments	**50,627,265**
Taxes Receivable	**3,972,068**
Accrued Interest Receivable	**3,129**
Other Receivable	**169,617**
Due From Other Entities	**460,218**
Inventories	**209,851**
Total Assets	**$ 62,721,515**
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Vouchers Payable	**$ 1,092,168**
Contracts and Retainage Payable	**1,851,235**
Other Accrued Liabilities	**1,903,069**
Advance Payments Received on Grants	**183,998**
Due To Other Funds	**122,590**
Due To Other Entities	**5,525,727**
Total Liabilities	**$ 10,678,787**
FUND BALANCE	
Nonspendable	**$ 209,851**
Restricted	**4,343**
Committed	**26,358,184**
Assigned	**22,437,032**
Unassigned	**3,033,318**
Total Fund Balance	**$ 52,042,728**
Total Liabilities and Fund Balance	**$ 62,721,515**

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, **2015**

Total Governmental Fund Balance		$ 52,042,728
Amounts reported for governmental activities in the statement of net position are different because		
Special Assessment receivable is not due and receivable in the current period and is not recorded in the funds.		212,474
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Non-depreciable capital assets	$ 31,928,349	
Depreciable assets	255,023,850	
Less: accumulated depreciation	(81,624,452)	
		205,327,747
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.		7,310,849
Long-term liabilities 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	$ (134,396)	
Net pension liability	(10,362,186)	
		(10,496,582)
Special Assessment debt with governmental commitment is not due and payable in the current period and therefore is not reported in the funds.		(496,922)
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	$ 2,392,564	
Deferred inflows of resources related to pensions	(7,616)	
		2,384,948
Total Net Position of Governmental Activities		$ 256,285,242

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, **2015**
(Page 1 of 2)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget
REVENUES				
Taxes:				
Severance	$ 1,083,320	$ 1,083,320	$ 1,101,729	$ 18,409
Property	1,714,730	1,714,730	1,949,432	234,702
Automobile	840,000	840,000	923,993	83,993
Sales and Use	46,600,000	46,600,000	54,129,253	7,529,253
Gasoline	1,268,914	1,268,914	1,134,685	(134,229)
Franchise	710,000	710,000	747,052	37,052
Cigarette	229,371	229,371	229,454	83
Total Taxes	$ 52,446,335	$ 52,446,335	$ 60,215,598	$ 7,769,263
Intergovernmental:				
Local and County Sources	$ 97,060	$ 2,109,860	$ 1,947,508	$ (162,352)
State Sources	6,002,524	8,101,926	4,933,212	(3,168,714)
Federal Sources	544,479	764,619	285,055	(479,564)
Total Intergovernmental	$ 6,644,063	$ 10,976,405	$ 7,165,775	$ (3,810,630)
Other:				
Licenses and Permits	$ 266,748	$ 266,748	$ 361,710	$ 94,962
Charges for Services	2,934,170	2,934,170	2,894,186	(39,984)
Fines and Fees	365,800	365,800	444,771	78,971
Investment Income	102,062	102,062	108,679	6,617
Miscellaneous	214,146	235,075	347,769	112,694
Special Assessment Revenue	47,692	47,692	56,643	8,951
Total Other	$ 3,930,618	$ 3,951,547	$ 4,213,758	$ 262,211
Total Revenues	$ 63,021,016	$ 67,374,287	$ 71,595,131	$ 4,220,844
EXPENDITURES				
General Government:				
Salaries and Benefits	$ 9,598,955	$ 9,594,661	$ 9,385,709	$ 208,952
Contractual Services	2,739,672	2,817,044	2,574,318	242,726
Supplies and Materials	1,610,057	1,604,083	1,415,617	188,466
Capital Outlay	671,442	1,298,345	1,021,560	276,785
Total General Government	$ 14,620,126	$ 15,314,133	$ 14,397,204	$ 916,929
Public Safety:				
Salaries and Benefits	$ 9,048,857	$ 9,048,857	$ 8,797,742	$ 251,115
Contractual Services	1,132,231	1,163,731	1,015,021	148,710
Supplies and Materials	656,802	692,100	565,871	126,229
Capital Outlay	36,500	10,464	5,950	4,514
Total Public Safety	$ 10,874,390	$ 10,915,152	$ 10,384,584	$ 530,568

(Continued)

CITY OF GILLETTE, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, **2015**
(Page 2 of 2)

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Public Works:				
Salaries and Benefits	$ 1,401,162	$ 1,401,162	$ 1,359,863	$ 41,299
Contractual Services	2,907,729	2,619,158	1,850,776	768,382
Supplies and Materials	1,306,212	1,306,212	1,077,209	229,003
Capital Outlay	20,392,400	28,462,100	10,854,669	17,607,431
Total Public Works	$ 26,007,503	$ 33,788,632	$ 15,142,517	$ 18,646,115
Culture and Recreation:				
Salaries and Benefits	$ 1,299,787	$ 1,299,787	$ 1,150,008	$ 149,779
Contractual Services	641,598	771,598	720,660	50,938
Supplies and Materials	767,081	767,081	676,389	90,692
Capital Outlay	1,560,401	2,023,180	623,211	1,399,969
Total Culture and Recreation	$ 4,268,867	$ 4,861,646	$ 3,170,268	$ 1,691,378
Miscellaneous:				
Joint Powers Fire Board Capital Funding	$ 2,830,295	$ 2,740,402	$ 1,467,738	$ 1,272,664
Joint Powers Public Land Board Capital Funding	989,962	1,057,368	1,062,631	(5,263)
Gillette Student Housing Lease	1,244,750	1,244,750	1,244,750	-
Other	5,021,495	14,205,404	10,556,514	3,648,890
Debt Service:				
Principal	35,141	35,141	34,714	427
Interest	13,301	13,301	13,728	(427)
Total Miscellaneous	$ 10,134,944	$ 19,296,366	$ 14,380,075	$ 4,916,291
Total Expenditures	$ 65,905,830	$ 84,175,929	$ 57,474,648	$ 26,701,281
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,884,814)	$ (16,801,642)	$ 14,120,483	$ 30,922,125
OTHER FINANCING SOURCES (USES)				
Transfers In	$ -	$ 5,000	$ 178,885	$ 173,885
Transfers (Out)	(413,555)	(6,013,559)	(6,013,558)	1
Total Other Financing Sources (Uses)	$ (413,555)	$ (6,008,559)	$ (5,834,673)	$ 173,886
Net Change in Fund Balance	$ (3,298,369)	$ (22,810,201)	$ 8,285,810	$ 31,096,011
FUND BALANCE, BEGINNING JULY 1	43,756,918	43,756,918	43,756,918	-
FUND BALANCE, ENDING JUNE 30	$ 40,458,549	$ 20,946,717	$ 52,042,728	$ 31,096,011

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, **2015**

Net Change in Fund Balance - Total Governmental Fund		**$ 8,285,810**
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.		**(56,643)**
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	**$ 23,549,490**	
Depreciation	**(7,807,423)**	
		15,742,067
Capital contributions and local annexations representing the fair market value of infrastructure, capital assets annexed and received by the City during the fiscal year ended June 30, 2015. Capital assets and any related capital contributions are not financial resources and are not reported in the funds.		**6,665,356**
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to (decrease) net assets.		**(328,856)**
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.		**88,370**
(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.		**(3,023)**
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.		**34,714**
Governmental funds report City pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
City pension contributions	**$ 1,067,434**	
Cost of benefits earned net of employee contributions	**(1,545,614)**	
		(478,180)
Change in Net Position of Governmental Activities		**$ 29,949,615**

See Notes to the Basic Financial Statements.

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CITY OF GILLETTE, WYOMING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, **2015**

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
ASSETS			
CURRENT ASSETS			
Cash	$ 897,424	$ 1,485,238	$ 596,424
Cash With Fiscal Agent	154,097	-	-
Investments	5,989,838	10,448,852	4,607,662
Accounts Receivable, Net of Allowance for Uncollectibles	1,002,711	199,961	180,876
Taxes Receivable	-	7,506,377	-
Unbilled Accounts Receivable	1,384,804	369,686	160,255
Other Receivables	33,405	6,245	37,760
Accrued Interest Receivable	30,160	5,260	9,555
Due From Other Funds	-	-	-
Due From Other Entities	1,344,358	2,731,232	-
Inventories	3,409,408	519,031	32,479
Total Current Assets	$ 14,246,205	$ 23,271,882	$ 5,625,011
NONCURRENT ASSETS			
Restricted Assets			
Cash With Fiscal Agent Restricted for Lease Revenue Bonds	$ 2,040,975	$ -	$ -
Investments Restricted for Lease Revenue Bonds	5,942,993	-	-
Investments Restricted for Gillette Regional Water Supply Project	-	95,015,512	-
Investments Restricted for Wastewater Treatment Plant Repair and Replacement	-	-	250,000
Total Restricted Assets	$ 7,983,968	$ 95,015,512	$ 250,000
Capital Assets			
Land	$ 200,903	$ 194,417	$ 266,404
Infrastructure	42,037,410	117,327,870	38,058,975
Buildings and Improvements	90,914,736	21,465,868	17,611,651
Machinery and Equipment	13,552,294	8,986,754	2,746,535
Construction in Progress	4,611,199	38,371,999	999,233
Less Accumulated Depreciation	(38,074,151)	(34,187,647)	(15,868,100)
Total Capital Assets (Net of Accumulated Depreciation)	$ 113,242,391	$ 152,159,261	$ 43,814,698
Total Noncurrent Assets	$ 121,226,359	$ 247,174,773	$ 44,064,698
Total Assets	$ 135,472,564	$ 270,446,655	$ 49,689,709
DEFERRED OUTFLOWS OF RESOURCES			
Relating to Pensions	$ 467,508	$ 181,808	$ 155,836
LIABILITIES			
CURRENT LIABILITIES			
Vouchers Payable	$ 1,927,437	$ 147,873	$ 77,909
Contracts and Retainage Payable	42,940	6,611,827	260,416
Estimated Claims Payable	-	-	-
Accrued Interest Payable	468,431	-	253,210
Other Accrued Liabilities	548,015	104,574	87,656
Advance Payments Received on Grants	16,504	-	-
Current Maturities of Long-Term Liabilities	2,890,395	8,024	744,522
Total Current Liabilities	$ 5,893,722	$ 6,872,298	$ 1,423,713
NONCURRENT LIABILITIES			
Customer Deposits	$ 573,477	$ -	$ -
Accrued Sick Leave Payable	33,462	24,039	42,090
Capital Loan Payable	-	29,591,655	10,306,381
Lease Revenue Bonds	93,648,086	-	-
Net Pension Liability	2,608,887	1,014,567	869,629
Total Noncurrent Liabilities	$ 96,863,912	$ 30,630,261	$ 11,218,100
Total Liabilities	$ 102,757,634	$ 37,502,559	$ 12,641,813
NET POSITION			
Net Investment in Capital Assets	$ 17,046,365	$ 115,955,779	$ 32,518,901
Restricted for Lease Revenue Bonds	7,983,968	-	-
Restricted for Wastewater Treatment Plant Repair and Replacement	-	-	250,000
Restricted for Water Development Repair and Replacement	-	3,500,000	-
Restricted for Gillette Regional Water Supply Project	-	102,648,232	-
Unrestricted	8,152,105	11,021,893	4,434,831
Total Net Position	$ 33,182,438	$ 233,125,904	$ 37,203,732
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.

Non Major Solid Waste Fund	Total Enterprise Funds	Internal Service Funds	Total
$ 164,896	$ 3,143,982	$ 1,080,084	$ 4,224,066
-	154,097	-	154,097
1,385,049	22,431,401	4,750,363	27,181,764
157,731	1,541,279	-	1,541,279
-	7,506,377	-	7,506,377
118,202	2,032,947	-	2,032,947
-	77,410	38,506	115,916
-	44,975	78	45,053
-	-	122,590	122,590
-	4,075,590	-	4,075,590
-	3,960,918	163,092	4,124,010
$ 1,825,878	$ 44,968,976	$ 6,154,713	$ 51,123,689
$ -	$ 2,040,975	$ -	$ 2,040,975
-	5,942,993	-	5,942,993
-	95,015,512	-	95,015,512
-	250,000	-	250,000
$ -	$ 103,249,480	$ -	$ 103,249,480
$ -	$ 661,724	$ -	$ 661,724
-	197,424,255	-	197,424,255
-	129,992,255	-	129,992,255
15,060	25,300,643	15,543,874	40,844,517
-	43,982,431	-	43,982,431
(8,157)	(88,138,055)	(9,282,439)	(97,420,494)
$ 6,903	$ 309,223,253	$ 6,261,435	$ 315,484,688
$ 6,903	$ 412,472,733	$ 6,261,435	$ 418,734,168
$ 1,832,781	$ 457,441,709	$ 12,416,148	$ 469,857,857
$ 77,918	$ 883,070	$ -	$ 883,070
$ 190,221	$ 2,343,440	$ 223,354	$ 2,566,794
-	6,915,183	-	6,915,183
-	-	663,222	663,222
-	721,641	-	721,641
43,114	783,359	53,647	837,006
-	16,504	-	16,504
-	3,642,941	9,139	3,652,080
$ 233,335	$ 14,423,068	$ 949,362	$ 15,372,430
$ -	$ 573,477	$ -	$ 573,477
-	99,591	5,702	105,293
-	39,898,036	-	39,898,036
-	93,648,086	-	93,648,086
434,815	4,927,898	-	4,927,898
$ 434,815	$ 139,147,088	$ 5,702	$ 139,152,790
$ 668,150	$ 153,570,156	$ 955,064	$ 154,525,220
$ 6,903	$ 165,527,948	$ 6,261,435	$ 171,789,383
-	7,983,968	-	7,983,968
-	250,000	-	250,000
-	3,500,000	-	3,500,000
-	102,648,232	-	102,648,232
1,235,646	24,844,475	5,199,649	30,044,124
$ 1,242,549	$ 304,754,623	$ 11,461,084	$ 316,215,707
	4,150,235		
	$ 308,904,858		

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, **2015**

Total Net Position of the Proprietary Funds			**$304,754,623**
Certain assets and liabilities of the internal service funds are included in the business-type activities in the Statement of Net Position.			
Amounts attributable to:	Vehicle Maintenance	**$ 3,242,639**	
	Liability and Property Injury Insurance	**407,742**	
	Health Insurance	**499,854**	
Net Adjustment to Increase Net Position - Total Enterprise Funds			**4,150,235**
Total Net Position - Business-Type Activities			**$308,904,858**

See Notes to the Basic Financial Statements.

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CITY OF GILLETTE, WYOMING

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, **2015**

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
OPERATING REVENUES	$ 27,868,678	$ 6,262,531	$ 4,425,263
INTERFUND SERVICE REVENUES	2,671,677	-	-
Total Operating Revenues	$ 30,540,355	$ 6,262,531	$ 4,425,263
OPERATING EXPENSES			
Cost of Power Purchased	$ 15,997,468	$ -	$ -
Salaries and Benefits	3,569,312	1,628,635	1,287,078
Contractual Services	3,081,730	1,647,070	1,355,891
Materials	156,882	955,277	399,889
Claims	-	-	-
Repairs and Maintenance	2,960,146	2,239,352	1,275,518
Supplies	366,594	386,043	170,900
Depreciation	4,149,235	4,175,096	1,825,699
Total Operating Expenses	$ 30,281,367	$ 11,031,473	$ 6,314,975
Operating Income (Loss)	$ 258,988	$ (4,768,942)	$ (1,889,712)
NONOPERATING REVENUES (EXPENSES)			
(Loss) on Disposal of Equipment	$ -	$ (28,199)	$ (58,686)
Other Income	501,086	344,539	433,246
Sales and Use Tax - Capital Facilities Tax	-	28,622,346	-
Interest Expense	(5,442,266)	-	(278,143)
Investment Income	190,327	247,367	39,827
Total Nonoperating Revenues (Expenses)	$ (4,750,853)	$ 29,186,053	$ 136,244
Income (Loss) Before Contributions and Transfers	$ (4,491,865)	$ 24,417,111	$ (1,753,468)
Intergovernmental, Federal Direct Payments for Build America Bonds	1,481,527	-	-
Capital Contributions and Local Annexations	-	552,647	446,393
Capital Contributions, Intergovernmental, Federal, State and Local Sources	1,690,157	21,537,689	185,651
Transfers In	2,571,217	2,217,823	1,698,361
Transfers (Out)	(278,346)	(60,223)	-
Change in Net Position	$ 972,690	$ 48,665,047	$ 576,937
NET POSITION, BEGINNING JULY 1	34,215,041	185,240,693	37,295,226
Prior Period Adjustment	(2,005,293)	(779,836)	(668,431)
NET POSITION, BEGINNING JULY 1, AS RESTATED	$ 32,209,748	$ 184,460,857	$ 36,626,795
NET POSITION, ENDING JUNE 30	$ 33,182,438	$ 233,125,904	$ 37,203,732
Adjustment to Reflect the Consolidation of Internal Services Fund Activities Related to Enterprise Funds			
Net Position of Business-Type Activities			

See Notes to the Basic Financial Statements.

