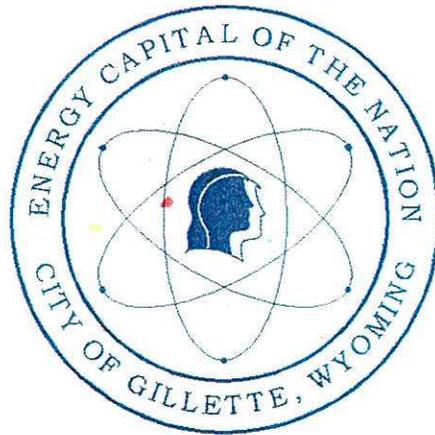


# CITY OF GILLETTE

## GILLETTE, WY

### COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014

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

For the fiscal year ended  
June 30, 2014

Prepared by:  
Finance Department

# CITY OF GILLETTE, WYOMING

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# CITY OF GILLETTE, WYOMING

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**CITY OF GILLETTE, WYOMING**

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# INTRODUCTORY SECTION



# CITY OF GILLETTE

Finance  
P.O. Box 3003 • Gillette, Wyoming 82717-3003  
Phone (307) 686-5208  
[www.gillettewy.gov](http://www.gillettewy.gov)

January 20, 2015

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, 2014.

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, 2014. 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 19.42 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 by no later than the close of the 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 natural 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 is expected to remain stagnant over the next couple years before rebounding. This is primarily attributable to governmental regulations affecting coal fired electric generation facilities as well as a current shortage of rail cars to transport coal. Optimism does exist, however, in resurgence of the coal market as technological advances in the generation of "clean coal" products continue to be made and opportunities for overseas exports are explored.

Despite pressures on the coal industry, Gillette is benefiting from a resurgence in oil exploration and production. New drilling techniques have revitalized this energy base resulting in an increased demand for workers and housing. This is reflected by the Gillette unemployment rate for June, 2014, which stood at 3.4%. This is a reduction of .5% from the prior year and approaches the unemployment rate of 3.0% in June, 2004, which began a boom cycle that saw unemployment rates remain under 3.0% for the next four years. Apartment rental property vacancy rates have also declined to 1.3% as of June 30, 2014, compared to 9.1% the previous year, reflecting the insurgence of workers coming to Gillette to fill the workforce needs.

The City of Gillette's share of sales tax revenues has increased from \$21,499,110 in 2004 to \$49,198,315 in 2014. This represents an historic high for sales tax revenue collections demonstrating an uptick in economic activity within Gillette and Campbell County. With the exception of fiscal years 2010 and 2013, sales tax revenues have experienced annual positive growth since 2004.

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 natural gas. Government regulation, public education, and the ability to expand markets will be key components to maintaining the robust economy Gillette has come to enjoy.

### ***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 15% and 5% 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 will sunset when \$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 is scheduled to cease as of March 31, 2015, at which time the full amount will have been 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. In the fiscal 2012/13 budget, a little over \$4.3M was allocated to complete phase 1 of the development which included surface grading of the property as well as installation of some infrastructure. Phase II, construction of a softball complex consisting of four fields, was included in the fiscal 2013/14 budget year at an estimated cost of approximately \$8M and is near completion.

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.

### ***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, 2013. 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.

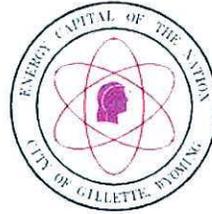
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. It should be noted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

**Joint Powers Board**

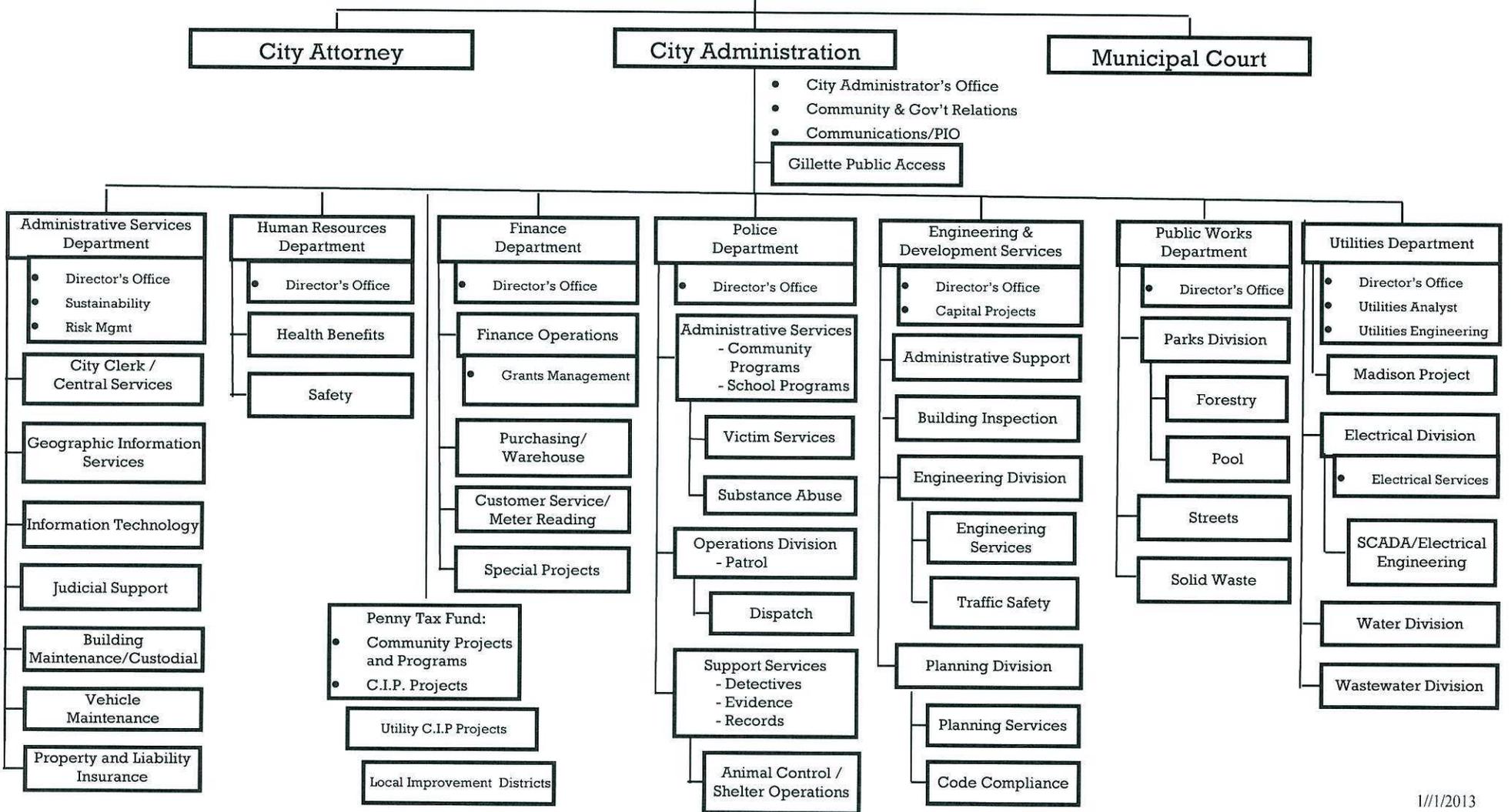


**City Boards & Commissions**



**City of Gillette**  
*Organizational Chart*

**Citizens of Gillette**  
**Mayor & City Council**



City of Gillette  
Elected and Appointed Officials  
June 30, 2014

**ELECTED OFFICIALS**

Mayor		John Opseth
City Council	Ward I	Kevin McGrath Louise Carter-King
	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
Engineering and 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, 2013**

Executive Director/CEO

# FINANCIAL SECTION

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

**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

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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, 2014, 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 22 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 December 15, 2014, 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 & Hermsstad, LLP*

Gillette, Wyoming  
December 15, 2014

## 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, 2014. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- ❖ The assets of the City of Gillette exceeded its liabilities at the close of the most recent fiscal year by \$496,536 (*net position*). Of this amount, \$77,043 (*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 \$54,491. A majority of the increase resulted from increases in investments in capital assets which includes current year capital contributions equal to \$4,558. Another key factor of the increase 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 \$43,757, an increase of \$2,432 in comparison with the prior year. Approximately 17 percent of this total amount, \$7,593, 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 \$29,041 while the assigned fund balance was \$6,952. 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 \$1,045 during the current fiscal year. The City continues to acquire new debt for the Gillette Regional Water Supply Project which is the key factor of the increase. 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 payment made to Lease Revenue Bondholders related to the WyGen III purchase.

### 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 and liabilities, with the difference between the two 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 23-25 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 26-30 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 31-38 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 statement 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 39-40 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 41-62 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. Individual fund statements for the Internal Service Funds and Agency Fund are presented on pages 63-68 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 exceeded liabilities by \$496,536 at the close of the most recent fiscal year.

The largest portion of the City of Gillette's net position (68 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.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	60,953	55,853	115,876	93,449	176,830	149,302
Capital Assets	187,123	173,369	257,304	245,519	444,427	418,887
<b>Total Assets</b>	<b>248,076</b>	<b>229,222</b>	<b>373,180</b>	<b>338,967</b>	<b>621,257</b>	<b>568,189</b>
Long-term Liabilities Outstanding:	672	728	103,651	102,549	104,323	103,278
Other Liabilities:	13,570	10,084	6,828	12,716	20,398	22,800
<b>Total Liabilities</b>	<b>14,242</b>	<b>10,812</b>	<b>110,479</b>	<b>115,266</b>	<b>124,721</b>	<b>126,078</b>
Deferred Inflows of Resources						
<b>Advance Payments Received on Grants</b>	-	67	-	-	-	67
Net Position:						
Invested in Capital Assets, net of related debt	184,097	173,369	151,571	143,995	335,668	317,364
Restricted:	14	14	83,811	54,316	83,824	54,329
Unrestricted:	49,724	44,960	27,319	25,391	77,043	70,352
<b>Total Net Position</b>	<b>233,835</b>	<b>218,343</b>	<b>262,701</b>	<b>223,702</b>	<b>496,536</b>	<b>442,044</b>

An additional portion of the City of Gillette's net position (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$77,043) 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.

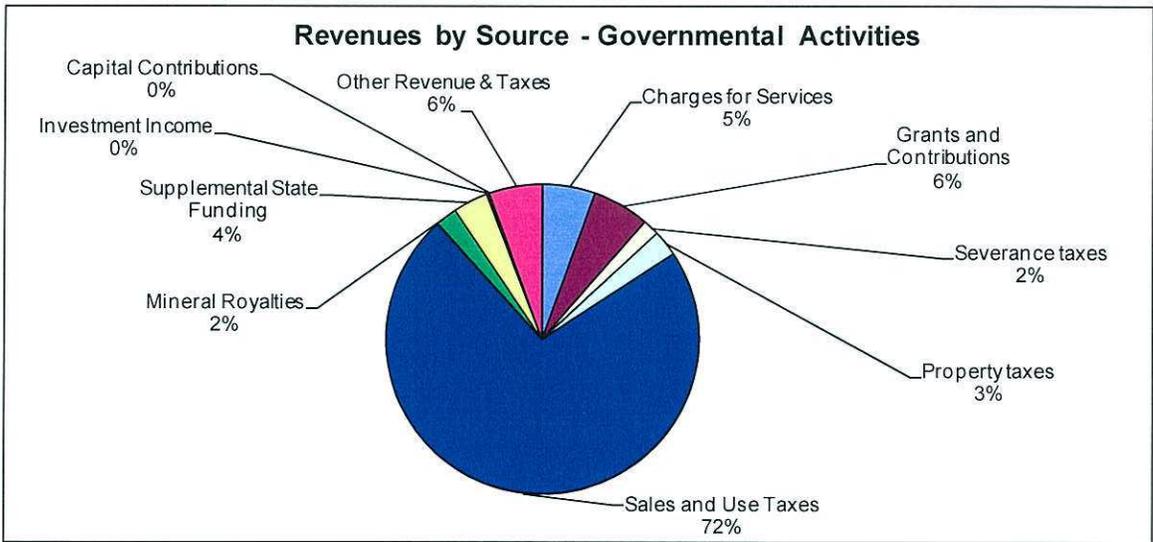
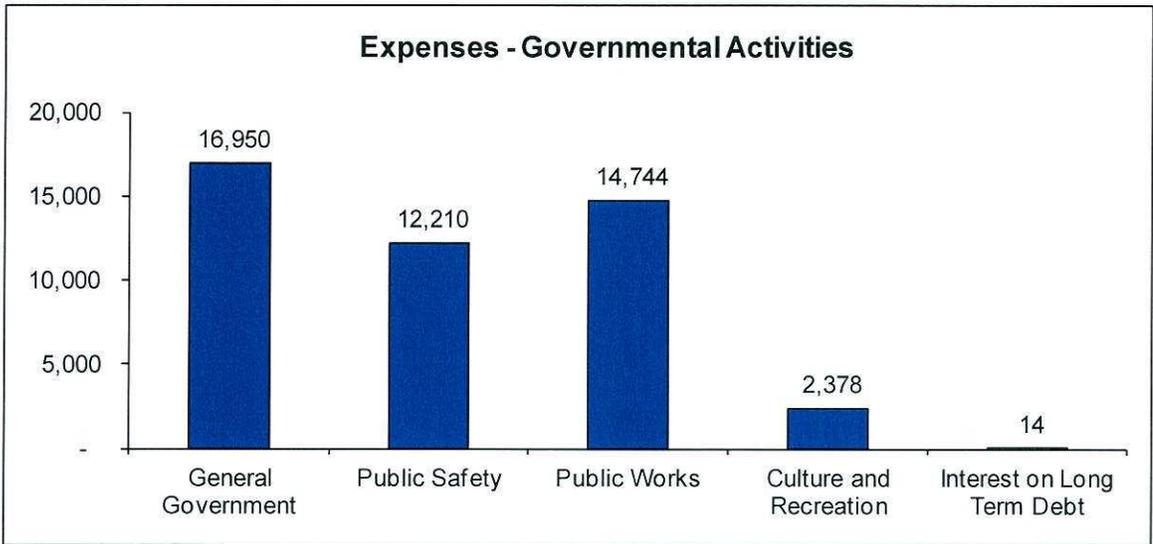
The government's net position increased by \$54,491 during the current fiscal year. Most of the increase is due to increased revenue collected - especially sales and use taxes and grant receipts, investments in capital assets as well as capital contributions. Major capital projects for infrastructure throughout the City of Gillette include the Boxelder Road Extension Phase IIB and Gillette Avenue Reconstruction; several Pavement Management System projects; City Hall HVAC Upgrade Project; completion of the Sunflower Park Drainage Improvements Project; several Park Improvement and Park Development projects including the Gillette Softball/Baseball Complex; completion of the Westover Road Zone 2 Water Transmission Line Project; Donkey Creek Substation construction; Gillette Regional Water Supply Project; and the Annual Water and Sewer Main Replacement Project. During FY2014, capital contributions from infrastructure dedicated from new developments and annexations equaled \$4,558 (please note, beginning in FY2014 these figures are included in the Program revenues – Capital grants and contributions category below).