Non Major Solid Waste Fund	Total Enterprise Funds	Internal Service Funds	Total
$ 2,885,888	$ 41,442,360	$ 8,108,455	$ 49,550,815
-	2,671,677	-	2,671,677
$ 2,885,888	$ 44,114,037	$ 8,108,455	$ 52,222,492
$ -	$ 15,997,468	$ -	$ 15,997,468
706,373	7,191,398	655,183	7,846,581
2,174,896	8,259,587	1,004,318	9,263,905
5,720	1,517,768	-	1,517,768
-	-	4,088,696	4,088,696
1,584	6,476,600	9,788	6,486,388
217,665	1,141,202	997,914	2,139,116
3,765	10,153,795	959,185	11,112,980
$ 3,110,003	$ 50,737,818	$ 7,715,084	$ 58,452,902
$ (224,115)	$ (6,623,781)	$ 393,371	$ (6,230,410)
$ -	$ (86,885)	$ (3,796)	$ (90,681)
-	1,278,871	-	1,278,871
-	28,622,346	-	28,622,346
-	(5,720,409)	-	(5,720,409)
2,755	480,276	11,207	491,483
$ 2,755	$ 24,574,199	$ 7,411	$ 24,581,610
$ (221,360)	$ 17,950,418	$ 400,782	$ 18,351,200
-	1,481,527	-	1,481,527
-	999,040	-	999,040
-	23,413,497	-	23,413,497
13,000	6,500,401	1,397,718	7,898,119
(30,000)	(368,569)	(1,694,877)	(2,063,446)
$ (238,360)	$ 49,976,314	$ 103,623	$ 50,079,937
1,815,124	258,566,084	11,357,461	269,923,545
(334,215)	(3,787,775)	-	(3,787,775)
$ 1,480,909	$ 254,778,309	$ 11,357,461	$ 266,135,770
$ 1,242,549	$ 304,754,623	$ 11,461,084	$ 316,215,707
	4,150,235		
	$ 308,904,858		

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CITY OF GILLETTE, WYOMING

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

Year Ended June 30, **2015**

Total Changes in Net Position - Total Enterprise Funds			**$ 49,976,314**
Internal service funds are used by the City to charge the cost of vehicle maintenance, liability and property injury insurance, and employee health insurance to the individual funds. Certain net income (loss) of internal service funds is reported with business-type activities in the Statement of Activities.			
Amounts attributable to:	Vehicle Maintenance	**$ (327,778)**	
	Liability and Property Injury Insurance	**(33,026)**	
	Health Insurance	**376,057**	
Net Adjustment to Increase Net Position - Total Enterprise Funds			**15,253**
Total Change in Net Position - Business-Type Activities			**$ 49,991,567**

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, **2015**

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 27,921,175	$ 6,216,897	$ 4,374,264
Receipts from Interfund Services Provided	2,671,677	-	-
Payments to Suppliers	(15,495,776)	-	-
Payments to Employees	(3,452,337)	(1,573,001)	(1,253,704)
Payments for Goods and Services	(7,137,207)	(5,283,302)	(3,218,724)
Internal Activity - Payments (To) Other Funds	-	-	-
Other	486,055	350,761	422,926
Net Cash Provided By (Used In) Operating Activities	$ 4,993,587	$ (288,645)	$ 324,762
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	$ 2,571,217	$ 2,217,823	$ 1,698,361
Transfers (Out)	(278,346)	(60,223)	-
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 2,292,871	$ 2,157,600	$ 1,698,361
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Taxes Collected	$ -	$ 23,768,329	$ -
Contributions of (Payments) for Capital Acquisitions	(27,835,239)	(30,695,872)	(1,149,195)
Proceeds from Capital Grant	786,467	20,926,468	425,194
Proceeds from Capital Loan	-	10,229,639	-
Payments on Capital Loan	-	-	(1,004,877)
Proceeds from Lease Revenue Bonds	27,329,460	-	-
Payments on Lease Revenue Bonds	(6,500,275)	-	-
Net Cash Provided by (Used In) Capital and Related Financing Activities	$ (6,219,587)	$ 24,228,564	$ (1,728,878)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Increase) Decrease in Investments	$ 245,955	$ (25,758,283)	$ (115,934)
Investment Income	155,988	289,812	40,971
Net Cash Provided By (Used In) Investing Activities	$ 401,943	$ (25,468,471)	$ (74,963)
Net Increase in Cash	$ 1,468,814	$ 629,048	$ 219,282
Cash and Cash Equivalents, and Cash With Fiscal Agent, Beginning July 1	1,623,682	856,190	377,142
Cash and Cash Equivalents, and Cash With Fiscal Agent, Ending June 30	$ 3,092,496	$ 1,485,238	$ 596,424
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	$ 258,988	$ (4,768,942)	$ (1,889,712)
Adjustments:			
Depreciation	4,149,235	4,175,096	1,825,699
Other Income	501,086	344,539	433,246
Interest Paid on Customer Deposits	(12,943)	-	-
Changes in Assets and Liabilities:			
Accounts and Other Receivables	128,719	(30,745)	(47,934)
Due To/From Other Funds	-	-	-
Inventories	(626,322)	(28,183)	(26,675)
Deferred Outflows of Resources Relating to Pensions	(284,913)	(110,799)	(94,971)
Vouchers Payable	501,692	(36,044)	(3,236)
Accrued Expenses and Customer Deposits	(24,458)	2,711	(11,988)
Advance Payments Received on Grants	(18,496)	-	-
Estimated Claims Payable	-	-	-
Net Pension Liability	420,999	163,722	140,333
Net Cash Provided By Operating Activities	$ 4,993,587	$ (288,645)	$ 324,762
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital and Local Annexations	$ -	$ 552,647	$ 446,393
Net Increase in Fair Value of Investments	$ 29,756	$ (44,879)	$ (4,048)
Due From Other Entities Related to Sale of Capital Assets	$ (317,196)	$ -	$ -

See Notes to the Basic Financial Statements.

Non Major Solid Waste Fund	Total Enterprise Funds	Internal Service Funds	Total
$ 2,868,971	$ 41,381,307	$ -	$ 41,381,307
-	2,671,677	8,443,054	11,114,731
-	(15,495,776)	-	(15,495,776)
(678,835)	(6,957,877)	(658,627)	(7,616,504)
(2,387,709)	(18,026,942)	(6,081,230)	(24,108,172)
-	-	(127,491)	(127,491)
-	1,259,742	-	1,259,742
$ (197,573)	$ 4,832,131	$ 1,575,706	$ 6,407,837
$ 13,000	$ 6,500,401	$ 1,397,718	$ 7,898,119
(30,000)	(368,569)	(1,694,877)	(2,063,446)
$ (17,000)	$ 6,131,832	$ (297,159)	$ 5,834,673
$ -	$ 23,768,329	$ -	$ 23,768,329
-	(59,680,306)	(1,401,141)	(61,081,447)
-	22,138,129	-	22,138,129
-	10,229,639	-	10,229,639
-	(1,004,877)	-	(1,004,877)
-	27,329,460	-	27,329,460
-	(6,500,275)	-	(6,500,275)
$ -	$ 16,280,099	$ (1,401,141)	$ 14,878,958
$ 261,814	$ (25,366,448)	$ 705,778	$ (24,660,670)
3,834	490,605	14,833	505,438
$ 265,648	$ (24,875,843)	$ 720,611	$ (24,155,232)
$ 51,075	$ 2,368,219	$ 598,017	$ 2,966,236
113,821	2,970,835	482,067	3,452,902
$ 164,896	$ 5,339,054	$ 1,080,084	$ 6,419,138
$ (224,115)	$ (6,623,781)	$ 393,371	$ (6,230,410)
3,765	10,153,795	959,185	11,112,980
-	1,278,871	-	1,278,871
-	(12,943)	-	(12,943)
(8,640)	41,400	334,599	375,999
-	-	(127,491)	(127,491)
-	(681,180)	33,745	(647,435)
(47,485)	(538,168)	-	(538,168)
3,879	466,291	100,096	566,387
4,856	(28,879)	(3,444)	(32,323)
-	(18,496)	-	(18,496)
-	-	(114,355)	(114,355)
70,167	795,221	-	795,221
$ (197,573)	$ 4,832,131	$ 1,575,706	$ 6,407,837
$ -	$ 999,040	$ -	$ 999,040
$ (887)	$ (20,058)	$ (3,019)	$ (23,077)
$ -	$ (317,196)	$ -	$ (317,196)

CITY OF GILLETTE, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, **2015**

	Retiree Health Benefit Plan and Trust Fund	Agency Fund
ASSETS		
Investments, at Fair Value:		
Money Market Funds	**$ 8,723,380**	**$ -**
Due From Other Entities	**-**	**5,070**
Total Assets	**$ 8,723,380**	**$ 5,070**
LIABILITIES		
Flexible Benefits Payable	**$ -**	**$ 5,070**
Total Liabilities	**$ -**	**$ 5,070**
NET POSITION		
Held in Trust for Retiree Health Benefit Plan	**$ 8,723,380**	

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
Year Ended June 30, **2015**

	Retiree Health Benefit Plan and Trust Fund
ADDITIONS	
Investment Earnings:	
Net Increase in the Fair Value of Investments	**$ 79,136**
DEDUCTIONS	
Benefits	**$ 429,584**
Administrative Expenses	**18,531**
Total Deductions	**$ 448,115**
Change in Net Position	**$ (368,979)**
NET POSITION, BEGINNING July 1	**9,092,359**
NET POSITION, ENDING June 30	**$ 8,723,380**

See Notes to the Basic Financial Statements.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

Blended Component Unit - The Consolidated Wyoming Municipalities Electric Power System Joint Powers Board ("The Board") is a body formed in accordance with the Wyoming Joint Powers Act. The Board was created for the purpose of expanding, financing or operating electrical systems owned by its participating agencies. The Board has authority to issue revenue bonds to finance specified projects, which such projects may be leased to the agency which benefits from said project. The City used this board to issue revenue bonds to purchase a 23% interest in a power plant to provide electrical services to the citizens of Gillette, and to acquire a simple-cycle gas turbine facility. Since ownership of the power plant and simple-cycle gas turbine facility transfers to the City upon repayment of the bonds and since the City is solely responsible for the repayment of the bonds, the purchase of the power plant and simple-cycle gas turbine facility and the related debt have been included (blended) with the Power Enterprise Fund in the accompanying financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City of Gillette. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Note 1. Summary of Significant Accounting Policies (Continued)

Severance taxes, property taxes, automobile taxes, gasoline taxes, franchise taxes, cigarette taxes, and interest associated with current fiscal period and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the state or County Treasurer 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the City's enterprise funds and internal service funds are charges to customers for sales and services, administrative expenses, repairs, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City reports the following major governmental fund:

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

The City reports the following major enterprise funds:

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

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

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

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

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

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 *Agency Fund* is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Position

1. Cash and Investments

The City's cash and cash equivalents are 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. State statutes authorize the City to invest in financial institution certificates of deposit and securities issued by the U.S. Treasury or agencies of the United States. Investments which consist of interest bearing time deposits are stated at cost. Other investments are reported at fair value. Investment earnings are allocated on the basis of the source of funds.

2. Receivables and Payables

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

Property tax revenues represent property taxes for 2014 and prior years which were collectible during the year ended June 30, 2015. Property taxes are levied by the first Monday of August and are payable in two installments, which are due September 1 and March 1. These installments become delinquent, and thus payable, on November 10 and May 10. The taxpayer may elect, without penalty, to pay the entire balance on December 31. Property taxes are collected by the County Treasurer and remitted to the City in the month following collection.

3. Inventories

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

4. Restricted Assets

Power enterprise fund cash with fiscal agent of $2,040,975 and investments of $5,942,993 have been restricted for debt service reserves for lease revenue bonds.

In the Water enterprise fund, investments of $95,015,512 have been restricted for the Gillette Regional Water Supply Project. Net position of $3,500,000 has been restricted for the repair and replacement of municipal water development in accordance with project agreements with the Wyoming Water Development Commission. Additional net position of $102,648,232 is restricted for the Gillette Regional Water Supply Project from a 1% Capital Facilities tax voted in by the General Public as discussed in Note 3H. This amount represents the investments above plus the tax receivable in the Water Enterprise fund as of June 30, 2015 less any expenses incurred related to the project.

Sewer enterprise fund investments of $250,000 have been set aside for repair and replacement of the wastewater treatment plant in accordance with EPA grant provisions.

Note 1. Summary of Significant Accounting Policies (Continued)

5. Capital Assets

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

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

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

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

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

6. Compensated Absences

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

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

7. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Vested sick leave payable and customer deposits are accrued, and the related liabilities are reduced when paid.

Note 1. Summary of Significant Accounting Policies (Continued)

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

8. Defined Benefit Pensions

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

9. Fund Balance

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

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

Restricted fund balances - Those balances representing amounts that are externally restricted by creditors, grantors, contributors, or laws or regulations of other governments. Restrictions can also be imposed through law, constitutional provisions, or enabling legislation. Restricted net position is reported by the City's enterprise funds. 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 determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

10. Net Position

Net position represents the residual of all other elements presented in the statement of net position which equals assets plus deferred outflows less liabilities and deferred inflows. 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. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

11. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Stewardship, Compliance and Accountability

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

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

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

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

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

The City's deposits at June 30, 2015 were covered by federal depository insurance and collateral held by the City's agents under joint custody receipts in the City's name.

Investments - As of June 30, 2015, the City had the following investments:

Investment Type		Fair Value	Credit Quality Ratings [1]	Weighted Average Maturity (Days)	Specific Identi-fication Maturity
Wyoming State Asset Reserve (WYO-STAR)	$	121,832,191	N/A	232	
Federal Home Loan Bank Bond 2.125% 6/10/16 (CUSIP313373SZ6)		609,810	AAA		6/10/16
Federal National Mtg ASSN Note 1.25% 9/28/16 (CUSIP3135G0CM3)		605,520	AAA		9/28/16
Federal National Mtg ASSN Note 1.375% 11/15/16 (CUSIP3135G0ES8)		1,010,850	AAA		11/15/16
Federal Home Loan BK .625% 11/23/16 (CUSIP3130A3J70)		150,091	AAA		11/23/16
Federal Home Loan Mtg Corp Medium Term Note 1% 6/29/17 (CUSIP3137EADH9)		602,316	AAA		6/29/17
Federal Home Loan Mtg Corp Medium Term Note 1.125% 9/25/17 (CUSIP3134G5HS7)		501,015	AAA		9/25/17
Federal National Mtg ASSN REMIC 1.637% 11/25/17 (CUSIP3136ALYC9)		417,353	AAA		11/25/17
Federal Farm Credit Bank Bond 1.20% 12/18/17 (CUSIP3133EEFP0)		174,886	AAA		12/18/17
Federal Home Loan Bank Bond 1.375% 3/9/18 (CUSIP313378A43)		427,797	AAA		3/9/18
Federal National Mtg ASSN Note .875% 5/21/18 (CUSIP3135G0WJ8)		793,256	AAA		5/21/18
Federal Home Loan Bank Bond 1.75% 12/14/18 (CUSIP313376BR5)		101,426	AAA		12/14/18
Federal National Mtg ASSN Note 1.625% 8/28/19 (CUSIP3135G0NK5)		495,685	AAA		8/28/19
Federal National Mtg ASSN Note 2.0% 12/30/19 (CUSIP3136G2B97)		431,329	AAA		12/30/19
Federal National Mtg ASSN Note 1.600% 12/24/20 (CUSIP3135G0SY0)		486,955	AAA		12/24/20
Federal Farm Credit Bank Bond 1.970% 4/21/21 (CUSIP3133EEZT0)		591,030	AAA		4/21/21
Federal Farm Credit Bank Bond 2.350% 3/14/22 (CUSIP3133ECHZ0)		291,129	AAA		3/14/22
Federal Home Loan Bank Bond 2.300% 9/19/22 (CUSIP313380NM5)		423,918	AAA		9/19/22
Federal Home Loan Mtg Corp REMIC 3.0% 3/15/40 (CUSIP3137BAAU6)		26,976	AAA		3/15/40
Federal Farm Credit Bank 1.42% 2/5/19 (CUSIP3133EENH9)		1,030,907	AAA		2/5/19
Federal Home Loan Bank 1.55% 2/4/19 (CUSIP3130A3X82)		1,024,757	AAA		2/4/19
Federal National Mtg ASSN 1.03% 5/21/18 (CUSIP3135G0XA6)		2,011,149	AAA		5/21/18
Federal Home Loan Bank 1.2% 9/19/17 (CUSIP3130A33J1)		625,078	AAA		9/19/17
Federal Home Loan Mtg Corp .875% 3/7/18 (CUSIP3137EADP1)		622,825	AAA		3/7/18
Federal National Mtg ASSN 1.875% 9/18/18 (CUSIP3135G0YM9)		628,278	AAA		9/18/18
US Treasury Bond .472006% 12/31/16 (CUSIP912828H29)		43,101,007	AAA		12/31/16
Total Investments	$	179,017,534			

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

Note 3. Detailed Notes on All Funds (Continued)

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be 110 percent secured by collateral valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. The City Council annually approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions. City funds may be invested in United States Treasury bills, notes, or bonds including stripped principal on interest obligations of such issuances, or any other obligations or securities issued by, or guaranteed by, the United States Government.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has custodial credit risk exposure of approximately $7,641,000 because the related securities are uninsured and unregistered with securities held by the counter party's trust department or agent in the City's name or not covered by Securities Investor Protection Corporation (SIPC) insurance. 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.

Investments of the City are reported at fair value. 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.

B. Accounts Receivable

Accounts receivable as of June 30, 2015 for the City's enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds			Non-Major	
	Power Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total
Accounts Receivable	**$ 1,374,296**	**$ 280,058**	**$ 242,165**	**$ 209,247**	**$ 2,105,766**
Less: Allowance for Uncollectibles	**(371,585)**	**(80,097)**	**(61,289)**	**(51,516)**	**(564,487)**
Total Accounts Receivable, Net	**$ 1,002,711**	**$ 199,961**	**$ 180,876**	**$ 157,731**	**$ 1,541,279**

Note 3. Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, **2015**
Governmental Activities				
Nondepreciable Capital Assets:				
Land	$ 13,109,576	$ 320,403	$ (90,608)	**$ 13,339,371**
Construction In Progress	18,520,435	16,534,662	(16,466,119)	**18,588,978**
Total Nondepreciable Capital Assets	$ 31,630,011	$ 16,855,065	$(16,556,727)	**$ 31,928,349**
Depreciable Capital Assets:				
Infrastructure	$186,032,230	$ 20,847,899	$ (904,734)	**$ 205,975,395**
Buildings and Improvements	27,623,923	7,884,004	(72,000)	**35,435,927**
Machinery and Equipment	12,552,429	1,093,997	(33,898)	**13,612,528**
Allocation of Vehicle Maintenance	8,844,171	902,776	(20,498)	**9,726,449**
Total Depreciable Capital Assets	$235,052,753	$ 30,728,676	$ (1,031,130)	**$ 264,750,299**
Less Accumulated Depreciation For:				
Infrastructure	$(62,233,505)	$ (6,152,495)	$ 705,585	**$ (67,680,415)**
Buildings and Improvements	(6,325,000)	(803,241)	33,600	**(7,094,641)**
Machinery and Equipment	(6,030,908)	(851,687)	33,199	**(6,849,396)**
Allocation of Vehicle Maintenance	(4,970,298)	(705,433)	16,702	**(5,659,029)**
Total Accumulated Depreciation	$(79,559,711)	$ (8,512,856)	$ 789,086	**$ (87,283,481)**
Total Depreciable Capital Assets, Net	$155,493,042	$ 22,215,820	$ (242,044)	**$ 177,466,818**
Governmental Activities Capital Assets, Net	$187,123,053	$ 39,070,885	$(16,798,771)	**$ 209,395,167**

Note 3. Detailed Notes on All Funds (Continued)

	Balance June 30, 2014	Increases	Decreases	Balance June 30, **2015**
Business-type Activities				
Nondepreciable Capital Assets:				
Land	$ 651,474	$ 10,250	$ -	**$ 661,724**
Construction in Progress	55,126,351	40,515,841	(51,659,761)	**43,982,431**
Total Nondepreciable Capital Assets	$ 55,777,825	$ 40,526,091	$ (51,659,761)	**$ 44,644,155**
Depreciable Capital Assets:				
Infrastructure	$ 147,315,856	$ 50,509,508	$ (401,109)	**$ 197,424,255**
Buildings and Improvements	106,051,392	24,387,694	(446,831)	**129,992,255**
Machinery and Equipment	24,987,559	663,342	(350,258)	**25,300,643**
Allocation of Vehicle Maintenance	5,319,060	498,365	-	**5,817,425**
Total Depreciable Capital Assets	$ 283,673,867	$ 76,058,909	$ (1,198,198)	**$ 358,534,578**
Less Accumulated Depreciation For:				
Infrastructure	$ (50,230,021)	$ (5,244,083)	$ 385,048	**$ (55,089,056)**
Buildings and Improvements	(14,570,472)	(3,662,506)	77,971	**(18,155,007)**
Machinery and Equipment	(13,977,884)	(1,247,206)	331,098	**(14,893,992)**
Allocation of Vehicle Maintenance	(3,369,658)	(253,752)	-	**(3,623,410)**
Total Accumulated Depreciation	$ (82,148,035)	$(10,407,547)	$ 794,117	**$ (91,761,465)**
Total Depreciable Capital Assets, Net	$ 201,525,832	$ 65,651,362	$ (404,081)	**$ 266,773,113**
Business-Type Activities Capital Assets, Net	$ 257,303,657	$106,177,453	$ (52,063,842)	**$ 311,417,268**

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

Governmental Activities	
General Government	**$ 1,504,478**
Public Safety	**460,141**
Public Works	**5,804,529**
Culture and Recreation	**743,708**
Total Depreciation Expense - Governmental Activities	**$ 8,512,856**
Business-type Activities	
Power	**$ 4,190,166**
Water	**4,179,895**
Sewer	**1,897,658**
Solid Waste	**139,828**
Total Depreciation Expense - Business-Type Activities	**$ 10,407,547**

Note 3. Detailed Notes on All Funds (Continued)

The construction in progress in the governmental activities represents construction related to various projects which includes the Maple Avenue Culvert Replacement Project and several street projects throughout the City including the Westover Road (Burma to Skyline) Improvements and the 3rd Street Plaza Project. Also included are YES House Girls Treatment Facility construction and various park improvement and beautification projects including the Gillette Softball/Baseball Complex. Actual signed contracts for these projects approximate $34,200,000 and will be funded by the General Fund, taxes and grants. The remaining commitment on these contracts is approximately $11,400,000 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 sewer construction projects and various water development projects which includes the Annual Water and Sewer Main Replacement Projects and the Gillette Regional Water Supply Project (Madison Pipeline). Actual signed contracts for these projects approximate $138,000,000 and will be funded by the General Fund, taxes, grants, loans 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 $40,600,000. During the year, construction continued on the Gillette Madison Regional Water Supply Project. This year, construction was ongoing on a 22 mile segment of the treated water transmission line between Moorcroft and Wyodak, and the Pine Ridge area. Construction also began on the new Disinfection Facility and Pump Station. The design, permits, easements and licenses for future pipeline and facilities for future construction contracts continues to move forward. To date, construction of two Madison-formation test wells and installation of over 17 miles of treated water transmission pipeline has been completed The "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 "Project" is estimated to be $217,600,000 with completion anticipated in late 2016 to early 2017. 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 $29,600,000.

D. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2015 is as follows:

	Receivables	Payables
Major Funds:		
General Fund	$ -	$ 122,590
Nonmajor Funds:		
Internal Service Funds		
Health Insurance Fund	$ 122,590	$ -
Total	$ 122,590	$ 122,590

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	$ 178,885
Transfers (Out)	(6,013,558)
Net Interfund Transfers	$ (5,834,673)

Note 3. Detailed Notes on All Funds (Continued)

Interfund Transfers Business-Type Funds:

	Power Fund	Water Fund	Sewer Fund	Solid Waste Fund	Internal Service Funds	Total
Transfers In	**$ 2,571,217**	**$2,217,823**	**$ 1,698,361**	**$ 13,000**	**$ 1,397,718**	**$ 7,898,119**
Transfers (Out)	**(278,346)**	**(60,223)**	**-**	**(30,000)**	**(1,694,877)**	**(2,063,446)**
Net Interfund Transfers	**$ 2,292,871**	**$2,157,600**	**$ 1,698,361**	**$ (17,000)**	**$ (297,159)**	**$ 5,834,673**

The primary purpose of the material interfund transfers are 1) the General Fund contributing to the Vehicle Maintenance Internal Service Fund for vehicles purchased, and to the Power, Water, and Sewer Funds for capital construction expenses; 2) the Power, Water, Sewer and Solid Waste Funds contributing to the General Fund for utility administration and governmental activity capital assets purchased by the Enterprise Funds, and 3) General Fund to make operational transfers to the Health Insurance Fund.

E. Compensated Absences

The City allows its employees one day of sick leave for each month of employment. The total accumulated sick leave approximated $3,602,000 at June 30, 2015. Of this total, approximately $281,000 represents actual vested amounts. Of this vested amount, approximately $147,000 is included as a liability in the proprietary fund types. The remaining amount of approximately $134,000 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 $1,167,000 at June 30, 2015. This amount has been recorded as a liability in the appropriate funds and is included as other accrued liabilities on the balance sheet.

F. Long-Term Debt

A summary of the changes in long-term liabilities for the year ended June 30, 2015 is presented below:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, **2015**	Due Within One Year
Governmental Activities:					
Accrued Sick Leave Payable	$ 140,332	$ 8,137	$ (4,786)	**$ 143,683**	**$ 23,821**
Special Assessment Debt With Governmental Commitment	531,636	-	(34,714)	**496,922**	**36,000**
Net Pension Liability	8,525,135	3,382,665	(1,545,614)	**10,362,186**	**-**
Total Governmental Activities	$ 9,197,103	$ 3,390,802	$ (1,585,114)	**$ 11,002,791**	**$ 59,821**
Business-Type Activities:					
Accrued Sick Leave Payable	$ 158,853	$ 2,506	$ (24,273)	**$ 137,086**	**$ 35,361**
Customer Deposits	927,626	391,046	(368,195)	**950,477**	**377,000**
Capital Loans	31,104,686	10,229,639	(707,289)	**40,627,036**	**729,000**
Net Pension Liability	4,132,677	1,414,261	(619,040)	**4,927,898**	**-**
	$ 36,323,842	$12,037,452	$ (1,718,797)	**$ 46,642,497**	**$ 1,141,361**
Lease Revenue Bonds	$ 71,460,000	$24,470,000	$ (2,550,000)	**$ 93,380,000**	**$ 2,360,000**
Plus Bond Premium	-	2,859,460	(86,374)	**2,773,086**	**145,000**
Total Lease Revenue Bonds	$ 71,460,000	$27,329,460	$ (2,636,374)	**$ 96,153,086**	**$ 2,505,000**
Total Business-Type Activities	$107,783,842	$39,366,912	$ (4,355,171)	**$ 142,795,583**	**$ 3,646,361**

Note 3. Detailed Notes on All Funds (Continued)

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

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

The City previously 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, 2014	Principal Deletions	Balance June 30, **2015**
Special Assessment Debt with Governmental Commitment			
Northland Water DWSRF Loan #39	$ 531,636	$ (34,714)	**$ 496,922**

Loan DWSRF #39 was for the design and construction of the Northland Village water distribution system with the principal balance to be paid through Special Assessment revenues received from Northland Village residents. The City is primarily liable for the loan which is secured by the pledge and assignment of revenues received from an Optional 1% Sales Tax. The assignment is in effect for (20) years. The interest rate of the loan is 2.5% per annum.

Annual debt service requirement to maturity on the Northland Water DWSRF Loan #39 based on the outstanding loan balance at June 30, 2015 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2016	**$ 36,000**	**$ 12,442**	**$ 48,442**
2017	**36,920**	**11,522**	**48,442**
2018	**37,843**	**10,599**	**48,442**
2019	**38,789**	**9,653**	**48,442**
2020	**39,758**	**8,684**	**48,442**
2021-2025	**214,207**	**28,003**	**242,210**
2026-2027	**93,405**	**3,143**	**96,548**
Total payments	**$ 496,922**	**$ 84,046**	**$ 580,968**

Note 3. Detailed Notes on All Funds (Continued)

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

	Balance June 30, 2014	Principal Additions	Principal Deletions	Balance June 30, **2015**	Accrued Interest Payable June 30, **2015**
Sewer Fund					
Wastewater Treatment Facility Improvements					
CWSRF Loan #50	$ 11,742,670	$ -	$ (707,289)	**$ 11,035,381**	**$ 253,210**
Water Fund					
Gillette Madison Pipeline	$ 19,362,016	$10,229,639	$ -	**$ 29,591,655**	**$ -**
Power Fund					
Electric Facilities Improvement					
Lease Revenue Bonds (Wygen III)	$ 71,460,000	$ -	$ (1,510,000)	**$ 69,950,000**	**$ 379,856**
Lease Revenue Bonds (CTII)	-	24,470,000	(1,040,000)	**23,430,000**	**88,575**
Total Power Fund	$ 71,460,000	$24,470,000	$ (2,550,000)	**$ 93,380,000**	**$ 468,431**
Total Proprietary Funds	$102,564,686	$34,699,639	$ (3,257,289)	**$134,007,036**	**$ 721,641**

Sewer Fund Loan

Loan CWSRF #50 was for the design and construction of wastewater treatment facility improvements. This loan is secured by the pledge and assignment of revenues received from Severance Taxes. The assignment is in effect for (20) years. The interest rate on the loan is 2.5% per annum. The City intends to repay this loan from wastewater user fees.

Annual debt service requirements to maturity on the Wastewater Treatment Facility Improvements CWSRF loan #50 based on total loan outstanding balance at June 30, 2015 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2016	**$ 729,000**	**$ 275,877**	**$ 1,004,877**
2017	**747,183**	**257,694**	**1,004,877**
2018	**765,862**	**239,015**	**1,004,877**
2019	**785,009**	**219,868**	**1,004,877**
2020	**804,634**	**200,243**	**1,004,877**
2021-2025	**4,335,155**	**689,230**	**5,024,385**
2026-2028	**2,868,538**	**143,009**	**3,011,547**
Total payments	**$11,035,381**	**$2,024,936**	**$13,060,317**

Note 3. Detailed Notes on All Funds (Continued)

Water Fund Loan

On September 3, 2009, the City entered into a long-term capital loan agreement with the State of Wyoming, Wyoming Water Development Commission, (WWDC), for the design, construction, and operation of the first phase of the $217,600,000 Gillette Regional Water Supply project. The initial authorized loan amount for this phase was $5,527,500, or 33% of the first phase project cost of $16,750,000. The remaining 67% of the first phase development costs will be funded through grant funds also from the WWDC. On July 29, 2010, the City entered into amendment #1 authorizing loan amount of $8,085,000 and grant funding of $16,415,000. On August 18, 2011, amendment #2 to this loan agreement was executed, increasing the authorized loan amount to $29,552,239 to include phases 2 and 3, and amending the loan term to 5 years. Approved grant funding was also increased to $60,000,000 with this amendment. The interest rate for this loan is 4% per annum, with interest charges beginning to accrue at such time the WWDC determines project benefits accrue to the City, or approximately twelve months after substantial project completion. On August 20, 2012, amendment #3 to the loan agreement was executed increasing the authorized loan amount to $44,328,358 and approved increasing grant funding to $90,000,000. The loan terms and interest rate for this loan were not changed. The first loan payment will be due December 1 immediately following the one year anniversary after substantial completion of the Gillette Regional Water Supply project, which is anticipated to be complete in late 2016 to early 2017. 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. The City didn't secure any loan with either of the final two amendments. The City intends to repay this loan from Capital Facilities Tax funding, which the voters approved in May, 2011.