**City of Gillette's Changes in Net Position**  
Rounded to \$,000s

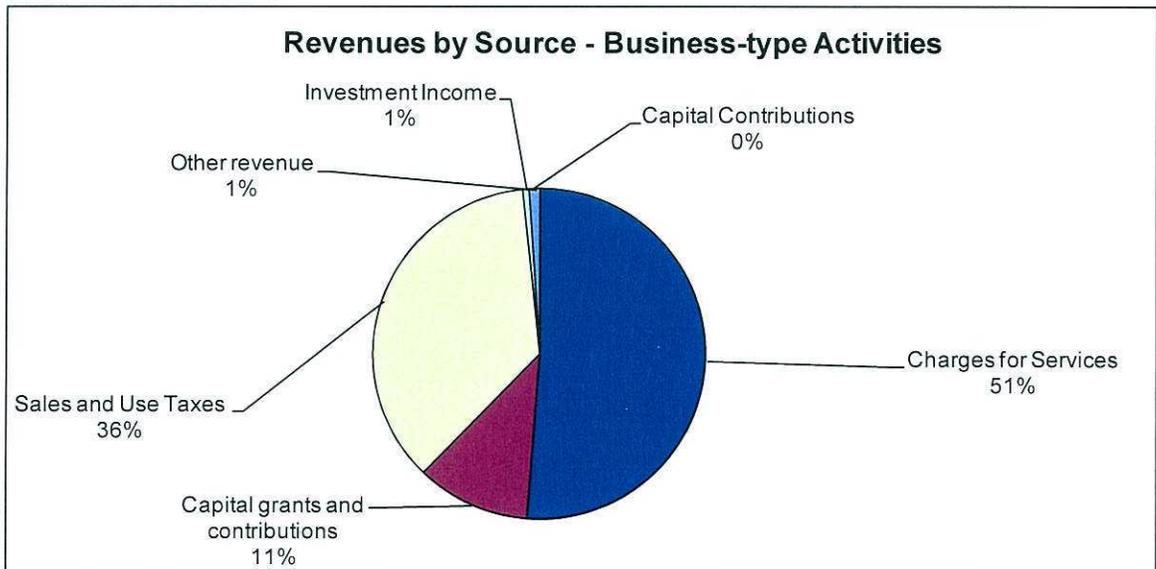
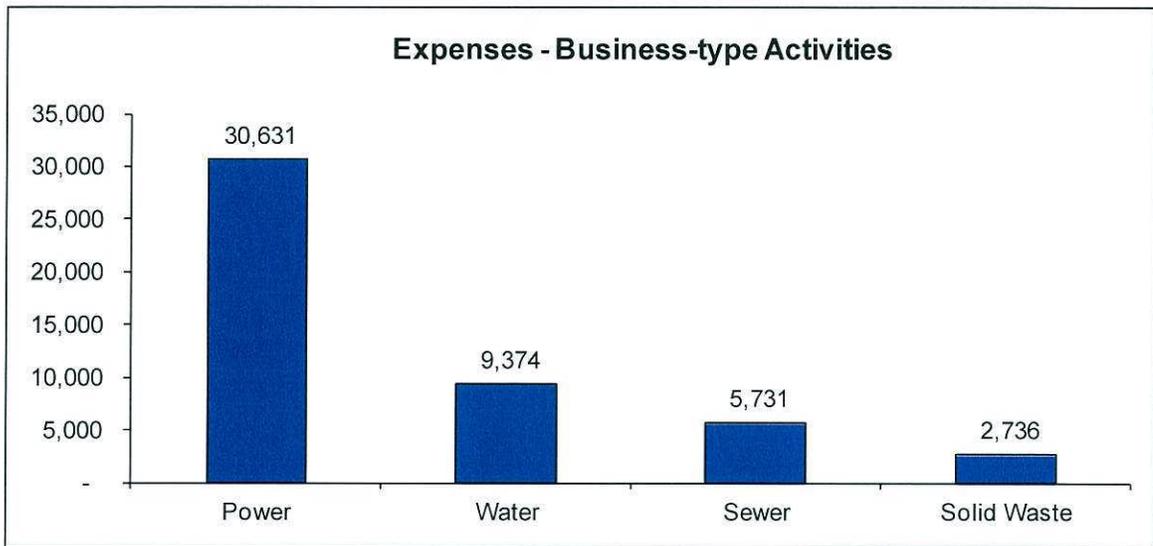
	Governmental activities		Business-type activities		Total	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Revenues:						
Program revenues:						
Charges for Services	3,729	2,820	41,677	41,643	45,406	44,463
Operating Grants and Contributions	513	726	-	-	513	726
Capital grants and contributions	3,489	1,222	8,988	31,686	12,476	32,908
General revenues:						
Severance taxes	1,136	1,096	-	-	1,136	1,096
Property taxes	1,832	1,764	-	-	1,832	1,764
Sales and Use Taxes	49,198	43,149	29,364	26,285	78,562	69,434
Other taxes	2,918	2,444	-	-	2,918	2,444
Mineral Royalties	1,549	1,542	-	-	1,549	1,542
Supplemental State Funding	2,456	1,630	-	-	2,456	1,630
Investment Income (Loss)	186	(19)	479	(32)	665	(51)
Other revenue	850	-	892	847	1,742	847
Capital Contributions	-	1,179	-	863	-	2,042
Total revenues	67,856	57,554	81,400	101,292	149,256	158,846
Expenses:						
General Government	16,950	14,115	-	-	16,950	14,115
Public Safety	12,210	11,957	-	-	12,210	11,957
Public Works	14,744	15,132	-	-	14,744	15,132
Culture and Recreation	2,378	2,605	-	-	2,378	2,605
Interest on Long Term Debt	14	15	-	-	14	15
Power	-	-	30,631	31,272	30,631	31,272
Water	-	-	9,374	9,299	9,374	9,299
Sewer	-	-	5,731	5,463	5,731	5,463
Solid Waste	-	-	2,736	2,410	2,736	2,410
Total Expenses	46,296	43,824	48,472	48,445	94,768	92,269
Increase in net position before transfers	21,560	13,730	32,927	52,847	54,488	66,577
Gain (Loss) on Sale of Capital Assets	4	-	-	-	4	-
Transfers	(6,072)	(2,179)	6,072	2,179	-	-
Increase in net position	15,492	11,551	38,999	55,026	54,491	66,577
Net position - Beginning of Fiscal Year	218,343	206,791	223,702	168,676	442,044	375,467
Net position - End of Fiscal Year	233,835	218,343	262,701	223,702	496,536	442,044

**Governmental activities.** Governmental activities increased the City of Gillette's net position by \$15,492, thereby accounting for 28 percent of the total growth in the net

position of the City of Gillette. Increases in governmental activities resulted from investments in capital assets as well as revenue collections that exceeded expenses.



**Business-type activities.** Business-type activities increased the City of Gillette’s net position by \$38,999, thereby accounting for 72 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 (\$7,577) including infrastructure dedicated to the City from local developments and annexations, substation upgrades and power line construction, sewer line construction and water line construction. The largest portion of this increase is due to the work-in-progress related to the Gillette Regional Water Supply Project. The Capital Facilities sales tax collections of \$29,364 related to the Gillette Regional Water Supply Project played a large part in the large increase in business-type net position.



## **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 \$43,757, an increase of \$2,432 in comparison with the prior year. Approximately 17 percent of this total amount (\$7,593) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. 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 (\$12,720), and the completion of contracts/projects in progress as of June 30, 2014 (\$16,312). Other factors concerning the finances of the Governmental funds have already been addressed in the discussion of the City of Gillette's Governmental activities.

*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 \$9,675, the Water Fund at \$8,709, the Sewer Fund at \$4,945 and the Solid Waste Fund at \$1,804. The increase in the total of the net position from FY2013 to FY2014 for the proprietary funds was \$39,369 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 \$23,465 increase in appropriations between the original and final amended budget. The main reason for the increase resulted from the carryover budget process. Some of the major projects that were not completed as of the end of FY2013 and therefore had to be carried over into FY2014 were: McManamen Park Improvements, Boxelder Road Extension Phase IIB, Sunflower Park Drainage and Pathway Project, various Pavement Management System projects and Park Improvement projects.

## **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, 2014 is \$444,427 (net of accumulated

depreciation). This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, machinery and equipment, and allocation of Vehicle Maintenance capital assets. The City of Gillette’s investment in capital assets for the current fiscal year increased eight percent for governmental activities and five percent for business-type activities.

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

- Design and construction of various street projects throughout the City to include the Boxelder Road Extension Phase IIB and the Gillette Avenue Reconstruction Project
- Continued construction to the Gillette Softball/Baseball Complex
- Pavement Management System projects
- Continued construction related to the Gillette Regional Water Supply Project
- Completion of construction of the Donkey Creek Substation
- Power Line construction
- Annual Water and Sanitary Sewer Main Replacement

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

	Governmental Activities		Business-Type Activities		Total	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Land	13,110	13,110	651	594	13,761	13,703
Construction in Progress	18,520	15,960	55,126	55,602	73,647	71,562
Infrastructure	123,799	115,358	97,086	94,082	220,885	209,440
Buildings & Improvements	21,299	18,765	91,481	82,965	112,780	101,730
Machinery & Equipment	6,522	6,760	11,010	10,355	17,531	17,114
Allocation of Vehicle Maintenance	3,874	3,416	1,949	1,921	5,823	5,338
<b>Total Assets</b>	<b>187,123</b>	<b>173,369</b>	<b>257,304</b>	<b>245,519</b>	<b>444,427</b>	<b>418,887</b>

Additional information on the City of Gillette’s capital assets can be found in note 3.C on pages 49-51 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Gillette had total long-term debt outstanding of \$104,323 which is an increase of \$1,045 during the current fiscal year. The City acquired additional debt of \$3,200 for the Gillette Madison Pipeline Project. This increase was offset by the payment made for Lease Revenue Bonds related to the WyGen III purchase 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 \$8,574. 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, 2014, the City’s assessed valuation was \$214,341.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
<b>Long-term Liabilities:</b>						
Accrued Sick Leave	140	162	159	163	299	325
Customer Deposits	-	-	928	863	928	863
Subtotal	140	162	1,086	1,026	1,227	1,188
<b>Capital Loan Agreements</b>						
Special Assessment Debt	532	566	-	-	532	566
Gillette Madison Pipeline	-	-	19,362	16,162	19,362	16,162
Electric Facilities Improvement - Lease Revenue Bonds	-	-	71,460	72,920	71,460	72,920
Wastewater Treatment Facility Improvements	-	-	11,743	12,442	11,743	12,442
Subtotal	532	566	102,565	101,524	103,096	102,090
<b>Total Long-term Debt</b>	<b>672</b>	<b>728</b>	<b>103,651</b>	<b>102,549</b>	<b>104,323</b>	<b>103,278</b>

Additional information on the City of Gillette's long-term debt can be found in note 3.F on pages 52-56 of this report.

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

The unemployment rate for the City of Gillette is currently 3.4 percent, which is lower than the rate a year ago (based upon Campbell County statistical data). This compares favorably to the state's average unemployment rate of 4.4 percent and is significantly lower than the national average rate of 6.3 percent.

All of these factors were considered in preparing the City of Gillette's budget for the 2015 fiscal year.

During the current fiscal year, unassigned fund balance for all governmental funds is \$7,593. The City of Gillette has appropriated \$29,041 for several major projects and an additional \$6,952 for the operating budget in the 2015 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 2015 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 2014 budget year. The City Council approved a rate increase for wastewater service and electrical service. As of May 1, 2014, the wastewater rates were increased by 15 percent, while the increase in electric rates was five 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.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF NET POSITION**

June 30, 2014

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 7,522,309	\$ 3,095,966	\$ 10,618,275
Cash With Fiscal Agent	-	29,189	29,189
Investments	46,556,461	100,321,165	146,877,626
Accounts Receivable (Net of Allowance for Uncollectibles)	-	1,837,208	1,837,208
Taxes Receivable	4,735,488	2,652,360	7,387,848
Unbilled Accounts Receivable	-	1,779,051	1,779,051
Accrued Interest Receivable	7,611	35,542	43,153
Special Assessment Receivable	269,117	-	269,117
Other Receivable	226,991	290,396	517,387
Internal Balances	1,331	(1,331)	-
Due From Other Entities	1,353,878	2,483,159	3,837,037
Inventories	280,232	3,353,661	3,633,893
Capital Assets:			
Non-depreciable Capital Assets	31,630,011	55,777,825	87,407,836
Depreciable Capital Assets, Net	155,493,042	201,525,832	357,018,874
<b>Total Assets</b>	<b>\$ 248,076,471</b>	<b>\$ 373,180,023</b>	<b>\$ 621,256,494</b>
<b>LIABILITIES</b>			
Vouchers Payable	\$ 1,190,646	\$ 1,921,809	\$ 3,112,455
Contracts and Retainage Payable	3,026,110	3,167,655	6,193,765
Estimated Claims Payable	566,354	211,223	777,577
Accrued Interest Payable	-	657,324	657,324
Other Accrued Liabilities	1,590,194	834,781	2,424,975
Advance Payments Received on Grants	1,947,534	35,000	1,982,534
Due To Other Entities	5,248,980	-	5,248,980
Noncurrent Liabilities:			
Due Within One Year	63,359	2,609,163	2,672,522
Due Within More Than One Year	608,609	101,042,002	101,650,611
<b>Total Liabilities</b>	<b>\$ 14,241,786</b>	<b>\$ 110,478,957</b>	<b>\$ 124,720,743</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 184,096,943	\$ 151,571,316	\$ 335,668,259
Restricted for:			
Criminal Forfeiture	13,817	-	13,817
Lease Revenue Bonds	-	6,168,909	6,168,909
Water Development Repair and Replacement	-	3,500,000	3,500,000
Gillette Regional Water Supply Project	-	73,891,697	73,891,697
Wastewater Treatment Plant Repair and Replacement	-	250,000	250,000
Unrestricted	49,723,925	27,319,144	77,043,069
<b>Total Net Position</b>	<b>\$ 233,834,685</b>	<b>\$ 262,701,066</b>	<b>\$ 496,535,751</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 16,949,930	\$ 3,333,898	\$ 108,676	\$ 554,214
Public Safety	12,209,838	98,097	395,713	-
Public Works	14,743,977	296,681	9,000	2,356,897
Culture and Recreation	2,378,104	-	-	577,572
<b>Debt Service:</b>				
Interest on Long Term Debt	13,883	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 46,295,732</b>	<b>\$ 3,728,676</b>	<b>\$ 513,389</b>	<b>\$ 3,488,683</b>
<b>Business-type Activities:</b>				
Power	\$ 30,631,160	\$ 28,848,361	\$ -	\$ 2,988,198
Water	9,374,198	6,177,951	-	5,189,261
Sewer	5,731,279	3,801,017	-	810,156
Solid Waste	2,735,796	2,849,547	-	-
<b>Total Business-type Activities</b>	<b>\$ 48,472,433</b>	<b>\$ 41,676,876</b>	<b>\$ -</b>	<b>\$ 8,987,615</b>
<b>Total Primary Government</b>	<b>\$ 94,768,165</b>	<b>\$ 45,405,552</b>	<b>\$ 513,389</b>	<b>\$ 12,476,298</b>
<b>General Revenues:</b>				
<b>Taxes:</b>				
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				
Investment Income				
Other Revenue				
Gain on Sale of Capital Assets				
<b>Transfers</b>				
<b>Total General Revenues and Transfers</b>				
<b>Change in Net Position</b>				
Net Position, Beginning July 1				
Net Position, Ending June 30				

See Notes to the Basic Financial Statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
Governmental Activities	Business-type Activities	Totals
\$ (12,953,142)	\$ -	\$ (12,953,142)
(11,716,028)	-	(11,716,028)
(12,081,399)	-	(12,081,399)
(1,800,532)	-	(1,800,532)
(13,883)	-	(13,883)
\$ (38,564,984)	\$ -	\$ (38,564,984)
\$ -	\$ 1,205,399	\$ 1,205,399
-	1,993,014	1,993,014
-	(1,120,106)	(1,120,106)
-	113,751	113,751
\$ -	\$ 2,192,058	\$ 2,192,058
\$ (38,564,984)	\$ 2,192,058	\$ (36,372,926)
\$ 1,135,505	\$ -	\$ 1,135,505
1,832,001	-	1,832,001
867,828	-	867,828
49,198,315	29,364,002	78,562,317
1,072,083	-	1,072,083
755,880	-	755,880
222,692	-	222,692
1,549,148	-	1,549,148
2,456,374	-	2,456,374
185,649	479,053	664,702
849,880	892,230	1,742,110
3,552	-	3,552
(6,071,965)	6,071,965	-
\$ 54,056,942	\$ 36,807,250	\$ 90,864,192
\$ 15,491,958	\$ 38,999,308	\$ 54,491,266
218,342,727	223,701,758	442,044,485
\$ 233,834,685	\$ 262,701,066	\$ 496,535,751

**CITY OF GILLETTE, WYOMING**

**BALANCE SHEET**  
**GOVERNMENTAL FUND - GENERAL FUND**  
June 30, 2014

<b>ASSETS</b>	
Cash	\$ 7,194,562
Investments	43,124,950
Taxes Receivable	4,735,488
Accrued Interest Receivable	7,222
Other Receivable	67,505
Due From Other Funds	4,901
Due From Other Entities	1,353,878
Inventories	157,318
<hr/>	
Total Assets	\$ 56,645,824
<hr/>	
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Vouchers Payable	\$ 1,112,048
Contracts and Retainage Payable	3,026,110
Other Accrued Liabilities	1,554,234
Advance Payments Received on Grants	1,947,534
Due To Other Entities	5,248,980
<hr/>	
Total Liabilities	\$ 12,888,906
<hr/>	
<b>FUND BALANCE</b>	
Nonspendable	\$ 157,318
Restricted	13,817
Committed	29,040,814
Assigned	6,952,460
Unassigned	7,592,509
<hr/>	
Total Fund Balance	\$ 43,756,918
<hr/>	
Total Liabilities and Fund Balance	\$ 56,645,824

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, 2014

Total Governmental Fund Balance	\$ 43,756,918
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.	269,117
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Non-depreciable capital assets	\$ 31,630,011
Depreciable assets	226,208,582
Less: accumulated depreciation	<u>(74,589,413)</u>
	183,249,180
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.	7,222,479
Long-term sick leave is not due and payable in the current period and therefore is not reported in the funds.	(131,373)
Special Assessment debt with governmental commitment is not due and payable in the current period and therefore is not reported in the funds.	(531,636)
<b>Total Net Position of Governmental Activities</b>	<b>\$ 233,834,685</b>

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, 2014

(Page 1 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Severance	\$ 1,083,320	\$ 1,083,320	\$ 1,135,505	\$ 52,185
Property	1,679,559	1,679,559	1,832,001	152,442
Automobile	835,000	835,000	867,828	32,828
Sales and Use	42,500,000	42,500,000	49,198,315	6,698,315
Gasoline	1,100,000	1,100,000	1,072,083	(27,917)
Franchise	719,757	719,757	755,880	36,123
Cigarette	235,380	235,380	222,692	(12,688)
<b>Total Taxes</b>	<b>\$ 48,153,016</b>	<b>\$ 48,153,016</b>	<b>\$ 55,084,304</b>	<b>\$ 6,931,288</b>
Intergovernmental:				
Local and County Sources	\$ 85,348	\$ 118,631	\$ 176,255	\$ 57,624
State Sources	5,848,572	7,756,567	5,568,610	(2,187,957)
Federal Sources	322,841	517,367	277,233	(240,134)
<b>Total Intergovernmental</b>	<b>\$ 6,256,761</b>	<b>\$ 8,392,565</b>	<b>\$ 6,022,098</b>	<b>\$ (2,370,467)</b>
Other:				
Licenses and Permits	\$ 310,069	\$ 310,069	\$ 290,033	\$ (20,036)
Charges for Services	2,724,638	4,724,638	2,785,521	(1,939,117)
Fines and Fees	436,019	436,019	391,716	(44,303)
Investment Income	91,884	91,884	175,523	83,639
Miscellaneous	284,108	292,323	1,111,286	818,963
Special Assessment Revenue	50,804	50,804	58,186	7,382
<b>Total Other</b>	<b>\$ 3,897,522</b>	<b>\$ 5,905,737</b>	<b>\$ 4,812,265</b>	<b>\$ (1,093,472)</b>
<b>Total Revenues</b>	<b>\$ 58,307,299</b>	<b>\$ 62,451,318</b>	<b>\$ 65,918,667</b>	<b>\$ 3,467,349</b>
<b>EXPENDITURES</b>				
General Government:				
Salaries and Benefits	\$ 9,023,955	\$ 9,041,253	\$ 8,992,732	\$ 48,521
Contractual Services	2,700,901	2,851,392	2,508,648	342,744
Supplies and Materials	1,496,951	1,498,951	1,298,322	200,629
Capital Outlay	439,733	1,462,651	817,835	644,816
<b>Total General Government</b>	<b>\$ 13,661,540</b>	<b>\$ 14,854,247</b>	<b>\$ 13,617,537</b>	<b>\$ 1,236,710</b>
Public Safety:				
Salaries and Benefits	\$ 8,692,415	\$ 8,709,415	\$ 8,297,899	\$ 411,516
Contractual Services	1,093,734	1,025,260	927,551	97,709
Supplies and Materials	687,909	694,270	580,400	113,870
Capital Outlay	5,500	5,500	4,590	910
<b>Total Public Safety</b>	<b>\$ 10,479,558</b>	<b>\$ 10,434,445</b>	<b>\$ 9,810,440</b>	<b>\$ 624,005</b>