Electric Facilities Improvement Lease Revenue Bonds

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

Note 3. Detailed Notes on All Funds (Continued)

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

Year Ending June 30,	Principal	Interest	Total Debt Service	35% Interest Subsidiary	Net Debt Service	Estimated Subsidy Loss	New Estimated Net Payment
2016	$ 1,565,000	$ 4,558,268	$ 6,123,268	$ (1,595,394)	$ 4,527,874	$ 114,868	$ 4,642,742
2017	1,605,000	4,493,555	6,098,555	(1,572,744)	4,525,811	113,238	4,639,049
2018	1,655,000	4,420,769	6,075,769	(1,547,269)	4,528,500	111,403	4,639,903
2019	1,705,000	4,339,194	6,044,194	(1,518,718)	4,525,476	109,348	4,634,824
2020	1,765,000	4,251,744	6,016,744	(1,488,111)	4,528,633	107,144	4,635,777
2021-2025	9,845,000	19,674,348	29,519,348	(6,886,021)	22,633,327	495,794	23,129,121
2026-2030	12,075,000	16,238,250	28,313,250	(5,683,388)	22,629,862	409,203	23,039,065
2031-2035	14,970,000	11,778,024	26,748,024	(4,122,308)	22,625,716	296,806	22,922,522
2036-2040	24,765,000	6,133,080	30,898,080	(2,146,578)	28,751,502	154,553	28,906,055
Total Payments	$ 69,950,000	$ 75,887,232	$145,837,232	$ (26,560,531)	$119,276,701	$ 1,912,357	$121,189,058

CTII Facility Lease Revenue Bonds

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

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
2016	$ 795,000	$ 1,062,900	$ 1,857,900
2017	805,000	1,054,950	1,859,950
2018	815,000	1,042,000	1,857,000
2019	835,000	1,025,700	1,860,700
2020	850,000	1,009,000	1,859,000
2021-2025	4,925,000	4,364,250	9,289,250
2026-2030	6,290,000	3,002,750	9,292,750
2031-2034	8,115,000	1,173,000	9,288,000
Total payments	$23,430,000	$13,734,550	$37,164,550

Note 3. Detailed Notes on All Funds (Continued)

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

Premium on issuance of bonds	**$ 2,859,460**
Less accumulated amortization	**(86,374)**
Amortizable amount	**$ 2,773,086**

This difference (of which $145,000 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%.

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 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, 2015 the City is not able to determine the original issue amounts or the aggregate principal amounts still payable under these issues.

Legal Debt Margin

The Wyoming Constitution provides that the City shall not create any general obligation indebtedness exceeding 4% of the assessed value of the property therein, except that an additional indebtedness of 4% of the assessed value of the taxable property therein may be created for sewage disposal systems. Indebtedness created for supplying water to the City is exempt from this provision. At June 30, 2015, the City's assessed valuation was $230,429,209 and the City had no general obligation debt.

G. Classifications of Equity

A summary of classifications of equity at June 30, 2015, not disclosed elsewhere, and not apparent from the description in the fund statements, is presented as follows:

	General Fund
Nonspendable:	
Inventory	**$ 209,851**
Restricted For:	
Criminal Forfeiture	**$ 4,343**
Committed For:	
Cash Reserves	**$ 12,518,578**
Capital Projects Through Signed Contracts	**13,827,448**
Employee Contributions to Sunshine Account	**3,858**
Memorial Donations	**8,300**
Total Committed Fund Balance	**$ 26,358,184**

Note 3. Detailed Notes on All Funds (Continued)

	General Fund
Assigned For:	
Budgeted Carryover of Capital Projects	$ 8,120,894
Cash in Lieu of Parkland	314,543
Cash in Lieu of Drainage	247,052
State Forfeiture	68,588
Mayor's Art Council	144,290
Demolition	26,281
Animal Control	74,077
Little League	3,250
Keep America Beautiful	3,604
Insurance Reimbursements	634,453
Aquatic Park	5,300,000
Fishing Lake	3,000,000
Water Tank	4,500,000
Total Assigned	$ 22,437,032
Unassigned	$ 3,033,318
Total Fund Balance	$ 52,042,728

H. Restricted Net Position

a) Net position restricted in the Power Enterprise Fund total $7,983,968 which is restricted for future debt service on the lease revenue bonds.

b) Net position restricted in the Water Enterprise Fund total $106,148,232 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 $102,648,232 represents restricted capital facilities tax collected 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.

c) Investments restricted in the Sewer Enterprise Fund totaling $250,000 are for meeting replacement and repair requirements of the wastewater treatment plant facility, as required by the Environmental Protection Agency.

Note 3. Detailed Notes on All Funds (Continued)

I. Tax Revenues

A summary of tax revenues for the year ended June 30, 2015 is presented below:

	General Fund	Water Fund	Total
Severance Tax	$ 1,101,729	$ -	$ 1,101,729
Property Taxes	1,949,432	-	1,949,432
Automobile Taxes	923,993	-	923,993
Sales and Use Taxes	29,784,907	-	29,784,907
1% Optional Sales Tax	24,344,346	-	24,344,346
Capital Facilities Tax	-	28,622,346	28,622,346
Gasoline Tax	1,134,685	-	1,134,685
Franchise Tax (gross receipt based)	747,052	-	747,052
Cigarette Tax	229,454	-	229,454
	$ 60,215,598	$ 28,622,346	$ 88,837,944

J. Capital Contributions and Local Annexations

The capital contributions and local annexations recorded in the governmental and business-type activities, represent the fair market value of infrastructure, and capital assets annexed by the City and contributed to the City during the fiscal year ended June 30, 2015. Amounts have been included in program revenues as capital grants and contributions in the Statement of Activities.

Note 4. Other Information

A. Risk Management

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

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

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

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

Note 4. Other Information (Continued)

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.	**$1,000,000,000**
Dedicated Flood Limit	**$ 25,000,000**
Per Occurrence and Annual Aggregate: Flood Zone A&V sublimit	**$ 25,000,000**
Dedicated Earthquake Shock Limit	**$ 25,000,000**
Combined Business Interruption	**$ 100,000,000**
Extra Expense	**$ 50,000,000**
Miscellaneous Unnamed Locations for Exiting Members	**$ 25,000,000**
Automatic Acquisition Clause for 90 days	**$25,000,000 - $100,000,000**
Errors and Omissions	**$ 50,000,000**
Construction and Remodeling Projects	**$ 25,000,000**
Increased Construction Costs - Code Enforcement	**$ 25,000,000**
Transit	**$ 25,000,000**
Services Interruptions - Off Premises	**$ 25,000,000**
Expediting Expenses	**$ 50,000,000**
Terrorism - Subject to $200M Annual Aggregate	**$ 100,000,000**
Terrorism - Per Occurrence, Per Member	**$ 300,000,000**
Terrorism - Annual Aggregate Shared by All Members	**$ 800,000,000**

The deductibles on the coverages listed above are:

All risk deductible, per occurrence, which to apply in the event a more specific deductible is not applicable to a loss	**$ 250,000**

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 $300 deductible for single and $600 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 $100,000 per employee. This premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

Note 4. Other Information (Continued)

The liability for estimated claims of $663,222, 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, 2015, 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, 2014 to June 30, 2015	**$ 777,577**	**$ 2,706,936**	**$ 2,821,291**	**$ 663,222**
June 30, 2013 to June 30, 2014	$ 552,663	$ 3,811,923	$ 3,587,009	$ 777,577

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, 2015.

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 again approved by the voters in 2014. The 1% optional sales tax generated approximately $24,300,000 which is approximately 34% percent of general fund revenues during the year ended June 30, 2015. If this levy is not approved by the voters in the future it may have a material effect on the City's operations.

C. Pension Obligations

On July 1, 2014 the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*, which recognizes a long-term obligation for pension benefits. The accounting change adopted to conform to the provisions of GASB 68 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2015, which included recording a net pension obligation of $12,657,812. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2014, the City has elected not to restate information presented for the period ended June 30, 2013.

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 as Pension Trust Funds. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. Wyoming Retirement System is granted the authority to administer the Plans by Wyoming State Statutes. WRS issues a publicly available financial report that can be obtained at http://retirement.state.wy.us/home/index.html. All regular full-time employees of the City are required to participate in the system immediately upon employment.

Employee membership data related to the Plan, as of June 30, 2015 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.

Note 4. Other Information (Continued)

Benefits provided

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

Public Employees' Pension Plan

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

Pension provisions include death benefits for the surviving spouse. The system also provides a monthly income for disabled participants. In order to qualify for disability retirement benefits, employees must have been an active plan participant for at least ten years, and apply for disability while they are a contributing member of the Plan and before age 60 if they are a Tier 1 participant or age 65 if they are a Tier 2 participant. Benefits vest at 100% after 48 months of service.

Law Enforcement Pension Plan

The Plan statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition a cost of living adjustment will not be approved by the legislature unless the Plan is 100% funded after the cost of living adjustment is awarded. Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.

For the year ended June 30, 2015, the City's total payroll for all employees included in both Plans was approximately $19,637,000. Total covered payroll was approximately $18,784,000. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

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, 2015, member contributions were required to be 8.25% of compensation and employer contributions were required to be 7.62% of compensation. The City elected to pay all of the members' contributions in addition to the employer's contribution. Effective July 1, 2015 the participant's contribution percentage increased to 8.37%. The contributions are remitted by the City to the Wyoming Retirement System on a monthly basis. The City's contributions to the Plan for the year ended June 30, 2015 was approximately $2,334,000.

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, 2015, 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 7.27% of the members' contributions in addition to the employer's contribution. The contributions are remitted by the City to the Wyoming Retirement System on a monthly basis. The County's contributions to the Plan for the year ended June 30, 2015 was approximately $727,000.

Note 4. Other Information (Continued)

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

At June 30, 2015 the City reported a liability of approximately $15,300,000 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The City's proportion of the net pension liability was based on the relationship of the City's total contributions to its respective plans for the year ended December 31, 2014 to the contributions of all participating employers for the same period. At December 30, 2014, the City's proportions were as follows:

	Liability At December 31, 2014	Increase (Decrease) From Proportion At December 31, 2013
Public Employees' Pension Plan	.8213%	.02 %
Law Enforcement Pension Plan	2.7025%	(.05)%

For the year ended June 30, 2015, the City recognized pension expense of approximately $735,000. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Net differences between projected and actual earnings on Plan investments	**$ 1,502,839**	**$ -**
Change in proportion and differences between employer contributions and proportionate share of contributions	**249,633**	**(7,616)**
Contributions subsequent to the measurement date	**1,523,162**	**-**
Total	**$ 3,275,634**	**$ (7,616)**

The $1,523,162 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. 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,	
2016	**$ 456,739**
2017	**456,739**
2018	**456,739**
2019	**375,063**
2020	**(424)**
	$ 1,744,856

Note 4. Other Information (Continued)

Actuarial Assumptions

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 %
Salary increases	4.25% - 6.00%, including inflation
Investment rate of return	4.75%, net of Plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table, fully generational, projected with Scale BB.

Long-term expected rate of return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	15.00%	0.98%
Equity	55.00%	6.66%
Market Alternatives	15.50%	4.19%
Private Markets	12.00%	7.13%
Cash	2.50%	0.50%
Total	100.00%	

Experience Analysis

An experience study was conducted on behalf of all WRS' plans covering the five-year period ended December 31, 2011. 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 was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the System's funding policy, which establishes the contractually required rates under Wyoming State Statutes. Based on those assumptions, the pension plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4. Other Information (Continued)

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

The following presents the City's proportionate shares of the net pension liability calculated using the discount rate of 7.75%, as well as what their respective proportionate shares of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Single Discount Rate Assumption 7.75%	1% Increase 8.75%
Public Employees' Pension Plan	**$ 22,649,440**	**$ 14,493,818**	**$ 7,644,974**
Law Enforcement Pension Plan	**$ 2,780,309**	**$ 796,266**	**$ (841,036)**

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net positions are available in the separately issued Wyoming Retirement System Full 2014 GASB 68 Report. That report may be obtained by writing to Wyoming Retirement System, 6101 Yellowstone Rd., Cheyenne, Wyoming 82002 or http://retirement.state.wy.us/home/index.html.

D. Change In Accounting Principle

Net position of the Governmental Activities and Business-Type Activities of the City as of July 1, 2014, have been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71:

	Governmental Activities	Business-Type Activities			
		Power	Water	Sewer	Solid Waste
Net Position, as previously reported, June 30, 2014	**$ 233,834,685**	**$ 34,215,041**	**$ 185,240,693**	**$ 37,295,226**	**$ 1,815,124**
Prior Period Adjustment:					
Net Pension Liability (measurement date of December 31, 2013)	**(8,525,135)**	**(2,187,888)**	**(850,845)**	**(729,296)**	**(364,648)**
Deferred Outflows of Resources Relating to Pensions	**1,026,077**	**182,595**	**71,009**	**60,865**	**30,433**
Net Position, as restated, July 1, 2014	**$ 226,335,627**	**$ 32,209,748**	**$ 184,460,857**	**$ 36,626,795**	**$ 1,480,909**

E. 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.

Note 4. Other Information (Continued)

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:

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	
Retirees with over 30 years of service	18
Retirees with over 20 years of service	36
Terminated employees with less than 20 year of service with an account balance	55
Employees accruing benefits	68
Total Participants	177

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

F. Student Housing Project

In a prior year, the City entered into a memorandum of understanding with the Northern Wyoming Community College District for the financing and construction of student housing for Gillette College on City owned property within the boundaries of Gillette College Campus. The City shall pay up to $7.1 million of the cost of the project in annual lease payments, subject to appropriation by the City. The obligation of the City to pay a portion of the cost of the project shall constitute a current expenditure of the City and shall not in any way be general obligation indebtedness of the City. The annual lease payments will be $1,244,750 annually for the fiscal years ended June 30, 2010 through June 30, 2015. The final annual lease payment under this agreement was made during the fiscal year ended June 30, 2015.

G. Gillette College Student Housing Certificates of Participation

On December 31, 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 conveyed to the City. The total cost of the construction project will be $12,650,000, with the City having contributed $1,000,000 up front, of which the College has agreed to pay 17%.

Note 4. Other Information (Continued)

H. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement 27*. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual cost of the pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). Statement 68 was amended in November, 2013 by Statement 71; this Statement is effective for fiscal years beginning after June 15, 2014. Management adopted this statement during the year ended June 30, 2015. This resulted in the City's portion of unfunded liabilities in the Wyoming Retirement System Public Employees Pension Plan and Wyoming Retirement System Law Enforcement Pension Plan being presented in the Statement of Net Assets and corresponding current year expenses in the Statement of Activities. While June 30, 2014 is presented, this column was not restated as the information to do so was not readily available. See discussion of prior period restatement in Note 4D.

Recently Issued Accounting Pronouncements

In February, 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition this Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

In June, 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of GASB Statement No. 76 is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for periods beginning after June 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the City's financial statements.

In June, 2015, the GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (Other Postemployment Benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for periods beginning after June 15, 2016. 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 NET PENSION LIABILITY PUBLIC EMPLOYEES' PENSION PLAN
For the Years Ended June 30, **2015** and 2014*

	Entity's Percentage Of Net Pension Liability	Entity's Proportionate Share Of Net Pension Liability	Entity's Covered Employee Payroll	Entity's Proportionate Share of Net Pension Liability as A Percentage Of Covered Employee Payroll	Plan's Fiduciary Net Position As A Percentage Of Net Pension Liability
2014	.799456094%	$ 12,154,934	$ 13,909,000	87.39%	N/A
2015	.821322679%	$ 14,493,818	$ 14,576,000	99.44%	79.08%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE OF CITY OF GILLETTE, WYOMING'S PROPORTIONATE SHARE OF NET PENSION LIABILITY LAW ENFORCEMENT PENSION PLAN
For the Years Ended June 30, **2015** and 2014*

	Entity's Percentage Of Net Pension Liability	Entity's Proportionate Share Of Net Pension Liability	Entity's Covered Employee Payroll	Entity's Proportionate Share of Net Pension Liability as A Percentage Of Covered Employee Payroll	Plan's Fiduciary Net Position As A Percentage Of Net Pension Liability
2014	2.754090194%	$ 502,878	$ 4,169,000	12.06%	N/A
2015	2.702533828%	$ 796,266	$ 4,208,000	18.92%	94.76%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

Fiscal Year Ended June 30,	Statutorily Required Contributions	Employer's Contributions Related to Statutory Contributions	Difference Between Statutorily Required And Actual Contributions	Employer's-Covered Employee Payroll	Statutorily Required Employer's Contributions As a Percentage of Employer's-Covered Employee Payroll
2014	$ 2,001,000	$ 2,001,000	$ -	$ 13,909,000	14.59%
2015	$ 2,334,000	$ 2,334,000	$ -	$ 14,576,000	15.87%

CITY OF GILLETTE, WYOMING
REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year Ended June 30,	Statutorily Required Contributions	Employer's Contributions Related to Statutory Contributions	Difference Between Statutorily Required And Actual Contributions	Employer's-Covered Employee Payroll	Statutorily Required Employer's Contributions As a Percentage of Employer's-Covered Employee Payroll
2014	$ 715,000	$ 715,000	$ -	$ 4,169,000	17.20%
2015	$ 727,000	$ 727,000	$ -	$ 4,208,000	17.20%

See Notes to Required Supplementary Information.

Changes in benefit terms

There were no changes in benefit terms between the December 31, 2013 measurement date and the December 31, 2014 measurement date.

Changes in assumptions

There were no changes in assumptions between the December 31, 2013 measurement date and the December 31, 2014 measurement date.

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INTERNAL SERVICE FUNDS

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, **2015**

	Vehicle Mainten-ance	Liability and Personal Injury Insurance	Health Insurance	Total
ASSETS				
CURRENT ASSETS				
Cash	$ 331,048	$ 185,150	$ 563,886	$ 1,080,084
Investments	2,469,480	478,724	1,802,159	4,750,363
Other Receivable	10	35,627	2,869	38,506
Accrued Interest Receivable	-	78	-	78
Due From Other Funds	-	-	122,590	122,590
Inventories	163,092	-	-	163,092
Total Current Assets	$ 2,963,630	$ 699,579	$ 2,491,504	$ 6,154,713
CAPITAL ASSETS				
Machinery and Equipment	$ 15,543,874	$ -	$ -	$ 15,543,874
Less Accumulated Depreciation	(9,282,439)	-	-	(9,282,439)
Net Capital Assets	$ 6,261,435	$ -	$ -	$ 6,261,435
Total Assets	$ 9,225,065	$ 699,579	$ 2,491,504	$ 12,416,148
LIABILITIES				
CURRENT LIABILITIES				
Vouchers Payable	$ 93,273	$ 5,550	$ 124,531	$ 223,354
Estimated Claims Payable	-	-	663,222	663,222
Other Accrued Liabilities	53,647	-	-	53,647
Current Maturities of Long-Term Liabilities	9,139	-	-	9,139
Total Current Liabilities	$ 156,059	$ 5,550	$ 787,753	$ 949,362
LONG-TERM LIABILITY				
Accrued Sick Leave Payable	$ 5,702	$ -	$ -	$ 5,702
Total Liabilities	$ 161,761	$ 5,550	$ 787,753	$ 955,064
NET POSITION				
Net Investment in Capital Assets	$ 6,261,435	$ -	$ -	$ 6,261,435
Unrestricted	2,801,869	694,029	1,703,751	5,199,649
Total Net Position	$ 9,063,304	$ 694,029	$ 1,703,751	$ 11,461,084

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, **2015**

	Vehicle Mainten-ance	Liability and Personal Injury Insurance	Health Insurance	Total
OPERATING REVENUES	$ 3,427,940	$ 721,529	$ 3,958,986	$ 8,108,455
OPERATING EXPENSES				
Salaries and Benefits	$ 655,183	$ -	$ -	$ 655,183
Contractual Services	392,877	611,441	-	1,004,318
Claims	-	129,710	3,958,986	4,088,696
Repairs and Maintenance	9,788	-	-	9,788
Supplies	997,914	-	-	997,914
Depreciation	959,185	-	-	959,185
Total Operating Expenses	$ 3,014,947	$ 741,151	$ 3,958,986	$ 7,715,084
Operating Income (Loss)	$ 412,993	$ (19,622)	$ -	$ 393,371
NONOPERATING REVENUE				
(Loss) on Disposal of Equipment	$ (3,796)	$ -	$ -	$ (3,796)
Investment Income	7,651	874	2,682	11,207
Total Nonoperating Revenue	$ 3,855	$ 874	$ 2,682	$ 7,411
Income (Loss) Before Transfers	$ 416,848	$ (18,748)	$ 2,682	$ 400,782
Transfers In	118,612	-	1,279,106	1,397,718
Transfers (Out)	(1,657,411)	(37,466)	-	(1,694,877)
Change in Net Position	$ (1,121,951)	$ (56,214)	$ 1,281,788	$ 103,623
NET POSITION, BEGINNING JULY 1	10,185,255	750,243	421,963	11,357,461
NET POSITION, ENDING JUNE 30	$ 9,063,304	$ 694,029	$ 1,703,751	$ 11,461,084

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, **2015**

	Vehicle Mainten-ance	Liability and Personal Injury Insurance	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Interfund Services Provided	$ 3,427,930	$ 1,053,717	$ 3,961,407	$ 8,443,054
Payments to Employees	(658,627)	-	-	(658,627)
Payments for Goods and Services	(1,375,241)	(737,607)	(3,968,382)	(6,081,230)
Internal Activity - Payments (To) Other Funds	-	-	(127,491)	(127,491)
Net Cash Provided By (Used In) Operating Activities	$ 1,394,062	$ 316,110	$ (134,466)	$ 1,575,706
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	$ 118,612	$ -	$ 1,279,106	$ 1,397,718
Transfers (Out)	(1,657,411)	(37,466)	-	(1,694,877)
Net Cash Provided By (Used In) Noncapital Financing Activities	$ (1,538,799)	$ (37,466)	$ 1,279,106	$ (297,159)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments for Capital Acquisitions	$ (1,401,141)	$ -	$ -	$ (1,401,141)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net (Increase) Decrease in Investments	$ 1,659,396	$ (100,679)	$ (852,939)	$ 705,778
Investment Income	10,085	1,243	3,505	14,833
Net Cash Provided By (Used In) Investing Activities	$ 1,669,481	$ (99,436)	$ (849,434)	$ 720,611
Net Increase in Cash	$ 123,603	$ 179,208	$ 295,206	$ 598,017
Cash, Beginning July 1	207,445	5,942	268,680	482,067
Cash, Ending June 30	$ 331,048	$ 185,150	$ 563,886	$ 1,080,084
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income (Loss)	$ 412,993	$ (19,622)	$ -	$ 393,371
Adjustments:				
Depreciation	959,185	-	-	959,185
Change in Assets and Liabilities:				
Other Receivable	(10)	332,188	2,421	334,599
Due To/From Other Funds	-	-	(127,491)	(127,491)
Inventories	33,745	-	-	33,745
Vouchers Payable	(8,407)	3,544	104,959	100,096
Accrued Expenses	(3,444)	-	-	(3,444)
Estimated Claims Payable	-	-	(114,355)	(114,355)
Net Cash Provided By (Used In) Operating Activities	$ 1,394,062	$ 316,110	$ (134,466)	$ 1,575,706
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Net (Decrease) in Fair Value of Investments	$ (1,940)	$ (256)	$ (823)	$ (3,019)

AGENCY FUND

CITY OF GILLETTE, WYOMING

SCHEDULE OF CHANGES IN NET POSITION
AGENCY FUND
Year Ended June 30, **2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, **2015**
Flexible Benefits				
ASSETS				
Due From Other Entities	$ 3,948	$ 183,351	$ 182,229	**$ 5,070**
LIABILITIES				
Flexible Benefits Payable	$ 3,948	$ 183,351	$ 182,229	**$ 5,070**

CITY OF GILLETTE, WYOMING

SCHEDULE OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, **2015**
(Page 1 of 2)

State Grantor Program Title	Grant Number	Expenditures
Office of Attorney General		
State Surcharge	N/A	$ 8,254
Victim Witness Funding	N/A	30,442
State Salary Funds	N/A	7,532
Total Office of Attorney General		$ 46,228
Wyoming Business Council		
Business Ready Community Grant		
Gillette Avenue Improvement	N/A	$ 628,598
Broadband Study	N/A	26,615
Third Street Public Plaza	N/A	52,461
Southern Industrial Annexation	N/A	1,645,046
Community Facilities Program		
Gillette Youth Learning Center	N/A	174,624
Total Wyoming Business Council		$ 2,527,344
Wyoming Association of Sheriffs and Police		
Alcohol Inspection Contract	N/A	$ 5,100
Tobacco Inspection Contract	N/A	5,100
Total Wyoming Association of Sheriffs and Police		$ 10,200
Wyoming Division of Criminal Investigation		
Byrne Formula/HIDTA	N/A	$ 4,483
Wyoming Loan and Investments Board		
Sanitary Sewer Replacement Project	MRG-13340CL	$ 185,651
Fire Station #3	CWC-15223CL	9,177
Total Wyoming Loan and Investments Board		$ 194,828
Wyoming Water Development Commission		
Gillette Madison Pipeline	N/A	$ 16,710,166
Gillette Regional Extensions	N/A	719,151
Madison Pipeline Rehabilitation-Internal Protection	N/A	21,867
Total Wyoming Water Development Commission		$ 17,451,184
Wyoming Department of Transportation		
Railroad Quiet Zone	N/A	$ 8,778
Wyoming Community College Commission		
Wyoming State Family Literacy Program	N/A	$ 120,764
Total State Financial Assistance		$ 20,363,809

(Continued)

CITY OF GILLETTE, WYOMING

SCHEDULE OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, **2015**
(Page 2 of 2)

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, 2015.

Program	Grant Number	Amount
Wyoming Loan and Investments Board		
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant	CWSRF Loan #50	**$ 1,705,345**
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System	DWSRF Loan #39	**81,097**
Wyoming Water Development Commission		
Gillette Madison Pipeline	-	**29,591,655**
Total State Loans		**$ 31,378,097**

STATISTICAL SECTION

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STATISTICAL SECTION

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

CONTENTS

Financial Trends 83

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 94

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 105

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 112

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 116

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			
	2006	2007	2008	2009
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	41,055,859	47,631,494	74,559,430	106,878,886
Restricted	5,555,373	5,048,475	6,371,058	6,997,253
Unrestricted	44,635,298	48,152,950	43,894,266	53,241,652
Total Governmental Activities Net Assets	91,246,530	100,832,919	124,824,754	167,117,791
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	52,043,899	56,944,535	73,626,578	91,114,927
Restricted	-	1,087,786	1,145,672	3,750,000
Unrestricted	20,983,495	23,573,221	25,229,322	20,731,282
Total Business-Type Activities Net Assets	73,027,394	81,605,542	100,001,572	115,596,209
Primary Government				
Invested in Capital Assets, Net of Related Debt	93,099,758	104,576,029	148,186,008	197,993,813
Restricted	5,555,373	6,136,261	7,516,730	10,747,253
Unrestricted	65,618,793	71,726,171	69,123,588	73,972,934
Total Primary Government Net Assets	164,273,924	182,438,461	224,826,326	282,714,000

Fiscal Year					
2010	2011	2012	2013	2014	2015
118,148,340	144,063,586	160,346,407	173,368,812	184,096,943	207,543,932
36,386	22,162	13,761	13,788	13,817	4,343
54,849,935	47,210,868	46,431,260	44,960,127	42,224,867	48,736,967
173,034,661	191,296,616	206,791,428	218,342,727	226,335,627	256,285,242
103,052,463	104,481,619	108,090,438	143,994,703	151,571,316	167,721,963
3,750,000	11,382,821	28,560,579	54,315,581	83,810,606	114,382,200
21,873,844	27,246,709	32,024,938	25,391,474	23,531,369	26,800,695
128,676,307	143,111,149	168,675,955	223,701,758	258,913,291	308,904,858
221,200,803	248,545,205	268,436,845	317,363,515	335,668,259	375,265,895
3,786,386	11,404,983	28,574,340	54,329,369	83,824,423	114,386,543
76,723,779	74,457,577	78,456,198	70,351,601	65,756,236	75,537,662
301,710,968	334,407,765	375,467,383	442,044,485	485,248,918	565,190,100

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Governmental Activities				
Program Revenues				
Charges for services	$ 1,149,714	$ 1,656,062	$ 1,824,982	$ 2,088,192
Operating grants and contributions	303,867	314,637	593,694	529,993
Capital grants and contributions	76,451	648,876	3,714,954	8,848,511
General Revenues				
Severance taxes	944,415	966,875	921,829	850,865
Property taxes	962,065	983,589	1,128,163	1,304,276
Sales and use taxes	34,560,320	40,332,243	45,088,186	47,549,129
Other taxes	1,959,328	5,094,830	3,794,342	7,348,275
Mineral Royalties	1,389,193	1,399,027	1,435,176	1,466,310
Supplemental state funding	4,473,042	1,439,893	2,173,781	2,143,709
Gaming revenue	-	-	-	-
Investment income (Loss)	1,319,891	2,498,507	2,282,401	1,439,774
Capital contributions, local annexations	-	-	11,059,093	11,394,163
Other revenue	-	(2,897,831)	1,900,156	514,847
Total Governmental Activities Revenues	$ 47,138,286	$ 52,436,708	$ 75,916,757	$ 85,478,044
Business-Type Activities				
Program Revenues				
Charges for services	$ 22,357,892	$ 24,988,385	$ 29,098,595	$ 31,865,874
Capital grants and contributions	708,591	187,706	1,840,649	1,045,328
General Revenues				
Sales and use taxes [2]	-	-	-	-
Investment Income (Loss)	549,639	1,052,178	1,150,937	860,975
Capital contributions, local annexations	-	-	7,701,192	3,925,983
Other revenue	781,673	4,667,082	1,195,659	1,687,600
Total Business-Type Activities Revenues	$ 24,397,795	$ 30,895,351	$ 40,987,032	$ 39,385,760
Total Government-Wide Revenues	$ 71,536,081	$ 83,332,059	$ 116,903,789	$ 124,863,804
Expenses				
Governmental Activities				
Administration	$ 6,479,280	$ 22,391,475	$ 26,679,153	$ 17,540,288
Community Development [1]	799,996	1,029,833	1,120,231	1,250,166
Law Enforcement/Public Safety [1]	5,696,437	6,536,902	7,499,880	7,489,676
Public Works	11,911,597	7,977,462	6,816,159	16,255,289
Culture and Recreation [1]	-	-	-	-
Interest on Long-Term Debt	3,579	397	2,793	18,140
Total Governmental Activities Expenses	$ 24,890,889	$ 37,936,069	$ 42,118,216	$ 42,553,559
Business-Type Activites				
Power	$ 15,034,278	$ 17,670,988	$ 20,606,324	$ 22,658,728
Water	5,216,100	4,996,945	5,717,657	6,569,393
Sewer	2,384,116	2,866,953	4,190,133	4,501,057
Solid Waste	1,440,969	1,696,567	1,883,594	1,876,777
Total Business-Type Activities Expenses	$ 24,075,463	$ 27,231,453	$ 32,397,708	$ 35,605,955
Total Government-Wide Expenses	$ 48,966,352	$ 65,167,522	$ 74,515,924	$ 78,159,514