(Continued)

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2014

(Page 2 of 2)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public Works:				
Salaries and Benefits	\$ 1,380,902	\$ 1,380,902	\$ 1,302,015	\$ 78,887
Contractual Services	2,585,361	2,455,361	1,341,572	1,113,789
Supplies and Materials	1,281,258	1,336,258	1,244,010	92,248
Capital Outlay	20,084,000	26,875,779	13,708,509	13,167,270
Total Public Works	\$ 25,331,521	\$ 32,048,300	\$ 17,596,106	\$ 14,452,194
Culture and Recreation:				
Salaries and Benefits	\$ 1,190,420	\$ 1,190,420	\$ 1,070,370	\$ 120,050
Contractual Services	636,020	636,020	579,309	56,711
Supplies and Materials	779,576	779,576	590,734	188,842
Capital Outlay	926,000	3,366,695	2,042,338	1,324,357
Total Culture and Recreation	\$ 3,532,016	\$ 5,972,711	\$ 4,282,751	\$ 1,689,960
Miscellaneous:				
Joint Powers Fire Board Capital Funding	\$ 1,889,703	\$ 1,954,584	\$ 1,801,983	\$ 152,601
Joint Powers Public Land Board Capital Funding	762,310	927,615	883,208	44,407
Gillette Student Housing Lease	1,244,750	1,244,750	1,244,750	-
Other	9,625,551	15,781,081	8,040,126	7,740,955
Debt Service:				
Principal	34,284	34,284	34,558	(274)
Interest	14,158	14,158	13,883	275
Total Miscellaneous	\$ 13,570,756	\$ 19,956,472	\$ 12,018,508	\$ 7,937,964
Total Expenditures	\$ 66,575,391	\$ 83,266,175	\$ 57,325,342	\$ 25,940,833
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (8,268,092)	\$ (20,814,857)	\$ 8,593,325	\$ 29,408,182
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 500,000	\$ 575,000	\$ 538,690	\$ (36,310)
Transfers (Out)	-	(6,774,566)	(6,699,566)	75,000
Total Other Financing Sources (Uses)	\$ 500,000	\$ (6,199,566)	\$ (6,160,876)	\$ 38,690
Net Change in Fund Balance	\$ (7,768,092)	\$ (27,014,423)	\$ 2,432,449	\$ 29,446,872
FUND BALANCE, BEGINNING JULY 1	41,324,469	41,324,469	41,324,469	-
FUND BALANCE, ENDING JUNE 30	\$ 33,556,377	\$ 14,310,046	\$ 43,756,918	\$ 29,446,872

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, 2014

Net Change in Fund Balance - Total Governmental Fund	\$ 2,432,449
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.	(58,186)
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.	12,775,963
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, 2014. Capital assets and any related capital contributions are not financial resources and are not reported in the funds.	1,985,496
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to (decrease) net assets.	(1,464,762)
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. The net (loss) of internal service funds is reported with governmental activities.	(235,741)
Decrease in long-term sick leave payable is not reflected in the governmental funds, but decreases long-term liabilities in the statement of net position.	22,181
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.	34,558
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 15,491,958</b>

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,594,493	\$ 856,190	\$ 377,142
Cash With Fiscal Agent	29,189	-	-
Investments	5,980,121	8,467,191	4,495,776
Accounts Receivable, Net of Allowance for Uncollectibles	1,322,958	205,488	158,925
Taxes Receivable	-	2,652,360	-
Unbilled Accounts Receivable	1,189,811	327,192	144,592
Other Receivables	36,870	12,467	27,440
Accrued Interest Receivable	25,577	2,826	6,651
Due From Other Entities	123,605	2,120,011	239,543
Inventories	2,783,086	490,848	5,804
<b>Total Current Assets</b>	<b>\$ 13,085,710</b>	<b>\$ 15,134,573</b>	<b>\$ 5,455,873</b>
<b>NONCURRENT ASSETS</b>			
Restricted Assets			
Investments Restricted For Lease Revenue Bonds	\$ 6,168,909	\$ -	\$ -
Investments Restricted For Gillette Regional Water Supply Project	-	71,283,769	-
Investments Restricted for Wastewater Treatment Plant Repair and Replacement	-	-	250,000
<b>Total Restricted Assets</b>	<b>\$ 6,168,909</b>	<b>\$ 71,283,769</b>	<b>\$ 250,000</b>
Capital Assets			
Land	\$ 200,903	\$ 184,167	\$ 266,404
Infrastructure	39,883,214	70,541,630	36,891,012
Buildings and Improvements	67,581,613	21,394,885	17,074,894
Machinery and Equipment	13,280,183	8,946,811	2,745,505
Construction in Progress	3,399,573	50,592,726	1,134,052
Less Accumulated Depreciation	(34,293,494)	(30,363,825)	(14,116,666)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>\$ 90,051,992</b>	<b>\$ 121,296,394</b>	<b>\$ 43,995,201</b>
<b>Total Noncurrent Assets</b>	<b>\$ 96,220,901</b>	<b>\$ 192,580,163</b>	<b>\$ 44,245,201</b>
<b>Total Assets</b>	<b>\$ 109,306,611</b>	<b>\$ 207,714,736</b>	<b>\$ 49,701,074</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Vouchers Payable	\$ 1,425,745	\$ 183,917	\$ 81,145
Contracts and Retainage Payable	221,349	2,794,184	152,122
Estimated Claims Payable	-	-	-
Accrued Interest Payable	384,669	-	272,655
Other Accrued Liabilities	580,436	98,627	95,833
Due To Other Funds	-	-	-
Advance Payments Received on Grants	35,000	-	-
Current Maturities of Long-Term Liabilities	1,878,771	12,056	718,336
<b>Total Current Liabilities</b>	<b>\$ 4,525,970</b>	<b>\$ 3,088,784</b>	<b>\$ 1,320,091</b>
<b>NONCURRENT LIABILITIES</b>			
Customer Deposits	\$ 583,626	\$ -	\$ -
Accrued Sick Leave Payable	31,974	23,243	54,087
Capital Loan Payable	-	19,362,016	11,031,670
Lease Revenue Bonds	69,950,000	-	-
<b>Total Noncurrent Liabilities</b>	<b>\$ 70,565,600</b>	<b>\$ 19,385,259</b>	<b>\$ 11,085,757</b>
<b>Total Liabilities</b>	<b>\$ 75,091,570</b>	<b>\$ 22,474,043</b>	<b>\$ 12,405,848</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 18,370,643	\$ 99,140,194	\$ 32,100,409
Restricted for Lease Revenue Bonds	6,168,909	-	-
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	-	73,891,697	-
Unrestricted	9,675,489	8,708,802	4,944,817
<b>Total Net Position</b>	<b>\$ 34,215,041</b>	<b>\$ 185,240,693</b>	<b>\$ 37,295,226</b>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
Net Position of Business-Type Activities			

See Notes to the Basic Financial Statements.

Non Major Solid Waste Fund	Total Enterprise Funds	Internal Service Funds	Total
\$ 113,821	\$ 2,941,646	\$ 482,067	\$ 3,423,713
-	29,189	-	29,189
1,647,750	20,590,838	5,459,160	26,049,998
149,837	1,837,208	-	1,837,208
-	2,652,360	-	2,652,360
117,456	1,779,051	-	1,779,051
-	76,777	373,105	449,882
192	35,246	685	35,931
-	2,483,159	-	2,483,159
-	3,279,738	196,837	3,476,575
<u>\$ 2,029,056</u>	<u>\$ 35,705,212</u>	<u>\$ 6,511,854</u>	<u>\$ 42,217,066</u>
\$ -	\$ 6,168,909	\$ -	\$ 6,168,909
-	71,283,769	-	71,283,769
-	250,000	-	250,000
<u>\$ -</u>	<u>\$ 77,702,678</u>	<u>\$ -</u>	<u>\$ 77,702,678</u>
\$ -	\$ 651,474	\$ -	\$ 651,474
-	147,315,856	-	147,315,856
-	106,051,392	-	106,051,392
15,060	24,987,559	14,163,231	39,150,790
-	55,126,351	-	55,126,351
(4,392)	(78,778,377)	(8,339,956)	(87,118,333)
<u>\$ 10,668</u>	<u>\$ 255,354,255</u>	<u>\$ 5,823,275</u>	<u>\$ 261,177,530</u>
<u>\$ 10,668</u>	<u>\$ 333,056,933</u>	<u>\$ 5,823,275</u>	<u>\$ 338,880,208</u>
<u>\$ 2,039,724</u>	<u>\$ 368,762,145</u>	<u>\$ 12,335,129</u>	<u>\$ 381,097,274</u>
\$ 186,342	\$ 1,877,149	\$ 123,258	\$ 2,000,407
-	3,167,655	-	3,167,655
-	-	777,577	777,577
-	657,324	-	657,324
38,258	813,154	57,587	870,741
-	-	4,901	4,901
-	35,000	-	35,000
-	2,609,163	-	2,609,163
<u>\$ 224,600</u>	<u>\$ 9,159,445</u>	<u>\$ 963,323</u>	<u>\$ 10,122,768</u>
\$ -	\$ 583,626	\$ -	\$ 583,626
-	109,304	14,345	123,649
-	30,393,686	-	30,393,686
-	69,950,000	-	69,950,000
<u>\$ -</u>	<u>\$ 101,036,616</u>	<u>\$ 14,345</u>	<u>\$ 101,050,961</u>
<u>\$ 224,600</u>	<u>\$ 110,196,061</u>	<u>\$ 977,668</u>	<u>\$ 111,173,729</u>
\$ 10,668	\$ 149,621,914	\$ 5,823,275	\$ 155,445,189
-	6,168,909	-	6,168,909
-	250,000	-	250,000
-	3,500,000	-	3,500,000
-	73,891,697	-	73,891,697
1,804,456	25,133,564	5,534,186	30,667,750
<u>\$ 1,815,124</u>	<u>\$ 258,566,084</u>	<u>\$ 11,357,461</u>	<u>\$ 269,923,545</u>
	4,134,982		
	<u>\$ 262,701,066</u>		

CITY OF GILLETTE, WYOMING

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

Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
OPERATING REVENUES	\$ 26,651,044	\$ 6,177,951	\$ 3,801,017
INTERFUND SERVICE REVENUES	2,197,317	-	-
Total Operating Revenues	\$ 28,848,361	\$ 6,177,951	\$ 3,801,017
OPERATING EXPENSES			
Cost of Power Purchased	\$ 16,014,601	\$ -	\$ -
Salaries and Benefits	3,286,869	1,445,741	1,075,961
Contractual Services	2,537,758	1,602,866	1,235,899
Materials	142,523	897,759	394,393
Claims	-	-	-
Repairs and Maintenance	835,655	1,651,184	766,104
Supplies	221,467	446,850	187,322
Depreciation	2,630,385	3,152,993	1,762,797
Total Operating Expenses	\$ 25,669,258	\$ 9,197,393	\$ 5,422,476
Operating Income (Loss)	\$ 3,179,103	\$ (3,019,442)	\$ (1,621,459)
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Equipment	\$ -	\$ (117,419)	\$ (10,553)
Other Income	437,076	210,001	245,153
Capital Facilities Tax	-	29,364,002	-
Interest Expense	(4,674,625)	-	(293,959)
Investment Income	194,245	224,793	50,636
Intergovernmental, Federal Direct Payments for Build America Bonds	1,485,257	-	-
Total Nonoperating Revenues (Expenses)	\$ (2,558,047)	\$ 29,681,377	\$ (8,723)
Income (Loss) Before Contributions and Transfers	\$ 621,056	\$ 26,661,935	\$ (1,630,182)
Capital Contributions and Local Annexations	1,502,941	499,064	570,613
Capital Contributions, Intergovernmental, Federal, State and Local Sources	-	4,690,197	239,543
Transfers In	1,869,032	4,370,474	1,480,171
Transfers (Out)	(156,937)	(1,507,067)	-
Change in Net Position	\$ 3,836,092	\$ 34,714,603	\$ 660,145
NET POSITION, BEGINNING JULY 1	30,378,949	150,526,090	36,635,081
NET POSITION, ENDING JUNE 30	\$ 34,215,041	\$ 185,240,693	\$ 37,295,226
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
\$ 2,849,547	\$ 39,479,559	\$ 8,481,048	\$ 47,960,607
-	2,197,317	-	2,197,317
\$ 2,849,547	\$ 41,676,876	\$ 8,481,048	\$ 50,157,924
\$ -	\$ 16,014,601	\$ -	\$ 16,014,601
624,623	6,433,194	629,539	7,062,733
1,894,169	7,270,692	949,064	8,219,756
2,089	1,436,764	-	1,436,764
-	-	5,700,069	5,700,069
2,309	3,255,252	282	3,255,534
168,331	1,023,970	1,101,713	2,125,683
3,764	7,549,939	830,176	8,380,115
\$ 2,695,285	\$ 42,984,412	\$ 9,210,843	\$ 52,195,255
\$ 154,262	\$ (1,307,536)	\$ (729,795)	\$ (2,037,331)
\$ -	\$ (127,972)	\$ 3,552	\$ (124,420)
-	892,230	-	892,230
-	29,364,002	-	29,364,002
-	(4,968,584)	-	(4,968,584)
3,647	473,321	15,858	489,179
-	1,485,257	-	1,485,257
\$ 3,647	\$ 27,118,254	\$ 19,410	\$ 27,137,664
\$ 157,909	\$ 25,810,718	\$ (710,385)	\$ 25,100,333
-	2,572,618	-	2,572,618
-	4,929,740	-	4,929,740
-	7,719,677	230,566	7,950,243
-	(1,664,004)	(125,363)	(1,789,367)
\$ 157,909	\$ 39,368,749	\$ (605,182)	\$ 38,763,567
1,657,215	219,197,335	11,962,643	231,159,978
<u>\$ 1,815,124</u>	<u>\$ 258,566,084</u>	<u>\$ 11,357,461</u>	<u>\$ 269,923,545</u>
	4,134,982		
	\$ 262,701,066		

CITY OF GILLETTE, WYOMING

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds		
	Power	Water	Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts From Customers and Users	\$ 26,317,034	\$ 6,305,172	\$ 3,757,512
Receipts From Interfund Services Provided	2,197,317	-	-
Payments to Suppliers	(16,210,748)	-	-
Payments to Employees	(3,254,372)	(1,439,219)	(1,061,604)
Payments for Goods and Services	(3,587,858)	(4,537,672)	(2,566,861)
Internal Activity - Payments (To) From Other Funds	2,182,262	11,561,582	2,271,373
Other	508,118	202,429	277,865
Net Cash Provided By Operating Activities	\$ 8,151,753	\$ 12,092,292	\$ 2,678,285
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	\$ 1,869,032	\$ 4,370,474	\$ 1,480,171
Transfers (Out)	(156,937)	(1,507,067)	-
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 1,712,095	\$ 2,863,407	\$ 1,480,171
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Taxes Collected	\$ -	\$ 28,814,386	\$ -
Contributions of (Payments) for Capital Acquisitions	(4,403,800)	(16,615,165)	(1,510,955)
Proceeds from Sale of Capital Assets	-	-	-
Proceeds from Capital Grant	-	6,671,033	-
Proceeds from Capital Loan	-	3,199,815	-
Payments on Capital Loan	-	-	(1,004,877)
Payments on Lease Revenue Bonds	(4,643,501)	-	-
Net Cash Provided by (Used In) Capital and Related Financing Activities	\$ (9,047,301)	\$ 22,070,069	\$ (2,515,832)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Increase) Decrease in Investments	\$ 674,728	\$ (36,319,055)	\$ (1,306,949)
Investment Income	123,224	149,477	41,467
Net Cash Provided By (Used In) Investing Activities	\$ 797,952	\$ (36,169,578)	\$ (1,265,482)
Net Increase (Decrease) in Cash	\$ 1,614,499	\$ 856,190	\$ 377,142
Cash and Cash Equivalents, and Cash With Fiscal Agent, Beginning July 1	9,183	-	-
Cash and Cash Equivalents, and Cash With Fiscal Agent, Ending June 30	\$ 1,623,682	\$ 856,190	\$ 377,142
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities</b>			
Operating Income (Loss)	\$ 3,179,103	\$ (3,019,442)	\$ (1,621,459)
Adjustments:			
Depreciation	2,630,385	3,152,993	1,762,797
Other Income	437,076	210,001	245,153
Interest Paid on Customer Deposits	(12,093)	-	-
Changes in Assets and Liabilities:			
Accounts and Other Receivables	(306,569)	114,912	1,400
Due To/From Other Funds	2,182,262	11,561,582	2,271,373
Inventories	164,485	137,481	-
Vouchers Payable	(196,147)	(71,757)	4,664
Accrued Expenses	38,251	6,522	14,357
Advance Payments Received on Grants	35,000	-	-
Estimated Claims Payable	-	-	-
Net Cash Provided By Operating Activities	\$ 8,151,753	\$ 12,092,292	\$ 2,678,285
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Contributions of Capital and Local Annexations	\$ 1,502,941	\$ 499,064	\$ 570,613
Net Increase in Fair Value of Investments	\$ 76,712	\$ 75,043	\$ 7,958

See Notes to the Basic Financial Statements.