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

	Fiscal Year					
	2010	2011	2012	2013	2014	2015
	$ 13,835,584	$ 23,286,258	$ 23,638,587	$ 13,730,347	$ 21,563,923	$ 35,858,798
	5,161,384	9,410,539	17,421,031	52,846,755	32,927,343	44,082,384
	$ 18,996,968	$ 32,696,797	$ 41,059,618	$ 66,577,102	$ 54,491,266	$ 79,941,182
	$ (7,918,714)	$ (5,024,303)	$ (8,143,775)	$ (2,179,048)	$ (6,071,965)	$ (5,909,183)
	7,918,714	5,024,303	8,143,775	2,179,048	6,071,965	5,909,183
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 5,916,870	$ 18,261,955	$ 15,494,812	$ 11,551,299	$ 15,491,958	$ 29,949,615
	13,080,098	14,434,842	25,564,806	55,025,803	38,999,308	49,991,567
	$ 18,996,968	**$ 32,696,797**	**$ 41,059,618**	**$ 66,577,102**	**$ 54,491,266**	**$ 79,941,182**
	$ 167,117,791	$ 173,034,661	$ 191,296,616	$ 206,791,428	$ 218,342,727	$ 233,834,685
	115,596,209	128,676,307	143,111,149	168,675,955	223,701,758	262,701,066
	$ 282,714,000	$ 301,710,968	$ 334,407,765	$ 375,467,383	$ 442,044,485	$ 496,535,751
	$ -	$ -	$ -	$ -	$ -	$ (7,499,058)
	-	-	-	-	-	(3,787,775)
	$ -	$ -	$ -	$ -	$ -	$ (11,286,833)
	$ 173,034,661	$ 191,296,616	$ 206,791,428	$ 218,342,727	$ 233,834,685	$ 256,285,242
	128,676,307	143,111,149	168,675,955	223,701,758	262,701,066	308,904,858
	$ 301,710,968	**$ 334,407,765**	**$ 375,467,383**	**$ 442,044,485**	**$ 496,535,751**	**$ 565,190,100**

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
2006	$ 944,415	$ 962,065	$ 576,077	$ 34,560,320	$ 617,598	$ 272,609	$ 493,044	$ 38,426,128
2007	$ 966,875	$ 983,589	$ 629,416	$ 40,332,243	$ 560,099	$ 374,003	$ 3,531,312	$ 47,377,537
2008	$ 921,829	$ 1,128,163	$ 704,380	$ 45,088,186	$ 635,337	$ 321,605	$ 2,133,020	$ 50,932,520
2009	$ 850,865	$ 1,304,276	$ 771,478	$ 47,549,129	$ 637,591	$ 314,981	$ 5,624,225	$ 57,052,545
2010	$ 880,203	$ 1,533,648	$ 794,434	$ 36,509,652	$ 523,723	$ 282,189	$ 1,333,081	$ 41,856,930
2011	$ 970,441	$ 1,648,246	$ 759,881	$ 42,392,407	$ 578,590	$ 264,730	$ 1,044,436	$ 47,658,731
2012	$ 1,067,407	$ 1,743,283	$ 802,519	$ 48,689,382	$ 635,686	$ 236,949	$ 751,572	$ 53,926,798
2013	$ 1,096,377	$ 1,763,744	$ 806,551	$ 43,149,383	$ 690,479	$ 228,501	$ 718,029	$ 48,453,064
2014	$ 1,135,505	$ 1,832,001	$ 867,828	$ 49,198,315	$ 1,072,083	$ 222,692	$ 755,880	$ 55,084,304
2015	$ 1,101,729	$ 1,949,432	$ 923,993	$ 54,129,253	$ 1,134,685	$ 229,454	$ 747,052	$ 60,215,598
% Change 2006 - 2015	16.7%	102.6%	60.4%	56.6%	83.7%	-15.8%	51.5%	56.7%

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Unreserved				
Designated For:				
Cash Operating Reserve	$ -	$ 4,400,000	$ 4,400,000	$ 4,400,000
General Fund Operations	24,548,668	1,000,000	500,000	-
Expenditure Control Budget Carryover	1,355,876	1,067,161	750,281	596,702
CCEDC Revolving Loan	-	-	-	-
Capital Projects	-	18,989,252	5,764,020	16,285,002
Retiree Health Benefits	8,515,634	-	-	-
Undesignated, Reported In:				
General Fund	-	4,759,504	15,501,692	20,215,629
Total General Fund	$ 34,420,178	$ 30,215,917	$ 26,915,993	$ 41,497,333
Total All Governmental Funds				
Non spendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total Fund Balance - All Governmental Funds				
One Percent Sales Tax Fund				
Reserved for Capital Projects	$ 2,218,370	$ 15,940,537	$ 12,973,299	$ 7,322,090
Unreserved				
Undesignated, Reported In:				
Special Revenue Fund	7,656,240	-	-	-
Total 1% Sales Tax Fund	$ 9,874,610	$ 15,940,537	$ 12,973,299	$ 7,322,090
Economic Stabilization Reserve				
Reserved for Capital Projects	$ 3,337,003	$ 5,048,475	$ 6,371,058	$ 6,997,253
Unreserved	-	-	-	-
Total Economic Stabilization Reserve	$ 3,337,003	$ 5,048,475	$ 6,371,058	$ 6,997,253
Total Fund Balances, Govermental Funds	**$ 47,631,791**	**$ 51,204,929**	**$ 46,260,350**	**$ 55,816,676**

(1) Starting with Fiscal Year 2010 Fund Balance is reported in GASB 54 categories.

Fiscal Year					
2010	2011	2012	2013	2014	2015
(1)	(1)	(1)	(1)	(1)	(1)
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
$ 87,853	$ 111,772	$ 126,042	$ 155,613	$ 157,318	$ 209,851
36,386	22,162	13,761	13,788	13,817	4,343
24,254,271	19,749,041	22,406,471	23,923,930	29,040,814	26,358,184
20,506,879	12,162,321	7,316,230	14,946,932	6,952,460	22,437,032
5,017,408	10,639,683	12,366,300	2,284,206	7,592,509	3,033,318
$ 49,902,797	$ 42,684,979	$ 42,228,804	$ 41,324,469	$ 43,756,918	$ 52,042,728
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
$ 49,902,797	$ 42,684,979	$ 42,228,804	$ 41,324,469	$ 43,756,918	$ 52,042,728

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
General Fund				
Taxes	$ 22,891,088	$ 29,810,266	$ 31,248,987	$ 35,945,861
Intergovernmental	4,010,861	2,393,114	5,752,823	12,997,523
Licenses and Permits	184,493	296,702	300,674	287,860
Charges for Services	548,624	660,320	853,070	931,252
Fines and Fees	303,940	393,231	373,967	352,438
Investment Income	925,123	1,388,401	1,120,402	1,168,205
Miscellaneous	144,111	649,222	229,697	602,628
Special Assessment Revenue	-	-	-	-
One Percent Fund				
Taxes	15,535,040	17,567,271	19,683,533	21,106,684
Intergovernmental	2,231,692	1,439,893	2,173,781	-
Investment Income (Loss)	279,793	754,013	652,076	941
Miscellaneous	-	-	-	-
Economic Stabilization Fund				
Investment Income	114,975	211,472	322,583	126,195
Total Revenues	$ 47,169,740	$ 55,563,905	$ 62,711,593	$ 73,519,587
Expenditures				
General Fund				
Current				
Administration/General Government	$ 4,308,159	$ 5,291,309	$ 5,138,551	$ 5,266,154
Finance/Treasurer	576,667	669,067	984,481	774,204
Community Development	793,262	1,027,766	1,162,522	1,293,009
Police/Public Safety	5,542,417	7,125,688	7,916,198	7,792,601
Public Works	6,560,636	5,311,853	5,883,395	7,392,686
Culture and Recreation	-	-	-	-
Miscellaneous	2,246,516	15,087,214	20,860,825	13,881,686
Other Capital Outlay	-	-	-	-
Debt Service				
Principal	64,300	27,886	-	30,301
Interest	3,579	397	-	18,140
One Percent Fund				
Current				
Public Works	7,537,448	11,334,369	15,686,052	20,133,639
Other Capital Outlay	-	-	-	-
Total Expenditures	$ 27,632,984	$ 45,875,549	$ 57,632,024	$ 56,582,420
Excess of Revenues Over (Under) Expenditures	**$ 19,536,756**	**$ 9,688,356**	**$ 5,079,569**	**$ 16,937,167**
Other Financing Sources (Uses)				
General Fund				
Proceeds from Capital Lease	$ -	$ -	$ -	$ -
Transfers In	1,632,611	-	98,170	-
Transfers Out	(365,241)	(5,254,337)	(1,331,742)	(1,255,646)
One Percent Fund				
Transfers In	-	2,500,000	-	-
Transfers Out	(3,770,230)	(4,860,881)	(9,790,576)	(6,625,195)
Economic Stabilization Fund				
Transfers In	-	1,500,000	1,000,000	500,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ (2,502,860)	$ (6,115,218)	$ (10,024,148)	$ (7,380,841)
Net Change In Fund Balance	**$ 17,033,896**	**$ 3,573,138**	**$ (4,944,579)**	**$ 9,556,326**
Debt Service as a Percentage of Noncapital Expenditures	0.25%	0.06%	0.00%	0.09%
Fund Balance, Beginning July 1	$ 30,597,895	$ 47,631,791	$ 51,204,929	$ 46,260,350
Fund Balance, Ending June 30	$ 47,631,791	$ 51,204,929	$ 46,260,350	$ 55,816,676

(1) Starting in 2010, Finance/Treasurer expenses were combined with Administration/General Government; Community Development expenses were combined with Law Enforcement, new category named Public Safety. This resulted in zero expenses being reported for Finance/Treasurer and Community Development from 2010 forward. Also those expenses related to Parks, Culture and Recreation were re-classified from Public Works to a separate category, resulting in a new Governmental Expense category from 2010 forward. Lastly, all Governmental Funds were combined for Financial Statement purposes starting in 2010 - the City of Gillette's One Percent Fund and Economic Stabilization Fund are not reported separately from 2010 forward.

Fiscal Year					
2010	2011	2012	2013	2014	2015
(1)	(1)	(1)	(1)	(1)	(1)
$ 41,856,930	$ 47,658,731	$ 53,926,798	$ 48,453,064	$ 55,084,304	$ 60,215,598
6,416,336	5,842,993	5,016,801	5,121,117	6,022,098	7,165,775
299,446	320,003	295,160	291,708	290,033	361,710
968,610	641,662	855,350	1,320,627	2,785,521	2,894,186
396,256	426,360	472,650	406,517	391,716	444,771
923,456	173,414	76,331	(25,671)	175,523	108,679
695,423	561,663	1,000,558	801,030	1,111,286	347,769
690,292	168,756	133,387	84,534	58,186	56,643
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 52,246,749	$ 55,793,582	$ 61,777,035	$ 56,452,926	$ 65,918,667	$ 71,595,131
$ 10,334,666	$ 10,674,604	$ 10,653,872	$ 13,118,976	$ 13,617,537	$ 14,397,204
-	-	-	-	-	-
-	-	-	-	-	-
10,903,706	9,339,427	9,756,812	9,759,974	9,810,440	10,384,584
16,159,919	19,835,193	21,085,752	15,230,303	17,596,106	15,142,517
2,062,128	1,944,549	2,420,144	4,921,238	4,282,751	3,170,268
9,977,987	15,535,677	6,689,176	10,531,853	11,970,067	14,331,633
-	-	-	-	-	-
31,390	31,571	32,373	33,772	34,558	34,714
17,051	16,871	16,068	14,670	13,883	13,728
-	-	-	-	-	-
-	-	-	-	-	-
$ 49,486,847	$ 57,377,892	$ 50,654,197	$ 53,610,786	$ 57,325,342	$ 57,474,648
$ 2,759,902	**$ (1,584,310)**	**$ 11,122,838**	**$ 2,842,140**	**$ 8,593,325**	**$ 14,120,483**
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	538,690	178,885
(8,673,781)	(5,633,508)	(11,579,013)	(3,746,475)	(6,699,566)	(6,013,558)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ (8,673,781)	$ (5,633,508)	$ (11,579,013)	$ (3,746,475)	$ (6,160,876)	$ (5,834,673)
$ (5,913,879)	**$ (7,217,818)**	**$ (456,175)**	**$ (904,335)**	**$ 2,432,449**	**$ 8,285,810**
0.10%	0.08%	0.10%	0.09%	0.08%	0.08%
$ 55,816,676	$ 49,902,797	$ 42,684,979	$ 42,228,804	$ 41,324,469	$ 43,756,918
$ 49,902,797	$ 42,684,979	$ 42,228,804	$ 41,324,469	$ 43,756,918	$ 52,042,728

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

Fiscal Year	Tax Year	Real Property Residential [1]	Real Property Commercial [1]	Personal Property [1]	State-Assessed Property (Public Utilities) [1]	Industrial Property [1 2]	Less Tax-Exempt Property
2006	2005	$ 128,483,230	$ 36,673,927	$ 241,738,322	$ 33,579,460	$ -	n/a
2007	2006	$ 135,521,604	$ 38,129,529	$ 258,674,128	$ 35,112,595	$ -	n/a
2008	2007	$ 141,362,306	$ 47,628,216	$ 365,848,899	$ 41,216,369	$ 5,810,824	n/a
2009	2008	$ 165,467,474	$ 45,740,065	$ 419,625,159	$ 38,672,113	$ 6,632,908	n/a
2010	2009	$ 215,236,023	$ 53,391,771	$ 497,728,730	$ 55,092,824	$ 9,653,872	n/a
2011	2010	$ 229,943,446	$ 61,091,541	$ 462,372,171	$ 63,598,959	$ 8,732,533	n/a
2012	2011	$ 234,056,585	$ 62,886,370	$ 466,218,920	$ 60,099,469	$ 9,637,244	n/a
2013	2012	$ 240,905,920	$ 63,805,952	$ 502,162,587	$ 66,634,746	$ 10,223,434	n/a
2014	2013	$ 246,539,836	$ 66,152,832	$ 504,177,662	$ 64,741,256	$ 11,317,184	n/a
2015	2014	$ 254,210,964	$ 82,161,959	$ 516,458,473	$ 62,593,889	$ 12,042,753	n/a

[1] Data is for Campbell County, information for the City of Gillette is not available. The City of Gillette makes up approximately 67.3% of Campbell County's population.

[2] Information for 2006 through 2007 is not available from the Campbell County Assessor. The schedule will be completed as the information becomes available.

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
$ 440,474,939	8.000	$ 118,626,442	$ 1,186,264,420	10.0%
$ 467,437,856	8.000	$ 133,232,165	$ 1,332,321,650	10.0%
$ 601,866,614	8.000	$ 157,770,097	$ 1,577,700,970	10.0%
$ 676,137,719	8.000	$ 178,280,210	$ 1,782,802,100	10.0%
$ 831,103,220	8.000	$ 185,910,899	$ 1,859,108,990	10.0%
$ 825,738,650	8.000	$ 202,242,746	$ 2,022,427,460	10.0%
$ 832,898,588	8.000	$ 208,221,068	$ 2,082,210,680	10.0%
$ 883,732,639	8.000	$ 209,944,856	$ 2,099,448,560	10.0%
$ 892,928,770	8.000	$ 214,341,272	$ 2,143,412,720	10.0%
$ 927,468,038	8.000	$ 230,429,209	$ 2,304,292,090	10.0%

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			
2006	8.000	32.000	11.005	12.000	3.913	66.918
2007	8.000	32.000	11.005	12.000	3.880	66.885
2008	8.000	32.000	11.086	12.000	3.851	66.937
2009	8.000	32.000	12.000	12.000	3.805	67.805
2010	8.000	32.000	11.088	12.000	3.711	66.799
2011	8.000	32.000	11.051	12.000	4.720	67.771
2012	8.000	32.000	11.051	12.000	4.370	67.421
2013	8.000	32.000	11.051	12.000	4.461	67.512
2014	8.000	32.000	11.051	12.000	4.693	67.744
2015	8.000	32.000	11.051	12.000	4.686	67.737
			TAX LEVIES			
2006	$ 2,010,252	$ 136,433,983	$ 47,265,848	$ 51,162,743	$ 16,418,977	$ 253,291,803
2007	$ 2,178,369	$ 145,698,127	$ 54,636,798	$ 54,363,798	$ 17,870,417	$ 274,474,509
2008	$ 2,272,984	$ 151,130,318	$ 56,673,869	$ 56,673,869	$ 19,644,968	$ 286,396,008
2009	$ 2,686,051	$ 182,737,745	$ 63,307,185	$ 68,526,654	$ 21,184,730	$ 338,442,365
2010	$ 2,398,720	$ 160,533,341	$ 55,434,169	$ 60,200,003	$ 23,672,515	$ 302,238,748
2011	$ 2,579,139	$ 173,618,086	$ 59,957,921	$ 65,106,782	$ 23,709,620	$ 324,971,548
2012	$ 2,779,956	$ 186,850,095	$ 64,527,513	$ 70,068,786	$ 26,048,071	$ 350,274,421
2013	$ 2,654,504	$ 177,902,002	$ 61,437,344	$ 66,713,251	$ 25,760,441	$ 334,467,542
2014	$ 2,717,158	$ 181,942,245	$ 62,832,617	$ 68,228,342	$ 26,641,502	$ 342,361,864
2015	$ 2,959,437	$ 198,663,655	$ 68,607,252	$ 74,498,871	$ 28,159,905	$ 372,889,120

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

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

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

		Fiscal Year 2015		
Taxpayer	Type of Business	Assessed Valuation	Rank	Percentage of Total City Valuation
City of Gillette	Power System	$ 2,857,244	1	1.24%
Burlington Northern Santa Fe Railway	Railroad Company	$ 1,763,170	2	0.77%
SFA Phase I LLC	Commercial	$ 1,624,546	3	0.71%
MFG Remington LLC	Apartment Complex/Real Estate	$ 1,491,834	4	0.65%
L & H Industrial, Inc.	Welding/Industrial	$ 1,249,982	5	0.54%
South Fork Phase II LLC	Apartment Complex	$ 1,217,286	6	0.53%
Wal-Mart Real Estate Business Trust	Retail	$ 1,059,268	7	0.46%
Wyoming Machinery	Commercial Machinery Repair	$ 976,566	8	0.42%
Tower West Holdings, LLC	Motel	$ 819,969	9	0.36%
Gillette Retirement LLC	Primrose Retirement Community	$ 818,631	10	0.36%
Qwest Corporation	Telephone System			
1st Interstate Bank	Bank Holdings			
Home Depot USA	Building Materials Retail Store			
Bresnan Broadband Holdings LLC	Cable Company			
Powder Basin Properties	Shopping Center			
Ram Inc. - Clarion Inn	Motel			
WL Plastics Corporation	Polypipe Manufacturer			
Total		$ 13,878,496		6.02%
Total City Assessed Valuation		**$ 230,429,209**		

Source: Campbell County Assessor's Office

Fiscal Year 2006		
Assessed Valuation	Rank	Percentage of Total City Valuation
$ 1,858,400	1	1.57%
$ 1,070,412	3	0.90%
$ 675,472	6	0.57%
$ 1,198,838	2	1.01%
$ 695,931	4	0.59%
$ 681,136	5	0.57%
$ 581,787	7	0.49%
$ 588,018	8	0.50%
$ 507,131	9	0.43%
$ 484,508	10	0.41%
$ 8,341,633		7.03%
$ 118,626,442		

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	
2006	2005	$ 947,553	$ 919,367	97.03%	$ 28,028	$ 947,395	99.98%	$ 158
2007	2006	$ 1,021,617	$ 981,858	96.11%	$ 39,566	$ 1,021,424	99.98%	$ 193
2008	2007	$ 1,129,286	$ 1,083,201	95.92%	$ 46,001	$ 1,129,202	99.99%	$ 84
2009	2008	$ 1,318,562	$ 1,252,597	95.00%	$ 65,763	$ 1,318,360	99.98%	$ 202
2010	2009	$ 1,547,199	$ 1,462,653	94.54%	$ 83,497	$ 1,546,150	99.93%	$ 1,049
2011	2010	$ 1,680,378	$ 1,558,555	92.75%	$ 92,288	$ 1,650,843	98.24%	$ 29,535
2012	2011	$ 1,753,910	$ 1,642,663	93.66%	$ 83,149	$ 1,725,812	98.40%	$ 28,098
2013	2012	$ 1,763,257	$ 1,678,751	95.21%	$ 83,910	$ 1,762,661	99.97%	$ 596
2014	2013	$ 1,801,939	$ 1,749,349	97.08%	$ 51,232	$ 1,800,581	99.92%	$ 1,358
2015	2014	$ 1,929,664	$ 1,890,235	97.96%	$ -	$ 1,890,235	97.96%	$ 39,429

Source: Campbell County Treasurer's Office

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

Category	Fiscal Year 2006	2007	2008	2009
Agriculture / Forestry	$ 429,905	$ 508,724	$ 444,400	$ 477,160
Mining	$ 751,533,619	$ 891,821,295	$ 861,931,714	$ 869,770,960
Contract Construction	$ 93,382,114	$ 125,520,590	$ 147,424,019	$ 195,659,860
Manufacturing	$ 128,153,886	$ 139,610,667	$ 120,580,762	$ 164,761,800
Retail Trade	$ 609,172,533	$ 661,055,010	$ 772,446,705	$ 844,967,300
Wholesale Trade	$ 393,116,838	$ 496,958,076	$ 677,234,933	$ 700,363,660
Finance / Insurance	$ 4,130,476	$ 8,757,371	$ 7,276,267	$ 9,620,080
Public Administration	$ 170,299,314	$ 188,556,895	$ 200,594,610	$ 183,608,720
Utilities	$ 72,576,152	$ 64,423,105	$ 81,322,152	$ 209,265,520
Transportation / Warehousing	$ 14,675,886	$ 21,164,133	$ 23,862,610	$ 11,379,200
Information	$ 16,858,152	$ 18,049,010	$ 18,268,343	$ 21,047,260
Real Estate / Rental / Leasing	$ 84,515,219	$ 84,075,810	$ 98,349,143	$ 129,874,480
Professional Services	$ 5,682,705	$ 5,273,752	$ 4,491,219	$ 245,688
Administrative / Support / Waste	$ 10,468,667	$ 7,670,876	$ 9,140,114	$ 12,719,200
Educational Services	$ 75,276	$ 66,952	$ 66,152	$ 91,040
Health Care / Social Assistance	$ 178,971	$ (221,810)	$ 34,590	$ 60,980
Arts, Entertainment & Recreation	$ 4,123,752	$ 5,272,095	$ 2,071,200	$ 2,359,000
Accomodation / Food Services	$ 80,112,419	$ 93,784,267	$ 98,938,438	$ 106,912,940
Other Services	$ 132,747,543	$ 146,061,448	$ 191,707,943	$ 208,235,480
Total	$ 2,572,233,427	$ 2,958,408,266	$ 3,316,185,314	$ 3,671,420,328

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 67.3% of the entire county's population.

Source: Wyoming Department of Revenue

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 489,220	$ 437,860	$ 596,200	$ 587,400	$ 670,733	$ 716,296
$ 490,176,840	$ 938,596,520	$ 1,076,846,327	$ 949,196,000	$ 1,178,258,083	$ 1,420,173,026
$ 135,028,900	$ 80,439,700	$ 63,142,782	$ 47,446,717	$ 62,583,333	$ 63,802,348
$ 131,527,740	$ 106,303,540	$ 109,037,800	$ 79,636,183	$ 93,448,367	$ 104,950,591
$ 666,731,700	$ 739,768,020	$ 747,460,455	$ 665,802,967	$ 692,062,683	$ 719,212,626
$ 429,373,140	$ 419,190,860	$ 617,623,145	$ 518,981,083	$ 534,587,550	$ 610,714,713
$ 6,116,580	$ 5,399,040	$ 7,182,055	$ 2,060,050	$ 2,084,217	$ 1,603,948
$ 131,167,240	$ 153,885,720	$ 193,622,764	$ 173,049,917	$ 195,701,700	$ 262,655,235
$ 274,450,280	$ 223,550,160	$ 147,902,909	$ 80,461,450	$ 84,462,267	$ 79,892,139
$ 12,743,380	$ 10,277,580	$ 10,219,727	$ 10,627,433	$ 10,896,233	$ 15,191,339
$ 20,462,580	$ 28,029,280	$ 32,546,182	$ 32,102,250	$ 31,557,183	$ 32,401,304
$ 115,192,380	$ 147,850,120	$ 174,626,000	$ 182,424,017	$ 223,136,350	$ 188,324,852
$ 4,553,780	$ 7,042,360	$ 7,752,273	$ 6,364,650	$ 6,761,333	$ 6,304,487
$ 11,239,380	$ 7,273,160	$ 6,531,564	$ 9,573,150	$ 7,070,733	$ 8,511,843
$ 77,500	$ 72,840	$ 91,327	$ 94,533	$ 101,450	$ 89,530
$ 45,420	$ 62,920	$ 36,945	$ 52,850	$ 69,567	$ 69,617
$ 2,365,160	$ 2,297,820	$ 2,667,436	$ 2,379,150	$ 2,452,533	$ 2,373,096
$ 102,014,020	$ 110,211,880	$ 116,697,236	$ 112,660,600	$ 125,905,033	$ 154,045,478
$ 188,306,840	$ 222,801,700	$ 232,772,145	$ 189,522,850	$ 199,170,983	$ 216,359,670
$ 2,722,062,080	$ 3,203,491,080	$ 3,547,355,272	$ 3,063,023,250	$ 3,450,980,331	$ 3,887,392,138

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

Fiscal Year[2 3]	Campbell County[1]	State of Wyoming	TOTAL*
2006	1.25%	4.00%	5.25%
2007	1.25%	4.00%	5.25%
2008	1.25%	4.00%	5.25%
2009	1.00%	4.00%	5.00%
2010	1.00%	4.00%	5.00%
2011	1.00%	4.00%	5.00%
2012	2.00%	4.00%	6.00%
2013	2.00%	4.00%	6.00%
2014	2.00%	4.00%	6.00%
2015	1.00%	4.00%	5.00%

[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 0.25% - also approved by voters of Campbell County
(Effective 01/01/01 through 09/30/03 and 10/01/05 through 12/31/08: Fiscal Years 2003, 2006, 2007 and 2008)
[3] Special Purpose Tax of 1.00% - also approved by voters of Campbell County
(Effective 10/01/11, Fiscal Year 2012, and collected in full in Fiscal Year 2015; 1% Special Purpose came off 4/1/15)

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

Source: Wyoming Department of Revenue

*Used to calculate Taxable Sales in Schedule 13

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

	Fiscal Year 2015			
Business Activity	Rank		Tax Liability	Percentage of Total County Liability
Support activities for mining	1	$	41,838,819	18.74%
Coal mining	2	$	36,005,214	16.13%
Executive, legislative and general government	3	$	15,060,004	6.75%
Petroleum merchant wholesalers	4	$	12,537,754	5.62%
Machinery and supply merchant wholesalers	5	$	10,527,135	4.72%
Building Material and Supplies Dealers	6	$	9,872,319	4.42%
Machinery and equipment rental and leasing	7	$	9,242,693	4.14%
Other general merchandise stores	8	$	7,126,909	3.19%
Chemical merchant wholesalers	9	$	6,982,293	3.13%
Commercial machinery repair and maintenance	10	$	5,920,263	2.65%
Gasoline service stations				
Auto parts, accessories, and tire stores				
Total		$	155,113,403	69.49%
Total Campbell County		**$**	**223,208,218**	

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 67.3% of the entire county's population.

Source: Wyoming Department of Revenue

Fiscal Year 2006			
Rank		Tax Liability	Percentage of Total County Liability
1	$	20,433,545	15.16%
2	$	16,520,191	12.26%
4	$	8,913,796	6.61%
10	$	3,757,113	2.79%
3	$	11,893,770	8.82%
5	$	4,987,544	3.70%
8	$	4,147,356	3.08%
7	$	4,506,854	3.34%
6	$	4,907,677	3.64%
9	$	3,801,333	2.82%
	$	83,869,179	62.22%
	$	**134,792,077**	

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

	Governmental Activities			Business-Type Activities	
				Wyoming State Land and Investment Loans	
Fiscal Year	General Bonded Debt	Notes Payable	Capital Leases	Wastewater Fund	Water Fund
2006	$ -	$ -	$ 27,886	$ 7,962,591	$ 851,972
2007	$ -	$ 755,164	$ -	$ 15,398,337	$ -
2008	$ -	$ 725,601	$ -	$ 15,665,198	$ -
2009	$ -	$ 695,300	$ -	$ 15,051,950	$ -
2010	$ -	$ 663,910	$ -	$ 14,420,279	$ -
2011	$ -	$ 632,339	$ -	$ 13,779,859	$ -
2012	$ -	$ 599,966	$ -	$ 13,118,534	$ -
2013	$ -	$ 566,194	$ -	$ 12,441,620	$ -
2014	$ -	$ 531,636	$ -	$ 11,742,670	$ -
2015 [1]	$ -	$ 496,922	$ -	$ 11,035,381	$ -

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] 2015 Percentage of Personal Income calculated using 2014 Personal Income figures from Demographic and Economic Statistics, as 2015 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					
Wyo. Water Development Commission Loans		Capital Leases			
Wastewater Fund	Water Fund	Power Fund	Total Primary Government	Percentage of Personal Income [1]	Per Capita
$ -	$ -	$ -	$ 8,842,449	0.51%	$ 342
$ -	$ -	$ -	$ 16,153,501	0.86%	$ 587
$ -	$ -	$ -	$ 16,390,799	0.74%	$ 535
$ -	$ 22,970	$ -	$ 15,770,220	0.77%	$ 476
$ -	$ 1,118,798	$ -	$ 16,202,987	0.75%	$ 557
$ -	$ 1,456,311	$ 75,715,000	$ 91,583,509	4.13%	$ 3,053
$ -	$ 3,619,887	$ 74,335,000	$ 91,673,387	3.92%	$ 3,044
$ -	$ 16,162,201	$ 72,920,000	$ 102,090,015	4.16%	$ 3,331
$ -	$ 19,362,016	$ 71,460,000	$ 103,096,322	4.38%	$ 3,364
$ -	$ 29,591,655	$ 93,380,000	$ 134,503,958	5.72%	$ 4,136

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

	Fiscal Year			
	2006	2007	2008	2009
Overlapping Net Debt Outstanding				
Campbell County School District	$ 1,098,720	$ -	$ -	$ -
Campbell County Hospital District	$ -	$ -	$ -	$ -
Estimated percentage applicable	3.24%	n/a	n/a	n/a
City's Estimated Share of Overlapping Debt	$ 35,599	$ -	$ -	$ -
City Direct Debt	$ 27,886	$ 755,164	$ 725,601	$ 695,300
Total Direct and Overlapping Debt	$ 63,485	$ 755,164	$ 725,601	$ 695,300

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.