Non Major Solid Waste Fund	Total Enterprise Funds	Internal Service Funds	Total
\$ 2,845,825	\$ 39,225,543	\$ -	\$ 39,225,543
-	2,197,317	8,158,807	10,356,124
-	(16,210,748)	-	(16,210,748)
(623,655)	(6,378,850)	(618,646)	(6,997,496)
(2,098,851)	(12,791,242)	(7,505,297)	(20,296,539)
1,634,653	17,649,870	5,333,192	22,983,062
-	988,412	-	988,412
\$ 1,757,972	\$ 24,680,302	\$ 5,368,056	\$ 30,048,358
\$ -	\$ 7,719,677	\$ 230,566	\$ 7,950,243
-	(1,664,004)	(125,363)	(1,789,367)
\$ -	\$ 6,055,673	\$ 105,203	\$ 6,160,876
\$ -	\$ 28,814,386	\$ -	\$ 28,814,386
-	(22,529,920)	(1,370,811)	(23,900,731)
-	-	58,480	58,480
-	6,671,033	-	6,671,033
-	3,199,815	-	3,199,815
-	(1,004,877)	-	(1,004,877)
-	(4,643,501)	-	(4,643,501)
\$ -	\$ 10,506,936	\$ (1,312,331)	\$ 9,194,605
\$ (1,647,223)	\$ (38,598,499)	\$ (3,850,297)	\$ (42,448,796)
3,072	317,240	12,327	329,567
\$ (1,644,151)	\$ (38,281,259)	\$ (3,837,970)	\$ (42,119,229)
\$ 113,821	\$ 2,961,652	\$ 322,958	\$ 3,284,610
-	9,183	159,109	168,292
\$ 113,821	\$ 2,970,835	\$ 482,067	\$ 3,452,902
\$ 154,262	\$ (1,307,536)	\$ (729,795)	\$ (2,037,331)
3,764	7,549,939	830,176	8,380,115
-	892,230	-	892,230
-	(12,093)	-	(12,093)
3,254	(187,003)	(322,241)	(509,244)
1,634,653	17,649,870	5,333,192	22,983,062
-	301,966	(3,362)	298,604
(38,929)	(302,169)	24,279	(277,890)
968	60,098	10,893	70,991
-	35,000	-	35,000
-	-	224,914	224,914
\$ 1,757,972	\$ 24,680,302	\$ 5,368,056	\$ 30,048,358
\$ -	\$ 2,572,618	\$ -	\$ 2,572,618
\$ 527	\$ 160,240	\$ 3,451	\$ 163,691

**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, 2014

Total Net Position of the Proprietary Funds		<b>\$258,566,084</b>
Certain assets and liabilities of the internal service funds are included in the business-type activities in the Statement of Net Position.		
Amounts attributable to:		
Vehicle Maintenance	\$	<b>3,587,564</b>
Liability and Property Injury Insurance		<b>432,795</b>
Health Insurance		<b><u>114,623</u></b>
Net Adjustment to Increase Net Position - Total Enterprise Funds		<b>4,134,982</b>
<b>Total Net Position - Business-Type Activities</b>		<b>\$262,701,066</b>

See Notes to the Basic Financial Statements.

**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, 2014

Total Changes in Net Position - Total Enterprise Funds	<b>\$ 39,368,749</b>
<p>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 (loss) of internal service funds is reported with business-type activities in the Statement of Activities.</p>	
Amounts attributable to:	
Vehicle Maintenance	\$ (57,508)
Liability and Property Injury Insurance	(74,659)
Health Insurance	<u>(237,274)</u>
Net Adjustment to Increase Net Position - Total Enterprise Funds	<b>(369,441)</b>
<u>Total Change in Net Position - Business-Type Activities</u>	<u><b>\$ 38,999,308</b></u>

See Notes to the Basic Financial Statements.

CITY OF GILLETTE, WYOMING

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2014

	Retiree Health Benefit Plan and Trust Fund	Agency Fund
<b>ASSETS</b>		
Investments, at Fair Value:		
Money Market Funds	\$ 9,092,359	\$ -
Due From Other Entities	-	3,948
Total Assets	<u>\$ 9,092,359</u>	<u>\$ 3,948</u>
<b>LIABILITIES</b>		
Flexible Benefits Payable	\$ -	\$ 3,948
Total Liabilities	<u>\$ -</u>	<u>\$ 3,948</u>
<b>NET POSITION</b>		
Held in Trust for Retiree Health Benefit Plan	<u>\$ 9,092,359</u>	

See Notes to the Basic Financial Statements.

**CITY OF GILLETTE, WYOMING**

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

Year Ended June 30, 2014

	Retiree Health Benefit Plan and Trust Fund
<b>ADDITIONS</b>	
Investment Earnings:	
Net Increase in the Fair Value of Investments	\$ 687,516
<b>DEDUCTIONS</b>	
Benefits	\$ 355,911
Administrative Expenses	17,263
Total Deductions	\$ 373,174
Change in Net Position	\$ 314,342
NET POSITION, BEGINNING July 1	8,778,017
NET POSITION, ENDING June 30	\$ 9,092,359

See Notes to the Basic Financial Statements.

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

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

**A. Reporting Entity**

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

Blended Component Unit - The Consolidated Wyoming Municipalities Electric Power System Joint Powers Board ("The Board") is a body formed in accordance with the Wyoming Joint Powers Act. The Board was created for the purpose of expanding, financing or operating electrical systems owned by its participating agencies. The Board has authority to issue revenue bonds to finance specified projects, which such projects may be leased to the agency which benefits from said project. The City used this board to issue revenue bonds to purchase a 23% interest in a power plant to provide electrical services to the citizens of Gillette. Since ownership of the power plant 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 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.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

#### D. Assets, Liabilities and Net Assets or Equity

##### 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 2013 and prior years which were collectible during the year ended June 30, 2014. Property taxes are levied by the first Monday of August and are payable in two installments, which are due September 1 and March 1. These installments become delinquent, and thus payable, on November 10 and May 10. The taxpayer may elect, without penalty, to pay the entire balance on December 31. Property taxes are collected by the County Treasurer and remitted to the City in the month following collection.

##### 3. Inventories

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

##### 4. Restricted Assets

Power enterprise fund investments of \$6,168,909 have been restricted for a debt service reserve for taxable electric facilities improvement lease revenue bonds.

In the Water enterprise fund, investments of \$71,283,769 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 \$73,891,697 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, 2014 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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

5. Capital Assets

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 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. 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 fund balances are reported by the City's enterprise funds. Unrestricted fund balances are 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 an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken (the adoption of another ordinance or 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.

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.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

#### 9. 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 consist 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.

#### 10. 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, 2014 were covered by federal depository insurance and collateral held by the City's agents under joint custody receipts in the City's name.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Investments - As of June 30, 2014, the City had the following investments:

Investment Type	Fair Value	Credit Quality Ratings <sup>(1)</sup>	Weighted Average Maturity (Days)	Specific Identification Maturity
Wyoming State Asset Reserve (WYO-STAR)	\$ 132,387,383	N/A	216	
Federal National Mtg ASSN Note B/E 3.00% 9/16/14 (CUSIP31398AYY2)	553,394	AAA		9/16/14
Federal Home Loan Mtg Corp Medium Term Note B/E .625% 12/29/14 (CUSIP3137EADA4)	601,494	AAA		12/29/14
Federal Home Loan Mtg Corp Medium Term Note B/E .45% 9/4/15 (CUSIP3134G3J76)	601,182	AAA		9/4/15
Federal National Mtg ASSN Note B/E .5% 9/28/15 (CUSIP3135G0NV1)	606,845	AAA		9/28/15
Federal National Mtg ASSN Note B/E .375% 12/21/15 (CUSIP3135G0SB0)	600,672	AAA		12/21/15
Federal Home Loan Bank Bond B/E 2.125% 6/10/16 (CUSIP313373SZ6)	618,534	AAA		6/10/16
Federal National Mtg ASSN Note B/E 1.25% 9/28/16 (CUSIP3135G0CM3)	608,820	AAA		9/28/16
Federal National Mtg ASSN Note B/E .75% 11/14/16 (CUSIP3136G1WX3)	599,808	AAA		11/14/16
Federal National Mtg ASSN Note B/E 1.375% 11/15/16 (CUSIP3135G0ES8)	1,017,620	AAA		11/15/16
Federal Home Loan Mtg Corp Medium Term Note B/E 1% 6/29/17 (CUSIP3137EADH9)	601,062	AAA		6/29/17
Federal Home Loan Bank Bond B/E 1.375% 3/9/18 (CUSIP313378A43)	426,624	AAA		3/9/18
Federal National Mtg ASSN Note B/E .875% 5/21/18 (CUSIP3135G0WJ6)	785,144	AAA		5/21/18
Federal Farm Credit Bank Bond B/E 1.37% 6/11/18 (CUSIP3133ECRW6)	599,160	AAA		6/11/18
Federal Home Loan Bank Bond B/E 1.75% 12/14/18 (CUSIP313376BR5)	100,975	AAA		12/14/18
Federal Home Loan BK 1.45% 6/27/18 (CUSIP313383JZ5)	2,140,820	AAA		6/27/18
Federal Home Loan Mtg Corp Medium Term Note 2% 1/30/19 (CUSIP3134G4SU3)	2,037,150	AAA		1/30/19
Federal National Mtg ASSN 1.03% 5/21/18 (CUSIP3135G0XA6)	1,990,939	AAA		5/21/18
<b>Total Investments</b>	<b>\$ 146,877,626</b>			

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

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 \$7,821,000 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, 2014 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	\$ 1,627,736	\$ 277,310	\$ 207,693	\$ 194,115	\$ 2,306,854
Less: Allowance for Uncollectibles	(304,778)	(71,822)	(48,768)	(44,278)	(469,646)
<b>Total Accounts Receivable, Net</b>	<b>\$ 1,322,958</b>	<b>\$ 205,488</b>	<b>\$ 158,925</b>	<b>\$ 149,837</b>	<b>\$ 1,837,208</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Governmental Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 13,109,576	\$ -	\$ -	\$ 13,109,576
Construction In Progress	15,960,116	19,395,060	(16,834,741)	18,520,435
Total Nondepreciable Capital Assets	\$ 29,069,692	\$ 19,395,060	\$ (16,834,741)	\$ 31,630,011
Depreciable Capital Assets:				
Infrastructure	\$172,681,393	\$ 15,084,996	\$ (1,734,159)	\$ 186,032,230
Buildings and Improvements	24,500,464	3,123,459	-	27,623,923
Machinery and Equipment	12,218,027	1,101,241	(766,839)	12,552,429
Allocation of Vehicle Maintenance	8,222,597	1,050,348	(428,774)	8,844,171
Total Depreciable Capital Assets	\$217,622,481	\$ 20,360,044	\$ (2,929,772)	\$ 235,052,753
Less Accumulated Depreciation For:				
Infrastructure	\$ (57,323,562)	\$ (5,650,066)	\$ 740,123	\$ (62,233,505)
Buildings and Improvements	(5,735,074)	(589,926)	-	(6,325,000)
Machinery and Equipment	(5,458,457)	(868,564)	296,113	(6,030,908)
Allocation of Vehicle Maintenance	(4,806,268)	(537,876)	373,846	(4,970,298)
Total Accumulated Depreciation	\$ (73,323,361)	\$ (7,646,432)	\$ 1,410,082	\$ (79,559,711)
Total Depreciable Capital Assets, Net	\$144,299,120	\$ 12,713,612	\$ (1,519,690)	\$ 155,493,042
Governmental Activities Capital Assets, Net	\$173,368,812	\$ 32,108,672	\$ (18,354,431)	\$ 187,123,053

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
<b>Business-type Activities</b>				
Nondepreciable Capital Assets:				
Land	\$ 593,826	\$ 57,648	\$ -	\$ 651,474
Construction in Progress	55,602,139	15,629,060	(16,104,848)	55,126,351
Total Nondepreciable Capital Assets	\$ 56,195,965	\$ 15,686,708	\$ (16,104,848)	\$ 55,777,825
Depreciable Capital Assets:				
Infrastructure	\$ 140,509,654	\$ 7,166,980	\$ (360,778)	\$ 147,315,856
Buildings and Improvements	95,374,130	10,677,262	-	106,051,392
Machinery and Equipment	23,406,539	2,008,779	(427,759)	24,987,559
Allocation of Vehicle Maintenance	5,135,540	320,463	(136,943)	5,319,060
Total Depreciable Capital Assets	\$ 264,425,863	\$ 20,173,484	\$ (925,480)	\$ 283,673,867
Less Accumulated Depreciation For:				
Infrastructure	\$ (46,427,859)	\$ (4,118,544)	\$ 316,382	\$ (50,230,021)
Buildings and Improvements	(12,409,112)	(2,161,360)	-	(14,570,472)
Machinery and Equipment	(13,052,032)	(1,270,035)	344,183	(13,977,884)
Allocation of Vehicle Maintenance	(3,214,301)	(292,300)	136,943	(3,369,658)
Total Accumulated Depreciation	\$ (75,103,304)	\$ (7,842,239)	\$ 797,508	\$ (82,148,035)
Total Depreciable Capital Assets, Net	\$ 189,322,559	\$ 12,331,245	\$ (127,972)	\$ 201,525,832
Business-Type Activities Capital Assets, Net	\$ 245,518,524	\$ 28,017,953	\$ (16,232,820)	\$ 257,303,657

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

<b>Governmental Activities</b>	
General Government	\$ 1,173,222
Public Safety	471,220
Public Works	5,457,718
Culture and Recreation	544,272
Total Depreciation Expense - Governmental Activities	\$ 7,646,432
<b>Business-type Activities</b>	
Power	\$ 2,697,203
Water	3,190,283
Sewer	1,814,925
Solid Waste	139,828
Total Depreciation Expense - Business-Type Activities	\$ 7,842,239

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

The construction in progress in the governmental activities represents construction related to various projects which includes several street projects throughout the City including the Boxelder Road Extension Phase IIB and the Gillette Avenue Reconstruction. 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 \$33,200,000 and will be funded by the General Fund, taxes and grants. The remaining commitment on these contracts is approximately \$13,600,000 which is included in committed fund balance in the accompanying basic financial statements.

The construction in progress in the business-type activities represents construction related to several sewer construction projects and various water development projects which include the Collins Heights Lift Station Capacity Upgrade, the Annual Water and Sewer Main Replacement Project and the Gillette Regional Water Supply Project (Madison Pipeline). Actual signed contracts for these projects approximate \$105,200,000 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 \$59,400,000. During the year, construction continued on the Gillette Madison Regional Water Supply Project. This year, a construction contract was awarded for approximately \$43,000,000 to install over 23 miles of treated water transmission pipelines between Moorcroft and Wyodak, and the Pine Ridge area. To date, construction of two Madison-formation test wells and installation of over 17 miles of treated water transmission pipeline has been completed. The design, permits, easements and licenses for future pipeline and facilities for future construction contracts continues to move forward. 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 2016. 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 \$28,000,000.

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

The composition of due to/from other funds as of June 30, 2014 is as follows:

	Receivables	Payables
Major Funds:		
General Fund	\$ 4,901	\$ -
Nonmajor Funds:		
Internal Service Funds		
Health Insurance Fund	\$ -	\$ 4,901
<b>Total</b>	<b>\$ 4,901</b>	<b>\$ 4,901</b>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Interfund Transfers Governmental Funds:

	General Fund
Transfers In	\$ 538,690
Transfers (Out)	(6,699,566)
<b>Net Interfund Transfers</b>	<b>\$ (6,160,876)</b>

Interfund Transfers Business-Type Funds:

	Power Fund	Water Fund	Sewer Fund	Internal Service Funds	Total
Transfers In	\$ 1,869,032	\$ 4,370,474	\$ 1,480,171	\$ 230,566	\$ 7,950,243
Transfers (Out)	(156,937)	(1,507,067)	-	(125,363)	(1,789,367)
<b>Net Interfund Transfers</b>	<b>\$ 1,712,095</b>	<b>\$ 2,863,407</b>	<b>\$ 1,480,171</b>	<b>\$ 105,203</b>	<b>\$ 6,160,876</b>

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, and 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.

E. Compensated Absences

The City allows its employees one day of sick leave for each month of employment. The total accumulated sick leave approximated \$3,593,000 at June 30, 2014. Of this total, approximately \$299,000 represents actual vested amounts. Of this vested amount, approximately \$168,000 is included as a liability in the proprietary fund types. The remaining amount of approximately \$131,000 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 \$1,171,000 at June 30, 2014. 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, 2014 is presented below:

	Governmental Activities			Business-Type Activities				
	Accrued Sick Leave Payable	Special Assessment Debt With Governmental Commitment	Total	Accrued Sick Leave Payable	Customer Deposits	Capital Loans	Lease Revenue Bonds	
General Long-Term Debt, June 30, 2013	\$ 162,298	\$ 566,194	\$ 728,492	\$ 163,009	\$ 862,616	\$ 28,603,821	\$ 72,920,000	\$ 102,549,446
Additions	5,055	-	5,055	-	384,536	3,199,815	-	3,584,351
Reductions	(27,021)	(34,558)	(61,579)	(4,156)	(319,526)	(698,950)	(1,460,000)	(2,482,632)
<b>General Long-Term Debt, June 30, 2014</b>	<b>\$ 140,332</b>	<b>\$ 531,636</b>	<b>\$ 671,968</b>	<b>\$ 158,853</b>	<b>\$ 927,626</b>	<b>\$ 31,104,686</b>	<b>\$ 71,460,000</b>	<b>\$ 103,651,165</b>
Due Within One Year	\$ 28,218	\$ 35,141	\$ 63,359	\$ 44,163	\$ 344,000	\$ 711,000	\$ 1,510,000	\$ 2,609,163

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

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

The City 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, 2013	Principal Deletions	Balance June 30, <b>2014</b>
Special Assessment Debt with Governmental Commitment Northland Water DWSRF Loan #39	\$ 566,194	\$ (34,558)	<b>\$ 531,636</b>

Loan DWSRF #39 was for the design and construction of the Northland Village water distribution system with the principal balance to be paid through Special Assessment revenues received from Northland Village residents. The City is primarily liable for the loan which is secured by the pledge and assignment of revenues received from an Optional 1% Sales Tax. 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, 2014 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2015	\$ 35,141	\$ 13,301	\$ 48,442
2016	36,019	12,423	48,442
2017	36,920	11,522	48,442
2018	37,843	10,599	48,442
2019	38,789	9,653	48,442
2020-2024	208,983	33,225	242,208
2025-2027	137,941	7,049	144,990
<b>Total payments</b>	<b>\$ 531,636</b>	<b>\$ 97,772</b>	<b>\$ 629,408</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

The City has entered into long-term capital loan agreements with the State of Wyoming, Wyoming State Loan and Investment Board and the State of Wyoming, Wyoming Water Development Commission (WWDC). 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. These capital loans and bonds are as follows:

	Balance June 30, 2013	Principal Additions	Principal Deletions	Balance June 30, 2014	Accrued Interest Payable June 30, 2014
<b>Sewer Fund</b>					
Wastewater Treatment Facility Improvements					
CWSRF Loan #50	\$ 12,441,620	\$ -	\$ (698,950)	\$ 11,742,670	\$ 272,655
<b>Water Fund</b>					
Gillette Madison Pipeline	\$ 16,162,201	\$ 3,199,815	\$ -	\$ 19,362,016	\$ -
<b>Power Fund</b>					
Electric Facilities Improvement					
Lease Revenue Bonds	\$ 72,920,000	\$ -	\$ (1,460,000)	\$ 71,460,000	\$ 384,669
<b>Total Proprietary Funds</b>	<b>\$101,523,821</b>	<b>\$ 3,199,815</b>	<b>\$ (2,158,950)</b>	<b>\$102,564,686</b>	<b>\$ 657,324</b>

Sewer Fund Loan

Loan CWSRF #50 was for the design and construction of wastewater treatment facility improvements. This loan is secured by the pledge and assignment of revenues received from Severance Taxes. 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, 2014 are as follows:

Year Ending June 30,	Principal	Interest	Total Obligation Under Capital Loan
2015	\$ 711,000	\$ 293,877	\$ 1,004,877
2016	728,959	275,918	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
2020-2024	4,229,420	794,968	5,024,388
2025-2028	3,775,237	241,184	4,016,421
<b>Total payments</b>	<b>\$11,742,670</b>	<b>\$ 2,322,524</b>	<b>\$14,065,194</b>

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

#### Water Fund Loan

On September 3, 2009, the City entered into a long-term capital loan agreement with the State of Wyoming, Wyoming Water Development Commission, (WWDC), for the design, construction, and operation of the first phase of the \$217,600,000 Gillette Regional Water Supply project. The initial authorized loan amount for this phase was \$5,527,500, or 33% of the first phase project cost of \$16,750,000. The remaining 67% of the first phase development costs will be funded through grant funds also from the WWDC. On July 29, 2010, the City entered into amendment #1 authorizing loan amount of \$8,085,000 and grant funding of \$16,415,000. On August 18, 2011, amendment #2 to this loan agreement was executed, increasing the authorized loan amount to \$29,552,239 to include phases 2 and 3, and amending the loan term to 5 years. Approved grant funding was also increased to \$60,000,000 with this amendment. The interest rate for this loan is 4% per annum, with interest charges beginning to accrue at such time the WWDC determines project benefits accrue to the City, or approximately twelve months after substantial project completion. On August 20, 2012, amendment #3 to the loan agreement was executed increasing the authorized loan amount to \$44,328,358 and approved increasing grant funding to \$90,000,000. The loan terms and interest rate for this loan were not changed. 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 2016. 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. 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 nonoperating revenue in the Power Enterprise Fund. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under Section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. As a result the original 35% interest subsidy will be reduced by applicable percentages as administered by the Federal Government. The following table takes into consideration the estimated subsidy loss each year until the bonds are retired.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Annual debt service requirements to maturity on the Electric Facilities Improvement Lease Revenue Bonds 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
2015	\$ 1,510,000	\$ 4,616,026	\$ 6,126,026	\$ (1,598,339)	\$ 4,527,687	\$ 115,080	\$ 4,642,767
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
2020-2024	9,485,000	20,234,953	29,719,953	(7,082,233)	22,637,720	509,921	23,147,641
2025-2029	11,575,000	17,005,207	28,580,207	(5,951,823)	22,628,384	428,531	23,056,915
2030-2034	14,335,000	12,756,607	27,091,607	(4,464,812)	22,626,795	321,466	22,948,261
2035-2039	17,835,000	7,370,066	25,205,066	(2,579,523)	22,625,543	185,725	22,811,268
2040	10,190,000	708,613	10,898,613	(248,015)	10,650,598	17,857	10,668,455
Total Payments	\$ 71,460,000	\$ 80,503,258	\$151,963,258	\$(28,158,870)	\$123,804,388	\$ 2,027,437	\$125,831,825

#### 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, 2014 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, 2014, the City's assessed valuation was \$214,341,272 and the City had no general obligation debt.

#### G. Classifications of Equity

A summary of classifications of equity at June 30, 2014, not disclosed elsewhere, and not apparent from the description in the fund statements, is presented as follows:

	General Fund
Nonspendable:	
Inventory	\$ 157,318
Restricted For:	
Criminal Forfeiture	\$ 13,817
Committed For:	
Cash Reserves	\$ 12,720,380
Capital Projects Through Signed Contracts	16,311,632
Employee Contributions to Sunshine Account	5,410
Memorial Donations	3,392
Total Committed Fund Balance	\$ 29,040,814

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

	General Fund
Assigned For:	
Budgeted Carryover of Capital Projects	\$ 5,383,465
Cash in Lieu of Parkland	292,521
Cash in Lieu of Drainage	224,823
State Forfeiture	80,265
Mayor's Art Council	143,841
Demolition	26,281
Animal Control	48,077
Little League	3,250
Keep America Beautiful	1,352
Insurance Reimbursements	748,585
<b>Total Assigned</b>	<b>\$ 6,952,460</b>
<b>Unassigned</b>	<b>\$ 7,592,509</b>
<b>Total Fund Balance</b>	<b>\$ 43,756,918</b>

H. Restricted Net Position

- a) Net position restricted in the Power Enterprise Fund total \$6,168,909 which is restricted for future debt service on the lease revenue bonds.
- b) Net position restricted in the Water Enterprise Fund total \$77,391,697 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 \$73,891,697 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. 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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

I. Tax Revenues

A summary of tax revenues for the year ended June 30, 2014 is presented below:

	General Fund	Water Fund	Total
Severance Tax	\$ 1,135,505	\$ -	\$ 1,135,505
Property Taxes	1,832,001	-	1,832,001
Automobile Taxes	867,828	-	867,828
Sales and Use Taxes	27,113,083	-	27,113,083
1% Optional Sales Tax	22,085,232	-	22,085,232
Capital Facilities Tax	-	29,364,002	29,364,002
Gasoline Tax	1,072,083	-	1,072,083
Franchise Tax (gross receipt based)	755,880	-	755,880
Cigarette Tax	222,692	-	222,692
	<b>\$ 55,084,304</b>	<b>\$ 29,364,002</b>	<b>\$ 84,448,306</b>

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, 2014. 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.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 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
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Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The health insurance internal service fund was established when the City elected to provide employee medical, dental and life insurance benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$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 \$95,000 per employee. This premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

The liability for estimated claims of \$777,577, 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, 2014, 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, 2013 to June 30, 2014	\$ 552,663	\$ 3,811,923	\$ 3,587,009	\$ 777,577
June 30, 2012 to June 30, 2013	\$ 467,663	\$ 2,887,108	\$ 2,802,108	\$ 552,663

**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, 2014.

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 \$22,000,000 which is approximately 34% percent of general fund revenues during the year ended June 30, 2014. If this levy is not approved by the voters in the future it may have a material effect on the City's operations.

**C. Retirement Commitments**

The City's full-time employees participate in the Wyoming Retirement System ("System"), a cost-sharing multiple-employer public employee retirement system. The Plan provides retirement benefits at age 60 with early retirement options available. The Plan also provides disability and death benefits. Benefits are established by State Statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Wyoming Retirement System, Herschler Building, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

The System statutorily requires 14.12% of the covered employees' salary to be contributed to the Plan. During the year ended June 30, 2014 this requirement increased to 14.62% and subsequent to June 30, 2014 has increased to 15.87%. The City has elected to fund both the employer's and employees' share of the required contribution into the plan for its employees. The Peace Officers' retirement portion of the system requires a total of 17.20%; the City has elected to fund both the employer's and employees' portion of this required contribution as well. The City's contributions to the System for the years ended June 30, 2014, 2013, and 2012, were approximately \$2,739,000, \$2,669,000 and \$2,529,000 respectively. This was equal to the required contribution each of those years.

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

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 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	16
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	71
Total Participants	178

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

#### E. 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.

#### F. Recent Pronouncements

##### Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement 27*. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. Statement 68 was amended in November, 2013 by Statement 71; this Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 4. Other Information (Continued)

#### G. CT II Peaking Facility and Provision of Energy Supply and Services

On September 4, 2012, the Gillette City Council approved a letter of intent with Black Hills Wyoming, LLC, to purchase a 40MW gas-fired peaking generation facility along with various energy supply, dispatch, and related services. Purchase of the natural gas-fired combustion turbine (known as CT II) and associated services were offered to the City for \$22 million and will provide the City with supplemental power needs currently being provided through another electric generation supplier.

On August 26, 2014, lease revenue bonds were issued by the Consolidated Wyoming Municipalities Electric Power System Joint Powers Board generating funds necessary to complete the purchase. The bond issuance totaled \$27,329,460 which covered the purchase of CT II as well as costs of issuance, establishment of a debt service fund, reimbursement of eligible costs, and an additional \$2.5 million in working capital. The City leases the facility from the Joint Powers Board and pays rents in an amount sufficient to service the 20 year debt on the bonds and is directly responsible for the operation and maintenance costs. The actual closing and transfer of ownership for the CT II purchase with Black Hills Wyoming, LLC, occurred on September 3, 2014.

**INTERNAL SERVICE FUNDS**

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

June 30, 2014

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 207,445	\$ 5,942	\$ 268,680	\$ 482,067
Investments	4,130,816	378,301	950,043	5,459,160
Other Receivable	-	367,815	5,290	373,105
Accrued Interest Receivable	494	191	-	685
Inventories	196,837	-	-	196,837
<b>Total Current Assets</b>	<b>\$ 4,535,592</b>	<b>\$ 752,249</b>	<b>\$ 1,224,013</b>	<b>\$ 6,511,854</b>
<b>CAPITAL ASSETS</b>				
Machinery and Equipment	\$ 14,163,231	\$ -	\$ -	\$ 14,163,231
Less Accumulated Depreciation	(8,339,956)	-	-	(8,339,956)
<b>Net Capital Assets</b>	<b>\$ 5,823,275</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,823,275</b>
<b>Total Assets</b>	<b>\$ 10,358,867</b>	<b>\$ 752,249</b>	<b>\$ 1,224,013</b>	<b>\$ 12,335,129</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Vouchers Payable	\$ 101,680	\$ 2,006	\$ 19,572	\$ 123,258
Estimated Claims Payable	-	-	777,577	777,577
Other Accrued Liabilities	57,587	-	-	57,587
Due To Other Funds	-	-	4,901	4,901
<b>Total Current Liabilities</b>	<b>\$ 159,267</b>	<b>\$ 2,006</b>	<b>\$ 802,050</b>	<b>\$ 963,323</b>
<b>LONG-TERM LIABILITY</b>				
Accrued Sick Leave Payable	\$ 14,345	\$ -	\$ -	\$ 14,345
<b>Total Liabilities</b>	<b>\$ 173,612</b>	<b>\$ 2,006</b>	<b>\$ 802,050</b>	<b>\$ 977,668</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 5,823,275	\$ -	\$ -	\$ 5,823,275
Unrestricted	4,361,980	750,243	421,963	5,534,186
<b>Total Net Position</b>	<b>\$ 10,185,255</b>	<b>\$ 750,243</b>	<b>\$ 421,963</b>	<b>\$ 11,357,461</b>

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
Year Ended June 30, 2014

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
OPERATING REVENUES	\$ 3,062,724	\$ 1,075,841	\$ 4,342,483	\$ 8,481,048
OPERATING EXPENSES				
Salaries and Benefits	\$ 629,539	\$ -	\$ -	\$ 629,539
Contractual Services	336,880	612,184	-	949,064
Claims	-	479,153	5,220,916	5,700,069
Repairs and Maintenance	282	-	-	282
Supplies	1,101,713	-	-	1,101,713
Depreciation	830,176	-	-	830,176
Total Operating Expenses	\$ 2,898,590	\$ 1,091,337	\$ 5,220,916	\$ 9,210,843
Operating Income (Loss)	\$ 164,134	\$ (15,496)	\$ (878,433)	\$ (729,795)
NONOPERATING REVENUE				
Gain on Disposal of Equipment	\$ 3,552	\$ -	\$ -	\$ 3,552
Investment Income	9,462	1,446	4,950	15,858
Total Nonoperating Revenue	\$ 13,014	\$ 1,446	\$ 4,950	\$ 19,410
Income (Loss) Before Transfers	\$ 177,148	\$ (14,050)	\$ (873,483)	\$ (710,385)
Transfers In	230,566	-	-	230,566
Transfers (Out)	(10,000)	(115,363)	-	(125,363)
Change in Net Position	\$ 397,714	\$ (129,413)	\$ (873,483)	\$ (605,182)
NET POSITION, BEGINNING JULY 1	9,787,541	879,656	1,295,446	11,962,643
NET POSITION, ENDING JUNE 30	\$ 10,185,255	\$ 750,243	\$ 421,963	\$ 11,357,461

CITY OF GILLETTE, WYOMING

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended June 30, 2014

	Vehicle Mainten- ance	Liability and Personal Injury Insurance	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Interfund Services Provided	\$ 3,062,724	\$ 758,890	\$ 4,337,193	\$ 8,158,807
Payments to Employees	(618,646)	-	-	(618,646)
Payments for Goods and Services	(1,417,531)	(1,094,302)	(4,993,464)	(7,505,297)
Internal Activity - Payments (To) From Other Funds	4,394,135	833,534	105,523	5,333,192
Net Cash Provided By (Used In) Operating Activities	\$ 5,420,682	\$ 498,122	\$ (550,748)	\$ 5,368,056
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	\$ 230,566	\$ -	\$ -	\$ 230,566
Transfers (Out)	(10,000)	(115,363)	-	(125,363)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 220,566	\$ (115,363)	\$ -	\$ 105,203
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Payments for Capital Acquisitions	\$ (1,370,811)	\$ -	\$ -	\$ (1,370,811)
Proceeds From Sale of Capital Assets	58,480	-	-	58,480
Net Cash (Used In) Capital and Related Financing Activities	\$ (1,312,331)	\$ -	\$ -	\$ (1,312,331)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net (Increase) Decrease in Investments	\$ (4,129,536)	\$ (378,188)	\$ 657,427	\$ (3,850,297)
Investment Income	8,064	1,371	2,892	12,327
Net Cash Provided By (Used In) Investing Activities	\$ (4,121,472)	\$ (376,817)	\$ 660,319	\$ (3,837,970)
Net Increase in Cash	\$ 207,445	\$ 5,942	\$ 109,571	\$ 322,958
Cash, Beginning July 1	-	-	159,109	159,109
Cash, Ending June 30	\$ 207,445	\$ 5,942	\$ 268,680	\$ 482,067
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Income (Loss)	\$ 164,134	\$ (15,496)	\$ (878,433)	\$ (729,795)
Adjustments:				
Depreciation	830,176	-	-	830,176
Change in Assets and Liabilities:				
Other Receivable	-	(316,951)	(5,290)	(322,241)
Due To/From Other Funds	4,394,135	833,534	105,523	5,333,192
Inventories	(3,362)	-	-	(3,362)
Vouchers Payable	24,706	(2,965)	2,538	24,279
Accrued Expenses	10,893	-	-	10,893
Estimated Claims Payable	-	-	224,914	224,914
Net Cash Provided By (Used In) Operating Activities	\$ 5,420,682	\$ 498,122	\$ (550,748)	\$ 5,368,056
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Net Increase in Fair Value of Investments	\$ 1,280	\$ 113	\$ 2,058	\$ 3,451

**AGENCY FUND**

CITY OF GILLETTE, WYOMING

SCHEDULE OF CHANGES IN NET POSITION  
 AGENCY FUND

Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, <b>2014</b>
<u>Flexible Benefits</u>				
ASSETS				
Due From Other Entities	\$ 2,787	\$ 169,486	\$ 168,325	\$ <b>3,948</b>
LIABILITIES				
Flexible Benefits Payable	\$ 2,787	\$ 169,486	\$ 168,325	\$ <b>3,948</b>
NET POSITION	\$ -	\$ -	\$ -	\$ -

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2014

(Page 1 of 2)

State Grantor Program Title	Grant Number	Expenditures
<u>Office of Attorney General</u>		
State Surcharge	N/A	\$ 4,445
Victim Witness Funding	N/A	29,904
State Salary Funds	N/A	7,609
Total Office of Attorney General		\$ 41,958
<u>Wyoming Business Council</u>		
Business Ready Community Grant		
Liebherr Utility Improvements Related to Expansion	N/A	\$ 537,614
Gillette Avenue Improvement	N/A	371,401
Energy Park Rail Spur Feasibility Study	N/A	25,000
Total Wyoming Business Council		\$ 934,015
<u>Wyoming Association of Sheriffs and Police</u>		
Alcohol Inspection Contract	N/A	\$ 5,950
Tobacco Inspection Contract	N/A	2,890
Total Wyoming Association of Sheriffs and Police		\$ 8,840
<u>Wyoming Loan and Investments Board</u>		
Sanitary Sewer Replacement Project	MRG-13340CL	\$ 239,543
Sunflower Park	CWC-13110CL	577,572
Total Wyoming Loan and Investments Board		\$ 817,115
<u>Wyoming Water Development Commission</u>		
Gillette Madison Pipeline	N/A	\$ 3,294,172
Gillette Regional Extensions	N/A	246,738
Madison Pipeline Rehabilitation-Internal Protection	N/A	50,193
Total Wyoming Water Development Commission		\$ 3,591,103
Total State Financial Assistance		\$ 5,393,031

(Continued)

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2014

(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, 2014.