Source: Campbell County Treasurer's Office

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -
n/a	n/a	n/a	n/a	n/a	n/a
$ -	$ -	$ -	$ -	$ -	$ -
$ 663,910	$ 632,339	$ 599,966	$ 566,194	$ 531,636	$ 496,922
$ 663,910	$ 632,339	$ 599,966	$ 566,194	$ 531,636	$ 496,922

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

Legal Debt Margin Calculation for Fiscal Year 2015	
Assessed Value	$ 230,429,209
Debt Limitation (4% of Assessed Value)	$ 9,217,168
Debt Applicable to Limitation	$ -
Legal Debt Margin	$ 9,217,168

	Fiscal Year			
	2006	2007	2008	2009
Debt Limit	$ 4,745,058	$ 5,329,287	$ 6,310,804	$ 7,131,208
Total Net Debt Applicable to Limit	$ -	$ -	$ -	$ -
Legal Debt Margin	$ 4,745,058	$ 5,329,287	$ 6,310,804	$ 7,131,208
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year					
2010	2011	2012	2013	2014	2015
$ 7,436,436	$ 8,089,710	$ 8,328,843	$ 8,397,794	$ 8,573,651	$ 9,217,168
$ -	$ -	$ -	$ -	$ -	$ -
$ 7,436,436	$ 8,089,710	$ 8,328,843	$ 8,397,794	$ 8,573,651	$ 9,217,168
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

Fiscal Years	General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2006 - 2015	$ -	$ -	$ -

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

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

Date of Incorporation	1891
Form of Government	Mayor - Council

	Fiscal Year			
	2006	2007	2008	2009
Population (CY Basis) [1]	25,829	27,533	30,636	33,159
Unemployment Rate [2]	2.0%	2.1%	2.0%	5.3%
Median Age [3 6]	33.3	31.3	31.9	30.6
Personal Income (thousands of dollars) [4 6]	$ 1,754,474	$ 1,897,997	$ 2,207,520	$ 2,052,029
Per Capita Personal Income [4 6]	$ 44,420	$ 45,569	$ 51,522	$ 44,951
New Single-Family Residential:				
Number of Permits	297	489	370	307
Valuation	$ 69,012,214	$108,474,382	$ 149,706,720	$ 69,469,246
New Commercial/Industrial:				
Number of Permits	27	34	52	54
Valuation	$ 31,497,857	$ 75,419,932	$ 30,406,980	$ 56,165,880
Rental Vacancy Rates:				
Building rentals	0.2%	0.1%	0.1%	5.4%
Mobile Home Parks	8.9%	7.8%	4.9%	5.2%
Area in Square Miles [1]	15.58	16.02	16.35	18.17
Number of Schools (In City of Gillette Only) [5]				
Elementary Schools	8	8	8	8
Junior High Schools	2	2	2	2
High Schools	1	1	1	1
Alternative Transitional Center (For at-risk Students)	1	1	1	1
Total Number of Schools	12	12	12	12
County School Enrollment [5]	7350	7565	7,534	8,007
County Student - Teacher Ratio [5]				
Elementary Schools	17.18:1	16.57:1	18.73:1	18.17:1
Secondary Schools	19.9:1	15.41:1	14.58:1	14.12:1

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
29,087	30,000	30,121	30,646	32,000	32,520
5.9%	4.7%	4.6%	3.9%	3.4%	3.8%
30.6	29.4	29.9	30.2	n/a	n/a
$ 2,171,502	$ 2,263,302	$ 2,453,949	$ 2,455,481	$ 2,352,749	n/a
$ 46,961	$ 48,579	$ 51,250	$ 50,969	$ 48,691	n/a
294	262	225	143	128	142
$ 86,456,981	$83,991,719	$91,337,481	$ 61,339,415	$ 57,346,683	$ 56,780,306
44	35	36	28	28	30
$ 42,104,156	$32,003,194	$29,860,712	$ 40,107,881	$ 45,800,319	$ 95,279,433
6.6%	6.3%	7.5%	9.1%	1.3%	5.9%
6.5%	8.3%	8.4%	6.6%	6.3%	9.1%
18.64	18.64	19.42	19.42	19.42	21.66
8	8	8	9	9	9
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
12	12	12	13	13	13
8,145	8,248	8,368	8,524	8,714	8,714
17.67:1	19.08:1	19.00:1	19.18:1	18.90:1	18.90:1
14.44:1	14.91:1	15.33:1	15.46:1	15.06:1	15.06:1

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

	Fiscal Year 2015 [2]	
Industry	Employees	Percentage of Total County Employment
Mining	8,218	28.89%
Total Government	4,959	17.43%
Construction	2,527	8.88%
Retail Trade	2,419	8.50%
Accommodation and Food Services	2,279	8.01%
Wholesale Trade	1,791	6.30%
Transportation and Warehousing	1,019	3.58%
Health Care and Social Assistance	995	3.50%
Professional and Technical Services	792	2.78%
Other Services, Except Public Administration	748	2.63%
Administrative and Waste Services	657	2.31%
Manufacturing	599	2.11%
Finance and Insurance	399	1.40%
Utilities	380	1.34%
Real Estate and Rental and Leasing	297	1.04%
Information	203	0.71%
Arts, Entertainment and Recreation	107	0.38%
Educational Services	61	0.21%
Total	28,450	100.00%
Total Campbell County Employment	**28,450**	

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.

[2] Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2015 ends on December 31, 2014)

Fiscal Year 2006 [2]	
Employees	Percentage of Total County Employment
7,624	29.12%
3,830	14.63%
3,234	12.35%
2,378	9.08%
1,802	6.88%
1,428	5.45%
927	3.54%
744	2.84%
787	3.01%
812	3.10%
750	2.86%
645	2.46%
390	1.49%
201	0.77%
262	1.00%
221	0.84%
101	0.39%
44	0.17%
26,180	100.00%

26,180

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

	Fiscal Year			
Function/Program	2006	2007	2008	2009
General Government				
Finance, Human Resources, Safety	7	9.5	9.5	9.5
Judicial and Legal	6	6	6.25	6.25
City Hall, Buildings & Grounds	6	7	8	8
Planning & Building Inspection	12	13	17	17
Streets, Traffic	13	16	16	14
Parks	6	8	8	9
Central Administration	16	16	16.75	18.5
Other	16.8	19.8	19.8	21.25
Police				
Officers and Civilians	54	59	61	66
Dispatch	9	9	9	9
Animal Control/Shelter	5	5	6	6
Other - Grant Funded Positions	2	3	3	3
Code Enforcement	0	0	0	0
Engineering	8	13	13	13
Warehouse & Purchasing	4	4	4	4
Vehicle Maintenance	6	6	6	6
Utilities Administration	17	16	20	20
Solid Waste Collection	6	6	7	8
Water & Water Treatment	13	15	14	16
Power	13	14	12	15
Wastewater	12	13	12	12
Total FTE Employees	231.8	258.3	268.3	281.5
Total Temporary/Seasonal positions [1]	5.25	4.25	8.5	25

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
11.75	11.75	11.75	12	21.25	21.75
6	8	8	10.5	10.5	11.5
8	8	9	9	9	9
15	15	14	14	13	11
17.5	17	17	19	19	18
10	10	10	12	12	12
16.75	17.75	16.75	16.75	17.5	19.75
22.5	22	22	23	23	23
68	68	68	68	67	68
9	9	9	9	9	9
6	6	6	6	6	7
3	3	3	3	3	4
2	2	2	2	2	2
14	12	12	12	12	12
4	4	4	4	4	4
6	6	7	7	7	7
21	21	22	22	12.75	14.75
9	9	9	9	9	9
15	16	16	18	18	18
15	15	15	16	16	16
11	11	11	11	11	13
290.5	291.5	292.5	303.25	302	309.75
28	35.5	21.0	22.6	19.8	19.0

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

Function/Program	Fiscal Year 2006	2007	2008	2009
Police				
Stations	1	1	1	1
Patrol units	36	36	36	36
Public Works				
Refuse collection trucks	5	5	7	7
Streets (miles)	151.9	153.1	153.3	193.1
City parks (acres)	n/a	397.3	401.0	401.0
Bike paths (miles)	n/a	30.7	33.2	35.6
Storm sewers (miles)	61.04	61.18	61.18	84.05
Traffic signals	n/a	n/a	n/a	n/a
Utilites Department				
Water				
Water lines (miles)	224.6	235.8	247.0	250.4
Fire hydrants	1,716	1,722	1,747	1,930
Storage capacity (thousands of gallons)	22,000	22,000	22,000	22,000
Electric				
Electric lines (miles)-includes both transmission & distribution	238.8	240.8	243.7	283.5
Streetlights	2,400	2,417	2,442	2,576
Transformers	2,450	2,467	2,482	2,593
Number of substations	n/a	n/a	n/a	8
Wastewater [1]				
Sanitary sewers (miles)	132.4	139.4	144.4	176.3
Number of manholes	2,685	3,080	3,344	3,453
Treatment capacity (thousands of gallons)	n/a	5,120	5,120	5,120

[1] Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2015 ends on December 31, 2014)
n/a - Data is not available. This table will be completed as data becomes available in future years.

Fiscal Year					
2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
38	43	43	43	43	43
7	8	8	8	8	8
202.0	202.9	205.4	209.4	214.4	221.1
412.7	419.3	419.3	421.6	661.1	661.1
37.3	40.9	44.9	46.0	46.0	50.8
88.57	90.31	90.31	90.31	96.95	101.17
n/a	n/a	59	63	64	75
259.9	262.7	267.3	289.3	291.4	310.7
2,011	2,097	2,150	2,251	2,269	2,305
22,000	22,000	22,000	22,000	22,000	22,000
300.0	329.3	336.1	337.9	344.0	365.0
2,725	2,789	2,927	3,157	3,233	3,346
2,660	2,725	2,762	3,085	3,108	3,227
9	10	10	10	10	10
179.7	182.4	183.2	187.4	190.5	190.5
3,591	3,629	3,649	3,667	3,690	3,718
5,120	5,120	5,120	5,120	5,120	5,120

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

Function/Program	Fiscal Year 2006	2007	2008
General Government			
Building permits issued	1,017	1,508	2,100
Building inspections conducted	6,531	11,565	14,082
Gas, Electrical, Plumbing & Mechanical Permits	2,323	3,024	3,042
Contractor Licences [1]	n/a	1,060	1,205
Police [1]			
Incidents	31,326	38,970	35,132
Incident reports taken	8,228	7,871	8,338
Traffic citations	7,213	6,462	5,974
Physical arrests	4,151	4,359	4,231
Public Works			
Refuse collected (In Tons per Year)	10,700	11,618	11,534
Recyclables collected (In Tons per Year)	n/a	n/a	n/a
Curbside Yard Waste collected (In Tons per Year)	n/a	n/a	n/a
Acres of parks mowed	n/a	n/a	n/a
Miles of streets plowed	n/a	n/a	n/a
Utilities Department			
Meters read - all Utilities (Water, Electric)	224,809	230,402	244,346
Utility bills mailed	140,254	150,074	168,549
Wastewater [1]			
Daily average flows (Million Gallons per Day)	2.6836	3.1500	3.0700
Compost sold (In Yards per Year) [1]	1,006	313	1,309
Yard Waste collected-drop-off site (In Tons per Year)	n/a	n/a	n/a
Electric			
Amount billed	$ 22,259,723	$ 25,151,335	$ 27,321,281
Water			
New connections	412	432	849
Average Daily Water Production (In millions of gallons) [1]	4.8	5.2	4.6
Average Daily Consumption per Capita (Gallons) [1 2]	172	175	153
Peak Water Demand (in millions of gallons)	13.8	12.6	11.5

[1] Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2015 ends on December 31, 2014)
[2] As of FY 2015 changed this data to Average Daily Consumption per Capita (gallons) to provide more useful data
n/a - Data not available. This chart will be completed as information becomes available.

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
1,301	1,230	2,721	1,015	866	799	856
11,907	12,210	11,471	10,715	9,515	8,176	10,430
2,148	2,123	2,095	2,024	1,795	1,537	1,717
1,298	1,284	1,204	1,189	1,161	1,281	1,387
31,848	32,229	34,458	34,738	35,536	33,533	36,433
8,111	8,040	8,365	8,586	9,824	8,933	9,172
4,338	5,791	6,315	8,726	4,682	4,058	4,310
2,929	2,811	3,106	3,506	3,906	3,686	3,934
11,730	11,866	11,962	12,714	12,667	13,213	13,565
n/a	294	297	312	304	322	306
n/a	401	444	545	624	1,281	715
n/a	n/a	n/a	n/a	2,142	2,480	3,245
n/a	n/a	n/a	n/a	33,972	54,469	34,825
267,553	281,236	289,289	292,484	304,278	309,233	309,936
176,714	178,631	184,546	189,237	194,474	194,687	199,073
3.1300	3.3800	3.3400	3.1200	3.0200	3.1800	3.2500
1,223	1,445	1,463	2,385	2,705	3,164	2,789
n/a	n/a	n/a	n/a	n/a	2,031	8,348
34,181,637	$ 22,669,692	$ 23,910,313	$ 24,086,469	$ 25,278,925	$ 26,555,552	$ 27,410,894
533	887	233	252	125	155	259
4.2	4.3	4.1	4.6	5.1	4.3	4.0
135	128	148	155	167	140	126
12.4	14.6	11.7	13.3	11.1	11.0	11.0

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SINGLE AUDIT SECTION

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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** as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the **City of Gillette, Wyoming's** basic financial statements, and have issued our report thereon dated January 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the **City of Gillette, Wyoming's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **City's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **City's** internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **City of Gillette, Wyoming's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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
January 12, 2016

BENNETT, WEBER & HERMSTAD, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the **City of Gillette, Wyoming's** compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. The **City's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the **City's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **City's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the **City** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the **City** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the **City's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the **City's** internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bennett, Weber & Hermstad, LLP

Gillette, Wyoming
January 12, 2016

CITY OF GILLETTE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, **2015**
(Page 1 of 2)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Health and Human Services			
Direct Awards:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Drug-Free Communities Support Program Grants	93.276	1H79SP017004-01	**$ 136,019**
Passed Through the State of Wyoming Department of Family Services			
Low Income Home Energy Assistance Program	93.568	-	**$ 95,234**
Passed Through the State of Wyoming Department of Health			
Block Grants for Community Health Services	93.958		**$ 1,400**
Total Department of Health and Human Services			**$ 232,653**
Department of Homeland Security			
Passed Through the State of Wyoming, Office of Homeland Security and Emergency Management			
Homeland Security Grant Program	97.067	13-GPD-GIL-LP-HLE13	**$ 19,463**
Department of Justice			
Direct Awards:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	-	**$ 4,018**
Passed Through the State of Wyoming Division of Criminal Investigation			
Edward Byrne Memorial Justice Assistance Grant Program - 2012 and 2013	16.738	-	**$ 45,212**
Passed Through the State of Wyoming Association of Sheriffs and Chiefs of Police			
Enforcing Underage Drinking Laws Program - 2014 and 2015	16.727	-	**$ 6,108**
Passed Through the State of Wyoming Office of Attorney General			
Crime Victim Assistance	16.575	-	**$ 3,688**
Violence Against Women Formula Grants	16.588	-	**32,471**
Total Passed Through the State of Wyoming Office of Attorney General			**$ 36,159**
Total Pass Through Awards			**$ 87,479**
Total Department of Justice			**$ 91,497**

(Continued)

CITY OF GILLETTE, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, **2015**
(Page 2 of 2)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Transportation			
Passed Through the State of Wyoming, Department of Transportation			
State and Community Highway Safety	20.600	-	$ **4,750**
Alcohol Open Container Requirements	20.607	-	**8,788**
National Priority Safety Program	20.616	-	**16,894**
Highway Planning and Construction	20.205	-	**207**
Total Department of Transportation			$ **30,639**
Executive Office of the President			
Passed Through the State of Wyoming Division of Criminal Investigation			
High Intensity Drug Trafficking Areas Program - 2014	95.001	-	$ **1,554**
Department of the Interior			
Passed Through State of Wyoming Water Development Commission			
Abandoned Mine Land Reclamation Program	15.252	-	$ **14,316,144**
Total Expenditures of Federal Awards			$ **14,691,950**

Basis of Presentation: The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Gillette, Wyoming and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 "Audits of State, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Loans Outstanding: The City had previously received federal loan proceeds. There were no current year loan proceeds received during the year ended June 30, 2015. Following is the balance of the federal portion of the loans at June 30, 2015.

Program	CFDA Number	Amount
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant CWSRF Loan #50	66.458	$ **9,330,036**
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System DWSRF Loan #39	66.468	**415,825**
Total Federal Loans		$ **9,745,861**

CITY OF GILLETTE, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, **2015**
(Page 1 of 2)

Section I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: 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 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 programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes ___X___ no

Identification of major programs:

CFDA Numbers	*Name of Federal Program or Cluster*	*Amount Expended*
15.252	Abandoned Mine Land Reclamation Program	$ 14,316,144

Dollar threshold used to distinguish between type A and type B programs: $ 440,759

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

(Continued)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, **2015**
(Page 2 of 2)

Section II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance With Government Auditing Standards Generally Accepted in the United States of America

A. Deficiencies in Internal Control

There were no deficiencies in Internal Control

B. Compliance Findings

There were no compliance findings.

Section III. Findings and Questioned Costs for Federal Awards

There were no findings and questioned costs for federal awards.

CITY OF GILLETTE, WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, **2015**

1) Prior Year Findings:

There were no prior year findings.