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	\$ 1,846,802
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System	DWSRF Loan #39	88,040
Wyoming Water Development Commission		
Gillette Madison Pipeline	-	19,362,016
<b>Total State Loans</b>		<b>\$ 21,296,858</b>

# STATISTICAL SECTION

## STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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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	95
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	102
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	106
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			
	2005	2006	2007	2008
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	38,325,091	41,055,859	47,631,494	74,559,430
Restricted	4,986,028	5,555,373	5,048,475	6,371,058
Unrestricted	27,926,097	44,635,298	48,152,950	43,894,266
Total Governmental Activities Net Assets	71,237,216	91,246,530	100,832,919	124,824,754
<b>Business-Type Activities</b>				
Invested in Capital Assets, Net of Related Debt	50,979,719	52,043,899	56,944,535	73,626,578
Restricted	-	-	1,087,786	1,145,672
Unrestricted	17,410,691	20,983,495	23,573,221	25,229,322
Total Business-Type Activities Net Assets	68,390,410	73,027,394	81,605,542	100,001,572
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	89,304,810	93,099,758	104,576,029	148,186,008
Restricted	4,986,028	5,555,373	6,136,261	7,516,730
Unrestricted	45,336,788	65,618,793	71,726,171	69,123,588
Total Primary Government Net Assets	139,627,626	164,273,924	182,438,461	224,826,326

Fiscal Year					
2009	2010	2011	2012	2013	2014
106,878,886	118,148,340	144,063,586	160,346,407	173,368,812	184,096,943
6,997,253	36,386	22,162	13,761	13,788	13,817
53,241,652	54,849,935	47,210,868	46,431,260	44,960,127	49,723,925
167,117,791	173,034,661	191,296,616	206,791,428	218,342,727	233,834,685
91,114,927	103,052,463	104,481,619	108,090,438	143,994,703	151,571,316
3,750,000	3,750,000	11,382,821	28,560,579	54,315,581	83,810,606
20,731,282	21,873,844	27,246,709	32,024,938	25,391,474	27,319,144
115,596,209	128,676,307	143,111,149	168,675,955	223,701,758	262,701,066
197,993,813	221,200,803	248,545,205	268,436,845	317,363,515	335,668,259
10,747,253	3,786,386	11,404,983	28,574,340	54,329,369	83,824,423
73,972,934	76,723,779	74,457,577	78,456,198	70,351,601	77,043,069
282,714,000	301,710,968	334,407,765	375,467,383	442,044,485	496,535,751

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

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues</b>				
<i>Governmental Activities</i>				
Program Revenues				
Charges for services	\$ 1,281,978	\$ 1,149,714	\$ 1,656,062	\$ 1,824,982
Operating grants and contributions	288,071	303,867	314,637	593,694
Capital grants and contributions	412,109	76,451	648,876	3,714,954
General Revenues				
Severance taxes	904,108	944,415	966,875	921,829
Property taxes	882,845	962,065	983,589	1,128,163
Sales and use taxes	25,526,874	34,560,320	40,332,243	45,088,186
Other taxes	1,888,720	1,959,328	5,094,830	3,794,342
Mineral Royalties	1,396,849	1,389,193	1,399,027	1,435,176
Supplemental state funding	1,129,441	4,473,042	1,439,893	2,173,781
Investment Income (Loss)	637,133	1,319,891	2,498,507	2,282,401
Capital contributions, local annexations	-	-	-	11,059,093
Other revenue	202,258	-	(2,897,831)	1,900,156
<i>Total Governmental Activities Revenues</i>	<u>\$ 34,550,386</u>	<u>\$ 47,138,286</u>	<u>\$ 52,436,708</u>	<u>\$ 75,916,757</u>
<i>Business-Type Activities</i>				
Program Revenues				
Charges for services	\$ 20,113,143	\$ 22,357,892	\$ 24,988,385	\$ 29,098,595
Capital grants and contributions	1,238,435	708,591	187,706	1,840,649
General Revenues				
Sales and use taxes <sup>2</sup>	-	-	-	-
Investment Income (Loss)	354,519	549,639	1,052,178	1,150,937
Capital contributions, local annexations	-	-	-	7,701,192
Other revenue	579,664	781,673	4,667,082	1,195,659
<i>Total Business-Type Activities Revenues</i>	<u>\$ 22,285,761</u>	<u>\$ 24,397,795</u>	<u>\$ 30,895,351</u>	<u>\$ 40,987,032</u>
<b>Total Government-Wide Revenues</b>	<u>\$ 56,836,147</u>	<u>\$ 71,536,081</u>	<u>\$ 83,332,059</u>	<u>\$ 116,903,789</u>
<b>Expenses</b>				
<i>Governmental Activities</i>				
Administration	\$ 6,003,412	\$ 6,479,280	\$ 22,391,475	\$ 26,679,153
Community Development <sup>1</sup>	697,143	799,996	1,029,833	1,120,231
Law Enforcement/Public Safety <sup>1</sup>	5,567,098	5,696,437	6,536,902	7,499,880
Public Works	16,465,753	11,911,597	7,977,462	6,816,159
Culture and Recreation <sup>1</sup>	-	-	-	-
Interest on Long-Term Debt	7,622	3,579	397	2,793
<i>Total Governmental Activities Expenses</i>	<u>\$ 28,741,028</u>	<u>\$ 24,890,889</u>	<u>\$ 37,936,069</u>	<u>\$ 42,118,216</u>
<i>Business-Type Activities</i>				
Power	\$ 13,488,276	\$ 15,034,278	\$ 17,670,988	\$ 20,606,324
Water	3,764,551	5,216,100	4,996,945	5,717,657
Sewer	1,758,565	2,384,116	2,866,953	4,190,133
Solid Waste	1,305,078	1,440,969	1,696,567	1,883,594
<i>Total Business-Type Activities Expenses</i>	<u>\$ 20,316,470</u>	<u>\$ 24,075,463</u>	<u>\$ 27,231,453</u>	<u>\$ 32,397,708</u>
<b>Total Government-Wide Expenses</b>	<u>\$ 49,057,498</u>	<u>\$ 48,966,352</u>	<u>\$ 65,167,522</u>	<u>\$ 74,515,924</u>

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014				
\$	2,088,192	\$	2,359,735	\$	1,949,688	\$	2,623,718	\$	2,819,882	\$	3,728,676
	529,993		1,394,215		1,203,641		663,407		726,408		513,389
	8,848,511		1,505,351		1,719,812		693,152		1,222,352		3,488,683
	850,865		880,203		970,441		1,067,407		1,096,377		1,135,505
	1,304,276		1,533,648		1,648,246		1,743,283		1,763,744		1,832,001
	47,549,129		36,509,652		42,392,407		48,689,382		43,149,383		49,198,315
	7,348,275		2,933,427		2,647,637		2,426,726		2,443,560		2,918,483
	1,466,310		1,480,247		1,520,397		1,537,360		1,542,258		1,549,148
	2,143,709		2,036,523		1,399,143		2,122,882		1,630,099		2,456,374
	1,439,774		990,722		201,632		94,060		(19,055)		185,649
	11,394,163		2,969,595		9,543,332		4,718,809		1,178,906		-
	514,847		130,265		(48,847)		(80,706)		-		853,432
\$	85,478,044	\$	54,723,583	\$	65,147,529	\$	66,299,480	\$	57,553,914	\$	67,859,655
\$	31,865,874	\$	35,499,057	\$	37,881,536	\$	40,712,570	\$	41,643,064	\$	41,676,876
	1,045,328		5,259,077		9,062,600		5,811,660		31,686,134		8,987,615
	-		-		-		18,235,001		26,285,027		29,364,002
	860,975		337,117		247,389		285,342		(31,968)		479,053
	3,925,983		2,689,529		4,058,959		1,803,289		862,923		-
	1,687,600		1,159,879		1,311,870		(2,399,295)		846,563		892,230
\$	39,385,760	\$	44,944,659	\$	52,562,354	\$	64,448,567	\$	101,291,743	\$	81,399,776
\$	124,863,804	\$	99,668,242	\$	117,709,883	\$	130,748,047	\$	158,845,657	\$	149,259,431
\$	17,540,288	\$	12,658,989	\$	18,585,718	\$	13,156,594	\$	14,114,947	\$	16,949,930
	1,250,166		-		-		-		-		-
	7,489,676		11,189,600		10,985,865		12,667,636		11,956,859		12,209,838
	16,255,289		14,960,231		10,128,312		14,161,985		15,131,917		14,743,977
	-		2,062,128		2,144,505		2,658,610		2,605,174		2,378,104
	18,140		17,051		16,871		16,068		14,670		13,883
\$	42,553,559	\$	40,887,999	\$	41,861,271	\$	42,660,893	\$	43,823,567	\$	46,295,732
\$	22,658,728	\$	25,838,074	\$	28,776,464	\$	30,713,059	\$	31,272,102	\$	30,631,160
	6,569,393		7,160,713		7,260,232		8,840,825		9,299,424		9,374,198
	4,501,057		4,464,019		4,851,241		5,159,217		5,463,451		5,731,279
	1,876,777		2,320,469		2,263,878		2,314,435		2,410,011		2,735,796
\$	35,605,955	\$	39,783,275	\$	43,151,815	\$	47,027,536	\$	48,444,988	\$	48,472,433
\$	78,159,514	\$	80,671,274	\$	85,013,086	\$	89,688,429	\$	92,268,555	\$	94,768,165

(Continued)

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

	Fiscal Year			
	2005	2006	2007	2008
<b>Change in Net Position Before Transfers</b>				
Governmental Activities	\$ 5,809,358	\$ 22,247,397	\$ 14,500,639	\$ 33,798,541
Business-Type Activities	1,969,291	322,332	3,663,898	8,589,324
<b>Government-Wide</b>	<b>\$ 7,778,649</b>	<b>\$ 22,569,729</b>	<b>\$ 18,164,537</b>	<b>\$ 42,387,865</b>
<b>Transfers</b>				
Governmental Activities	\$ 2,270,309	\$ (2,238,083)	\$ (4,914,250)	\$ (9,806,706)
Business-Type Activities	(2,270,309)	2,238,083	4,914,250	9,806,706
<b>Government-Wide</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 8,079,667	\$ 20,009,314	\$ 9,586,389	\$ 23,991,835
Business-Type Activities	(301,018)	2,560,415	8,578,148	18,396,030
<b>Government-Wide</b>	<b>\$ 7,778,649</b>	<b>\$ 22,569,729</b>	<b>\$ 18,164,537</b>	<b>\$ 42,387,865</b>
<b>Net Position, Beginning of Fiscal Year</b>				
Governmental Activities	\$ 63,157,549	\$ 71,237,216	\$ 91,246,530	\$ 100,832,919
Business-Type Activities	68,898,889	68,390,410	73,027,394	81,605,542
<b>Government-Wide</b>	<b>\$ 132,056,438</b>	<b>\$ 139,627,626</b>	<b>\$ 164,273,924</b>	<b>\$ 182,438,461</b>
<b>Prior Year Adjustments</b>				
Governmental Activities	\$ -	\$ -	\$ -	\$ -
Business-Type Activities	(207,461)	2,076,569	-	-
<b>Government-Wide</b>	<b>\$ (207,461)</b>	<b>\$ 2,076,569</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position, End of Fiscal Year</b>				
Governmental Activities	\$ 71,237,216	\$ 91,246,530	\$ 100,832,919	\$ 124,824,754
Business-Type Activities	68,390,410	73,027,394	81,605,542	100,001,572
<b>Government-Wide</b>	<b>\$ 139,627,626</b>	<b>\$ 164,273,924</b>	<b>\$ 182,438,461</b>	<b>\$ 224,826,326</b>

<sup>1</sup> Starting in 2010, Community Development Governmental Expenses were combined with Law Enforcement for a new category named Public Safety, resulting in zero expenses being reported for 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.

<sup>2</sup> Starting in 2012, the City started collecting a Special Purpose Sales and Use Tax specifically for the purpose of construction of the parallel Madison Pipeline project as well as extensions of infrastructure for rural water districts to connect to the Madison Pipeline.

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014				
\$	42,924,485	\$	13,835,584	\$	23,286,258	\$	23,638,587	\$	13,730,347	\$	21,563,923
	3,779,805		5,161,384		9,410,539		17,421,031		52,846,755		32,927,343
\$	46,704,290	\$	18,996,968	\$	32,696,797	\$	41,059,618	\$	66,577,102	\$	54,491,266
\$	(6,859,292)	\$	(7,918,714)	\$	(5,024,303)	\$	(8,143,775)	\$	(2,179,048)	\$	(6,071,965)
	6,859,292		7,918,714		5,024,303		8,143,775		2,179,048		6,071,965
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	36,065,193	\$	5,916,870	\$	18,261,955	\$	15,494,812	\$	11,551,299	\$	15,491,958
	10,639,097		13,080,098		14,434,842		25,564,806		55,025,803		38,999,308
\$	46,704,290	\$	18,996,968	\$	32,696,797	\$	41,059,618	\$	66,577,102	\$	54,491,266
\$	124,824,754	\$	167,117,791	\$	173,034,661	\$	191,296,616	\$	206,791,428	\$	218,342,727
	100,001,572		115,596,209		128,676,307		143,111,149		168,675,955		223,701,758
\$	224,826,326	\$	282,714,000	\$	301,710,968	\$	334,407,765	\$	375,467,383	\$	442,044,485
\$	6,227,844	\$	-	\$	-	\$	-	\$	-	\$	-
	4,955,540		-		-		-		-		-
\$	11,183,384	\$	-	\$	-	\$	-	\$	-	\$	-
\$	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

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
2005	\$ 904,108	\$ 882,845	\$ 558,270	\$ 25,526,874	\$ 579,537	\$ 274,452	\$ 476,461	\$ 29,202,547
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
<hr/>								
% Change								
2005 - 2014	25.6%	107.5%	55.4%	92.7%	85.0%	-18.9%	58.6%	88.6%

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Unreserved				
Designated For:				
Cash Operating Reserve	\$ -	\$ -	\$ 4,400,000	\$ 4,400,000
General Fund Operations	14,812,775	24,548,668	1,000,000	500,000
Expenditure Control Budget Carryover	1,211,664	1,355,876	1,067,161	750,281
CEEDC Revolving Loan	-	-	-	-
Capital Projects	-	-	18,989,252	5,764,020
Retiree Health Benefits	8,215,665	8,515,634	-	-
Undesignated, Reported In:				
General Fund	-	-	4,759,504	15,501,692
Total General Fund	\$ 24,240,104	\$ 34,420,178	\$ 30,215,917	\$ 26,915,993
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	\$ 1,764,000	\$ 2,218,370	\$ 15,940,537	\$ 12,973,299
Unreserved				
Undesignated, Reported In:				
Special Revenue Fund	1,371,763	7,656,240	-	-
Total 1% Sales Tax Fund	\$ 3,135,763	\$ 9,874,610	\$ 15,940,537	\$ 12,973,299
Economic Stabilization Reserve				
Reserved for Capital Projects	\$ 3,222,028	\$ 3,337,003	\$ 5,048,475	\$ 6,371,058
Unreserved	-	-	-	-
Total Economic Stabilization Reserve	\$ 3,222,028	\$ 3,337,003	\$ 5,048,475	\$ 6,371,058
Total Fund Balances, Governmental Funds	\$ 30,597,895	\$ 47,631,791	\$ 51,204,929	\$ 46,260,350

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

		Fiscal Year					
2009		2010	2011	2012	2013	2014	
		(1)	(1)	(1)	(1)	(1)	(1)
\$	4,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	-
	-	-	-	-	-	-	-
	596,702	-	-	-	-	-	-
	-	-	-	-	-	-	-
	16,285,002	-	-	-	-	-	-
	-	-	-	-	-	-	-
	20,215,629	-	-	-	-	-	-
\$	41,497,333	\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ 87,853	\$ 111,772	\$ 126,042	\$ 155,613	\$ 157,318	
		36,386	22,162	13,761	13,788	13,817	
		24,254,271	19,749,041	22,406,471	23,923,930	29,040,814	
		20,506,879	12,162,321	7,316,230	14,946,932	6,952,460	
		5,017,408	10,639,683	12,366,300	2,284,206	7,592,509	
		\$ 49,902,797	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918	
\$	7,322,090	\$ -	\$ -	\$ -	\$ -	\$ -	-
	-	-	-	-	-	-	-
\$	7,322,090	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$	6,997,253	\$ -	\$ -	\$ -	\$ -	\$ -	-
	-	-	-	-	-	-	-
\$	6,997,253	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$	55,816,676	\$ 49,902,797	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918	

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

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues</b>				
<i>General Fund</i>				
Taxes	\$ 17,719,780	\$ 22,891,088	\$ 29,810,266	\$ 31,248,987
Intergovernmental	1,984,014	4,010,861	2,393,114	5,752,823
Licenses and Permits	140,261	184,493	296,702	300,674
Charges for Services	589,306	548,624	660,320	853,070
Fines and Fees	342,284	303,940	393,231	373,967
Investment Income	548,053	925,123	1,388,401	1,120,402
Miscellaneous	89,986	144,111	649,222	229,697
Special Assessment Revenue	-	-	-	-
<i>One Percent Fund</i>				
Taxes	11,482,767	15,535,040	17,567,271	19,683,533
Intergovernmental	1,242,455	2,231,692	1,439,893	2,173,781
Investment Income (Loss)	12,280	279,793	754,013	652,076
Miscellaneous	202,258	-	-	-
<i>Economic Stabilization Fund</i>				
Investment Income	76,800	114,975	211,472	322,583
<b>Total Revenues</b>	<b>\$ 34,430,244</b>	<b>\$ 47,169,740</b>	<b>\$ 55,563,905</b>	<b>\$ 62,711,593</b>
<b>Expenditures</b>				
<i>General Fund</i>				
<i>Current</i>				
Administration/General Government	\$ 3,804,123	\$ 4,308,159	\$ 5,291,309	\$ 5,138,551
Finance/Treasurer	522,963	576,667	669,067	984,481
Community Development	707,836	793,262	1,027,766	1,162,522
Police/Public Safety	5,596,525	5,542,417	7,125,688	7,916,198
Public Works	6,395,866	6,560,636	5,311,853	5,883,395
Culture and Recreation	-	-	-	-
Miscellaneous	1,923,570	2,246,516	15,087,214	20,860,825
Other Capital Outlay	-	-	-	-
Debt Service				
Principal	60,758	64,300	27,886	-
Interest	7,622	3,579	397	-
<i>One Percent Fund</i>				
<i>Current</i>				
Public Works	6,209,707	7,537,448	11,334,369	15,686,052
Other Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 25,228,970</b>	<b>\$ 27,632,984</b>	<b>\$ 45,875,549</b>	<b>\$ 57,632,024</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 9,201,274</b>	<b>\$ 19,536,756</b>	<b>\$ 9,688,356</b>	<b>\$ 5,079,569</b>
<b>Other Financing Sources (Uses)</b>				
<i>General Fund</i>				
Proceeds from Capital Lease	\$ -	\$ -	\$ -	\$ -
Transfers In	5,452,923	1,632,611	-	98,170
Transfers Out	(738,697)	(365,241)	(5,254,337)	(1,331,742)
<i>One Percent Fund</i>				
Transfers In	825,000	-	2,500,000	-
Transfers Out	(3,199,991)	(3,770,230)	(4,860,881)	(9,790,576)
<i>Economic Stabilization Fund</i>				
Transfers In	-	-	1,500,000	1,000,000
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 2,339,235</b>	<b>\$ (2,502,860)</b>	<b>\$ (6,115,218)</b>	<b>\$ (10,024,148)</b>
<b>Net Change In Fund Balance</b>	<b>\$ 11,540,509</b>	<b>\$ 17,033,896</b>	<b>\$ 3,573,138</b>	<b>\$ (4,944,579)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.27%	0.25%	0.06%	0.00%
Fund Balance, Beginning July 1	\$ 19,057,386	\$ 30,597,895	\$ 47,631,791	\$ 51,204,929
Fund Balance, Ending June 30	\$ 30,597,895	\$ 47,631,791	\$ 51,204,929	\$ 46,260,350

(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						
2009	2010	2011	2012	2013	2014	
	(1)	(1)	(1)	(1)	(1)	
\$ 35,945,861	\$ 41,856,930	\$ 47,658,731	\$ 53,926,798	\$ 48,453,064	\$ 55,084,304	
12,997,523	6,416,336	5,842,993	5,016,801	5,121,117	6,022,098	
287,860	299,446	320,003	295,160	291,708	290,033	
931,252	968,610	641,662	855,350	1,320,627	2,785,521	
352,438	396,256	426,360	472,650	406,517	391,716	
1,168,205	923,456	173,414	76,331	(25,671)	175,523	
602,628	695,423	561,663	1,000,558	801,030	1,111,286	
-	690,292	168,756	133,387	84,534	58,186	
21,106,684	-	-	-	-	-	
-	-	-	-	-	-	
941	-	-	-	-	-	
-	-	-	-	-	-	
126,195	-	-	-	-	-	
\$ 73,519,587	\$ 52,246,749	\$ 55,793,582	\$ 61,777,035	\$ 56,452,926	\$ 65,918,667	
\$ 5,266,154	\$ 10,334,666	\$ 10,674,604	\$ 10,653,872	\$ 13,118,976	\$ 13,617,537	
774,204	-	-	-	-	-	
1,293,009	-	-	-	-	-	
7,792,601	10,903,706	9,339,427	9,756,812	9,759,974	9,810,440	
7,392,686	16,159,919	19,835,193	21,085,752	15,230,303	17,596,106	
-	2,062,128	1,944,549	2,420,144	4,921,238	4,282,751	
13,881,686	9,977,987	15,535,677	6,689,176	10,531,853	11,970,067	
-	-	-	-	-	-	
30,301	31,390	31,571	32,373	33,772	34,558	
18,140	17,051	16,871	16,068	14,670	13,883	
20,133,639	-	-	-	-	-	
-	-	-	-	-	-	
\$ 56,582,420	\$ 49,486,847	\$ 57,377,892	\$ 50,654,197	\$ 53,610,786	\$ 57,325,342	
\$ 16,937,167	\$ 2,759,902	\$ (1,584,310)	\$ 11,122,838	\$ 2,842,140	\$ 8,593,325	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(1,255,646)	(8,673,781)	(5,633,508)	(11,579,013)	(3,746,475)	538,690	
-	-	-	-	-	(6,699,566)	
(6,625,195)	-	-	-	-	-	
500,000	-	-	-	-	-	
-	-	-	-	-	-	
\$ (7,380,841)	\$ (8,673,781)	\$ (5,633,508)	\$ (11,579,013)	\$ (3,746,475)	\$ (6,160,876)	
\$ 9,556,326	\$ (5,913,879)	\$ (7,217,818)	\$ (456,175)	\$ (904,335)	\$ 2,432,449	
0.09%	0.10%	0.08%	0.10%	0.09%	0.08%	
\$ 46,260,350	\$ 55,816,676	\$ 49,902,797	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469	
\$ 55,816,676	\$ 49,902,797	\$ 42,684,979	\$ 42,228,804	\$ 41,324,469	\$ 43,756,918	

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

Fiscal Year	Tax Year	Real Property		Personal Property <sup>1</sup>	State-Assessed Property (Public Utilities) <sup>1</sup>	Industrial Property <sup>1,2</sup>	Less Tax-Exempt Property
		Residential <sup>1</sup>	Commercial <sup>1</sup>				
2005	2004	\$ 118,426,974	\$ 35,530,122	\$ 217,965,974	\$ 37,471,084	\$ -	n/a
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

<sup>1</sup> Data is for Campbell County, information for the City of Gillette is not available. The City of Gillette makes up approximately 67.8% of Campbell County's population.

<sup>2</sup> Information for 2005 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 <sup>1</sup>	Total Direct Tax Rate	Total Assessed Value for the City of Gillette	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Taxable Value
\$ 409,394,154	8.000	\$ 111,464,207	\$ 1,114,642,070	10.0%
\$ 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%

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

Fiscal Year	City	School	County	State	Other	Total
<b>MILLS</b>						
2005	8.000	32.416	11.005	12.000	3.990	67.411
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

<b>TAX LEVIES</b>						
2005	\$ 1,724,401	\$ 117,136,879	\$ 40,284,105	\$ 43,926,330	\$ 14,202,846	\$ 217,274,561
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

**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

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

Taxpayer	Type of Business	Fiscal Year 2014		
		Assessed Valuation	Rank	Percentage of Total City Valuation
City of Gillette	Power System	\$ 2,701,846	1	1.26%
Burlington Northern Santa Fe Railway	Railroad Company	\$ 1,875,209	2	0.87%
SFA Phase I LLC	Commercial	\$ 1,595,610	3	0.74%
MFG Remington LLC	Apartment Complex/Real Estate	\$ 1,463,060	4	0.68%
South Fork Apartments LLC	Apartment Complex	\$ 1,421,802	5	0.66%
L & H Industrial, Inc.	Welding/Industrial	\$ 1,234,964	6	0.58%
Source Gas Distribution LLC	Natural Gas Company	\$ 1,092,535	7	0.51%
Wal-Mart Real Estate Business Trust	Retail	\$ 1,033,504	8	0.48%
Cloud Peak Energy LLC	Coal Company/Office Building	\$ 864,534	9	0.40%
Gillette Retirement LLC	Primrose Retirement Community	\$ 820,006	10	0.38%
Qwest Corporation	Telephone System			
Gillette Desert Run Associates I & II	Apartment Complex			
1st Interstate Bank	Bank Holdings			
Powder Basin Properties	Shopping Center			
Bresnan Broadband Holdings LLC	Cable Company			
Ram Inc. - Clarion Inn	Motel			
Tower West Holdings, LLC	Motel			
<b>Total</b>		<b>\$ 14,103,070</b>		<b>6.58%</b>
<b>Total City Assessed Valuation</b>		<b>\$ 214,341,272</b>		

Source: Campbell County Assessor's Office

Fiscal Year 2005

Assessed Valuation	Rank	Percentage of Total City Valuation
\$ 2,754,029	1	2.47%
\$ 965,296	3	0.87%
\$ 669,603	6	0.60%
\$ 1,253,708	2	1.12%
\$ 810,351	4	0.73%
\$ 695,924	5	0.62%
\$ 660,422	7	0.59%
\$ 576,045	8	0.52%
\$ 507,130	9	0.45%
\$ 459,639	10	0.41%
<u>\$ 9,352,147</u>		<u>8.39%</u>

\$ 111,464,207

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	
2005	2004	\$ 890,379	\$ 842,898	94.67%	\$ 47,065	\$ 889,963	99.95%	\$ 416
2006	2005	\$ 947,553	\$ 919,367	97.03%	\$ 28,000	\$ 947,367	99.98%	\$ 186
2007	2006	\$ 1,021,617	\$ 981,858	96.11%	\$ 39,539	\$ 1,021,397	99.98%	\$ 220
2008	2007	\$ 1,129,286	\$ 1,083,201	95.92%	\$ 45,975	\$ 1,129,176	99.99%	\$ 110
2009	2008	\$ 1,318,562	\$ 1,252,597	95.00%	\$ 65,743	\$ 1,318,340	99.98%	\$ 222
2010	2009	\$ 1,547,199	\$ 1,462,653	94.54%	\$ 83,457	\$ 1,546,110	99.93%	\$ 1,089
2011	2010	\$ 1,680,378	\$ 1,558,555	92.75%	\$ 92,164	\$ 1,650,719	98.23%	\$ 29,659
2012	2011	\$ 1,753,910	\$ 1,642,663	93.66%	\$ 82,955	\$ 1,725,618	98.39%	\$ 28,292
2013	2012	\$ 1,763,257	\$ 1,678,751	95.21%	\$ 82,927	\$ 1,761,678	99.91%	\$ 1,579
2014	2013	\$ 1,801,939	\$ 1,749,349	97.08%	\$ -	\$ 1,749,349	97.08%	\$ 52,590

Source: Campbell County Treasurer's Office

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

Category	Fiscal Year			
	2005	2006	2007	2008
Agriculture / Forestry	\$ 408,720	\$ 429,905	\$ 508,724	\$ 444,400
Mining	\$ 480,348,520	\$ 751,533,619	\$ 891,821,295	\$ 861,931,714
Contract Construction	\$ 81,376,520	\$ 93,382,114	\$ 125,520,590	\$ 147,424,019
Manufacturing	\$ 77,923,480	\$ 128,153,886	\$ 139,610,667	\$ 120,580,762
Retail Trade	\$ 504,393,940	\$ 609,172,533	\$ 661,055,010	\$ 772,446,705
Wholesale Trade	\$ 278,862,920	\$ 393,116,838	\$ 496,958,076	\$ 677,234,933
Finance / Insurance	\$ 5,165,440	\$ 4,130,476	\$ 8,757,371	\$ 7,276,267
Government	\$ 137,667,000	\$ 170,299,314	\$ 188,556,895	\$ 200,594,610
Utilities	\$ 62,798,200	\$ 72,576,152	\$ 64,423,105	\$ 81,322,152
Transportation / Warehousing	\$ 10,030,760	\$ 14,675,886	\$ 21,164,133	\$ 23,862,610
Information	\$ 14,657,820	\$ 16,858,152	\$ 18,049,010	\$ 18,268,343
Real Estate / Rental / Leasing	\$ 74,106,720	\$ 84,515,219	\$ 84,075,810	\$ 98,349,143
Professional Services	\$ 9,477,700	\$ 5,682,705	\$ 5,273,752	\$ 4,491,219
Administrative / Support / Waste	\$ 9,098,700	\$ 10,468,667	\$ 7,670,876	\$ 9,140,114
Educational Services	\$ 326,760	\$ 75,276	\$ 66,952	\$ 66,152
Health Care / Social Assistance	\$ 132,780	\$ 178,971	\$ (221,810)	\$ 34,590
Arts, Entertainment & Recreation	\$ 3,597,100	\$ 4,123,752	\$ 5,272,095	\$ 2,071,200
Accommodation / Food Services	\$ 71,713,240	\$ 80,112,419	\$ 93,784,267	\$ 98,938,438
Other Services	\$ 117,875,600	\$ 132,747,543	\$ 146,061,448	\$ 191,707,943
<b>Total</b>	<b>\$ 1,939,961,920</b>	<b>\$ 2,572,233,427</b>	<b>\$ 2,958,408,266</b>	<b>\$ 3,316,185,314</b>

**Notes:** This information is based upon Sales Tax Distribution by Major Business Class (using North American Industry Classification System (NAICS) Coding), and is only available on a county-wide basis; thus this schedule has information for Campbell County as a whole. The population of the City of Gillette is approximately 67.8% of the entire county's population.

**Source:** Wyoming Department of Revenue

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 477,160	\$ 489,220	\$ 437,860	\$ 596,200	\$ 587,400	\$ 670,733	
\$ 869,770,960	\$ 490,176,840	\$ 938,596,520	\$ 1,076,846,327	\$ 949,196,000	\$ 1,178,258,083	
\$ 195,659,860	\$ 135,028,900	\$ 80,439,700	\$ 63,142,782	\$ 47,446,717	\$ 62,583,333	
\$ 164,761,800	\$ 131,527,740	\$ 106,303,540	\$ 109,037,800	\$ 79,636,183	\$ 93,448,367	
\$ 844,967,300	\$ 666,731,700	\$ 739,768,020	\$ 747,460,455	\$ 665,802,967	\$ 692,062,683	
\$ 700,363,660	\$ 429,373,140	\$ 419,190,860	\$ 617,623,145	\$ 518,981,083	\$ 534,587,550	
\$ 9,620,080	\$ 6,116,580	\$ 5,399,040	\$ 7,182,055	\$ 2,060,050	\$ 2,084,217	
\$ 183,608,720	\$ 131,167,240	\$ 153,885,720	\$ 193,622,764	\$ 173,049,917	\$ 195,701,700	
\$ 209,265,520	\$ 274,450,280	\$ 223,550,160	\$ 147,902,909	\$ 80,461,450	\$ 84,462,267	
\$ 11,379,200	\$ 12,743,380	\$ 10,277,580	\$ 10,219,727	\$ 10,627,433	\$ 10,896,233	
\$ 21,047,260	\$ 20,462,580	\$ 28,029,280	\$ 32,546,182	\$ 32,102,250	\$ 31,557,183	
\$ 129,874,480	\$ 115,192,380	\$ 147,850,120	\$ 174,626,000	\$ 182,424,017	\$ 223,136,350	
\$ 245,688	\$ 4,553,780	\$ 7,042,360	\$ 7,752,273	\$ 6,364,650	\$ 6,761,333	
\$ 12,719,200	\$ 11,239,380	\$ 7,273,160	\$ 6,531,564	\$ 9,573,150	\$ 7,070,733	
\$ 91,040	\$ 77,500	\$ 72,840	\$ 91,327	\$ 94,533	\$ 101,450	
\$ 60,980	\$ 45,420	\$ 62,920	\$ 36,945	\$ 52,850	\$ 69,567	
\$ 2,359,000	\$ 2,365,160	\$ 2,297,820	\$ 2,667,436	\$ 2,379,150	\$ 2,452,533	
\$ 106,912,940	\$ 102,014,020	\$ 110,211,880	\$ 116,697,236	\$ 112,660,600	\$ 125,905,033	
\$ 208,235,480	\$ 188,306,840	\$ 222,801,700	\$ 232,772,145	\$ 189,522,850	\$ 199,170,983	
\$ 3,671,420,328	\$ 2,722,062,080	\$ 3,203,491,080	\$ 3,547,355,272	\$ 3,063,023,250	\$ 3,450,980,331	

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

<u>Fiscal Year<sup>2,3</sup></u>	<u>Campbell County<sup>1</sup></u>	<u>State of Wyoming</u>	<u>TOTAL</u>
2005	1.00%	4.00%	5.00%
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%

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

<sup>2</sup> Special Purpose Tax of 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)

<sup>3</sup> Special Purpose Tax of 1.00% - also approved by voters of Campbell County  
(Effective 10/01/11; Fiscal Year 2012)

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

**Source:** Wyoming Department of Revenue

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

Business Activity	Rank	Fiscal Year 2014	
		Tax Liability	Percentage of Total County Liability
Support activities for mining	1	\$ 35,061,892	16.96%
Coal mining	2	\$ 31,624,652	15.29%
Petroleum merchant wholesalers	3	\$ 14,112,437	6.82%
Executive, legislative and general government	4	\$ 11,711,091	5.66%
Machinery and equipment rental and leasing	5	\$ 11,107,625	5.37%
Building Material and Supplies Dealers	6	\$ 9,052,765	4.38%
Machinery, equipment and supplies wholesalers	7	\$ 7,617,811	3.68%
Auto parts, accessories, and tire stores	8	\$ 6,758,372	3.27%
Chemical merchant wholesalers	9	\$ 5,978,125	2.89%
Commercial machinery repair and maintenance	10	\$ 5,943,067	2.87%
Gasoline service stations			
Other general merchandise stores			
Power generation and supply			
<b>Total</b>		<b>\$ 138,967,837</b>	
<b>Total Campbell County</b>		<b>\$ 206,785,855</b>	

**Notes:** Due to confidentiality issues, the names of the ten largest sales tax remitters are not available. The categories presented are intended to provide alternative information regarding the sources of the city's/county's revenue. This information is only available on a county-wide basis, so this schedule has information for Campbell County as a whole. The population of the City of Gillette is approximately 67.8% of the entire county's population.

**Source:** Wyoming Department of Revenue

Fiscal Year 2005			
Rank		Tax Liability	Percentage of Total County Liability
1	\$	13,379,983	13.82%
2	\$	9,194,478	9.50%
4	\$	6,862,133	7.09%
8	\$	2,900,997	3.00%
3	\$	7,716,736	7.97%
9	\$	2,812,833	2.91%
6	\$	3,633,519	3.75%
5	\$	3,929,971	4.06%
7	\$	3,500,826	3.62%
10	\$	2,613,291	2.70%

\$ 56,544,767

\$ 96,802,920

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

Fiscal Year	Governmental Activities			Business-Type Activities	
	General Bonded Debt	Notes Payable	Capital Leases	Wastewater Fund	Wyoming State Land and Investment Loans Water Fund
2005	\$ -	\$ -	\$ 92,186	\$ 918,211	\$ 203,390
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 <sup>1</sup>	\$ -	\$ 531,636	\$ -	\$ 11,742,670	\$ -

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

<sup>1</sup> 2014 Percentage of Personal Income calculated using 2013 Personal Income figures from Demographic and Economic Statistics, as 2014 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 <sup>1</sup>	Per Capita
\$ -	\$ -	\$ -	\$ 1,213,787	0.08%	\$ 49
\$ -	\$ -	\$ -	\$ 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	4.20%	\$ 3,364

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

	Fiscal Year			
	2005	2006	2007	2008
Overlapping Net Debt Outstanding				
Campbell County School District	\$ 2,465,811	\$ 1,098,720	\$ -	\$ -
Campbell County Hospital District	\$ -	\$ -	\$ -	\$ -
Estimated percentage applicable	3.42%	3.24%	n/a	n/a
City's Estimated Share of Overlapping Debt	\$ 84,331	\$ 35,599	\$ -	\$ -
City Direct Debt	\$ 92,186	\$ 27,886	\$ 755,164	\$ 725,601
Total Direct and Overlapping Debt	\$ 176,517	\$ 63,485	\$ 755,164	\$ 725,601

**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					
2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	n/a	n/a	n/a	n/a	n/a
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 695,300	\$ 663,910	\$ 632,339	\$ 599,966	\$ 566,194	\$ 531,636
\$ 695,300	\$ 663,910	\$ 632,339	\$ 599,966	\$ 566,194	\$ 531,636

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

Legal Debt Margin Calculation for Fiscal Year 2014	
Assessed Value	\$ 214,341,272
Debt Limitation (4% of Assessed Value)	\$ 8,573,651
Debt Applicable to Limitation	\$ -
Legal Debt Margin	\$ 8,573,651

	Fiscal Year			
	2005	2006	2007	2008
Debt Limit	\$ 4,458,568	\$ 4,745,058	\$ 5,329,287	\$ 6,310,804
Total Net Debt Applicable to Limit	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 4,458,568	\$ 4,745,058	\$ 5,329,287	\$ 6,310,804
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 7,131,208	\$ 7,436,436	\$ 8,089,710	\$ 8,328,843	\$ 8,397,794	\$ 8,573,651
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,131,208	\$ 7,436,436	\$ 8,089,710	\$ 8,328,843	\$ 8,397,794	\$ 8,573,651
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

<u>Fiscal Years</u>	<u>General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2005 - 2014	\$ -	\$ -	\$ -

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

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

Date of Incorporation 1891  
 Form of Government Mayor - Council

	Fiscal Year			
	2005	2006	2007	2008
Population (CY Basis) <sup>1</sup>	24,833	25,829	27,533	30,636
Unemployment Rate <sup>2</sup>	2.7%	2.0%	2.1%	2.0%
Median Age <sup>3,6</sup>	32.0	33.3	31.3	31.9
Personal Income (thousands of dollars) <sup>4,6</sup>	\$ 1,472,411	\$ 1,754,474	\$ 1,897,997	\$ 2,207,520
Per Capita Personal Income <sup>4,6</sup>	\$ 38,862	\$ 44,420	\$ 45,569	\$ 51,522
New Single-Family Residential:				
Number of Permits	139	297	489	370
Valuation	\$ 24,600,663	\$ 69,012,214	\$ 108,474,382	\$ 149,706,720
New Commercial/Industrial:				
Number of Permits	16	27	34	52
Valuation	\$ 7,201,990	\$ 31,497,857	\$ 75,419,932	\$ 30,406,980
Rental Vacancy Rates:				
Building rentals	1.7%	0.2%	0.1%	0.1%
Mobile Home Parks	16.9%	8.9%	7.8%	4.9%
Area in Square Miles <sup>1</sup>	15.39	15.58	16.02	16.35
Number of Schools (In City of Gillette Only) <sup>5</sup>				
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 <sup>5</sup>	7141	7350	7565	7,534
County Student - Teacher Ratio <sup>5</sup>				
Elementary Schools	17.16:1	17.18:1	16.57:1	18.73:1
Secondary Schools	15.35:1	19.9:1	15.41:1	14.58:1

Source:

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

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

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

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

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

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

Fiscal Year						
2009	2010	2011	2012	2013	2014	
33,159	29,087	30,000	30,121	30,646	32,000	
5.3%	5.9%	4.7%	4.6%	3.9%	3.4%	
30.6	30.6	29.4	29.9	n/a	n/a	
\$ 2,052,029	\$ 2,171,502	\$ 2,263,302	\$ 2,453,949	\$ 2,455,481	n/a	
\$ 44,951	\$ 46,961	\$ 48,579	\$ 51,250	\$ 50,969	n/a	
307	294	262	225	143	128	
\$ 69,469,246	\$ 86,456,981	\$ 83,991,719	\$ 91,337,481	\$ 61,339,415	\$ 57,346,683	
54	44	35	36	28	28	
\$ 56,165,880	\$ 42,104,156	\$ 32,003,194	\$ 29,860,712	\$ 40,107,881	\$ 45,800,319	
5.4%	6.6%	6.3%	7.5%	9.1%	1.3%	
5.2%	6.5%	8.3%	8.4%	6.6%	6.3%	
18.17	18.64	18.64	19.42	19.42	19.42	
8	8	8	8	9	9	
2	2	2	2	2	2	
1	1	1	1	1	1	
1	1	1	1	1	1	
12	12	12	12	13	13	
8,007	8,145	8,248	8,368	8,524	8,714	
18.17:1	17.67:1	19.08:1	19.00:1	19.18:1	18.90:1	
14.12:1	14.44:1	14.91:1	15.33:1	15.46:1	15.06:1	

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

Industry	Fiscal Year 2014 <sup>2</sup>	
	Employees	Percentage of Total County Employment
Mining	7,874	28.61%
Total Government	4,911	17.84%
Construction	2,414	8.77%
Retail Trade	2,399	8.72%
Accommodation and Food Services	2,158	7.84%
Wholesale Trade	1,721	6.25%
Health Care and Social Assistance	974	3.54%
Transportation and Warehousing	940	3.42%
Professional and Technical Services	807	2.93%
Other Services, Except Public Administration	713	2.59%
Administrative and Waste Services	615	2.23%
Manufacturing	553	2.01%
Finance and Insurance	401	1.46%
Utilities	369	1.34%
Real Estate and Rental and Leasing	301	1.09%
Information	218	0.79%
Postal Service, Couriers and Messengers	-	0.00%
Arts, Entertainment and Recreation	87	0.32%
Educational Services	68	0.25%
<b>Total</b>	<b>27,523</b>	<b>100%</b>
<b>Total Campbell County Employment</b>	<b>27,523</b>	

Sources:

Department of Employment and Workforce Services, State of Wyoming

<sup>1</sup> Information for principle employers by specific employer is not available. Employees by industry is utilized instead.

<sup>2</sup> Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2014 ends on December 31, 2013)

Fiscal Year 2005 <sup>2</sup>

Employees	Percentage of Total County Employment
7,214	31.62%
3,681	16.13%
2,561	11.22%
2,080	9.12%
1,610	7.06%
1,271	5.57%
725	3.18%
781	3.42%
	0.00%
712	3.12%
671	2.94%
603	2.64%
354	1.55%
	0.00%
221	0.97%
216	0.95%
	0.00%
118	0.52%
	0.00%
<b>22,818</b>	<b>100%</b>
<b>22,818</b>	

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
<b>General Government</b>				
Finance, Human Resources, Safety	6	7	9.5	9.5
Judicial and Legal	6	6	6	6.25
City Hall, Buildings & Grounds	6	6	7	8
Planning & Building Inspection	11	12	13	17
Streets, Traffic	13	13	16	16
Parks	6	6	8	8
Central Administration	13	16	16	16.75
Other	13.8	16.8	19.8	19.8
<b>Police</b>				
Officers and Civilians	57	54	59	61
Dispatch	9	9	9	9
Animal Control/Shelter	4.5	5	5	6
Other - Grant Funded Positions	2	2	3	3
Code Enforcement	0	0	0	0
Engineering	8	8	13	13
Warehouse & Purchasing	4	4	4	4
Vehicle Maintenance	6	6	6	6
Utilities Administration	17	17	16	20
Solid Waste Collection	6	6	6	7
Water & Water Treatment	13	13	15	14
Power	13	13	14	12
Wastewater	12	12	13	12
Total FTE Employees	226.3	231.8	258.3	268.3
Total Temporary/Seasonal positions <sup>1</sup>	7	5.25	4.25	8.5

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
9.5	11.75	11.75	11.75	12	21.25
6.25	6	8	8	10.5	10.5
8	8	8	9	9	9
17	15	15	14	14	13
14	17.5	17	17	19	19
9	10	10	10	12	12
18.5	16.75	17.75	16.75	16.75	17.5
21.25	22.5	22	22	23	23
66	68	68	68	68	67
9	9	9	9	9	9
6	6	6	6	6	6
3	3	3	3	3	3
0	2	2	2	2	2
13	14	12	12	12	12
4	4	4	4	4	4
6	6	6	7	7	7
20	21	21	22	22	12.75
8	9	9	9	9	9
16	15	16	16	18	18
15	15	15	15	16	16
12	11	11	11	11	11
281.5	290.5	291.5	292.5	303.25	302
25	28	35.5	21.0	22.6	19.8

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol units	33	36	36	36
Public Works				
Refuse collection trucks	5	5	5	7
Streets (miles)	146.2	151.9	153.1	153.3
City parks (acres)	n/a	n/a	397.3	401.0
Bike paths (miles)	n/a	n/a	30.7	33.2
Storm sewers (miles)	60.72	61.04	61.18	61.18
Traffic signals	n/a	n/a	n/a	n/a
Utilities Department				
Water				
Water lines (miles)	222.0	224.6	235.8	247.0
Fire hydrants	1,651	1,716	1,722	1,747
Storage capacity (thousands of gallons)	22,000	22,000	22,000	22,000
Electric				
Electric lines (miles)-includes both transmission & distribution	231.9	238.8	240.8	243.7
Streetlights	2,342	2,400	2,417	2,442
Transformers	2,406	2,450	2,467	2,482
Number of substations	n/a	n/a	n/a	n/a
Wastewater <sup>1</sup>				
Sanitary sewers (miles)	125.2	132.4	139.4	144.4
Number of manholes <sup>2</sup>	2,682	2,685	3,080	3,344
Treatment capacity (thousands of gallons)	n/a	n/a	5,120	5,120

<sup>1</sup> Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2014 ends on December 31, 2013)

<sup>2</sup> FY 2012 and FY2013 Number of manholes changed from what was reported in the FY2013 CAFR; data collection improvements were made in the City's GIS system, which resulted in adjustments to these numbers.  
n/a - Data is not available. This table will be completed as data becomes available in future years.

Fiscal Year					
2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
36	38	43	43	43	44
7	7	8	8	8	8
193.1	202.0	202.9	205.4	209.4	214.4
401.0	412.7	419.3	419.3	421.6	661.1
35.6	37.3	40.9	44.9	46.0	46.0
84.05	88.57	90.31	90.31	90.31	96.95
n/a	n/a	n/a	59	63	64
250.4	259.9	262.7	267.3	289.3	291.4
1,930	2,011	2,097	2,150	2,251	2,269
22,000	22,000	22,000	22,000	22,000	22,000
283.5	300.0	329.3	336.1	337.9	344.0
2,576	2,725	2,789	2,927	3,157	3,233
2,593	2,660	2,725	2,762	3,085	3,108
8	9	10	10	10	10
176.3	179.7	182.4	183.2	187.4	190.5
3,453	3,591	3,629	3,649	3,667	3,690
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			
	2005	2006	2007	2008
<b>General Government</b>				
Building permits issued	660	1,017	1,508	2,100
Building inspections conducted	4,734	6,531	11,565	14,082
Gas, Electrical, Plumbing & Mechanical Permits	1,472	2,323	3,024	3,042
Contractor Licences <sup>1</sup>	n/a	n/a	1,060	1,205
<b>Police <sup>1</sup></b>				
Incidents	27,305	31,326	38,970	35,132
Incident reports taken	7,688	8,228	7,871	8,338
Traffic citations	8,136	7,213	6,462	5,974
Physical arrests	3,835	4,151	4,359	4,231
<b>Public Works</b>				
Refuse collected (In Tons per Year)	10,155	10,700	11,618	11,534
Recyclables collected (In Tons per Year)	n/a	n/a	n/a	n/a
Curbside Yard Waste collected (In Tons per Year)	n/a	n/a	n/a	n/a
Acres of parks mowed	n/a	n/a	n/a	n/a
<b>Utilities Department</b>				
Meters read - all Utilities (Water, Electric)	213,859	224,809	230,402	244,346
Utility bills mailed	135,350	140,254	150,074	168,549
<b>Wastewater <sup>1</sup></b>				
Daily average flows (Million Gallons per Day)	2.5117	2.6836	3.1500	3.0700
Compost sold (In Yards per Year) <sup>1</sup>	492	1,006	313	1,309
Yard Waste collected-drop-off site (In Tons per Year)	n/a	n/a	n/a	n/a
<b>Electric</b>				
Amount billed <sup>2</sup>	\$ 19,997,742	\$ 22,259,723	\$ 25,151,335	\$ 27,321,281
<b>Water</b>				
New connections	176	412	432	849
Average Daily Water Production (In millions of gallons) <sup>1</sup>	4.6	4.8	5.2	4.6
Average Daily Consumption (Gallons) <sup>1</sup>	3,077	3,353	3,253	2,979
Peak Water Demand (in millions of gallons)	14.7	13.8	12.6	11.5

<sup>1</sup> Data presented on a calendar year basis, ending on December 31 of the previous year (i.e. Information for FY2014 ends on December 31, 2013)

<sup>2</sup> Amount billed for FY2013 was mis-reported in the FY2013 CAFR. The correct amount is reflected here.

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
1,301	1,230	2,721	1,015	866	44
11,907	12,210	11,471	10,715	9,515	8,176
2,148	2,123	2,095	2,024	1,795	1,537
1,298	1,284	1,204	1,189	1,161	1,281
31,848	32,229	34,458	34,738	35,536	33,533
8,111	8,040	8,365	8,586	9,824	8,933
4,338	5,791	6,315	8,726	4,682	4,058
2,929	2,811	3,106	3,506	3,906	3,686
11,730	11,866	11,962	12,714	12,667	13,213
n/a	294	297	312	304	322
n/a	401	444	545	624	1,281
n/a	n/a	n/a	n/a	2,142	2,480
267,553	281,236	289,289	292,484	304,278	309,233
176,714	178,631	184,546	189,237	194,474	194,687
3.1300	3.3800	3.3400	3.1200	3.0200	3.1800
1,223	1,445	1,463	2,385	2,705	3,164
n/a	n/a	n/a	n/a	n/a	2,031
34,181,637	\$22,669,692	\$23,910,313	\$24,086,469	\$25,278,925	\$26,555,552
533	887	233	252	125	155
4.2	4.3	4.1	4.6	5.1	4.3
2,950	2,982	3,235	3,235	3,500	2,926
12.4	14.6	11.7	13.3	11.1	11.0

# SINGLE AUDIT SECTION

# BENNETT, WEBER & HERMSTAD, LLP

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Gillette, Wyoming** as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the **City of Gillette, Wyoming's** basic financial statements, and have issued our report thereon dated December 15, 2014.

### **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  
December 15, 2014

# 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, 2014. 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, 2014.

## 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  
December 15, 2014

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2014

(Page 1 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<u>Department of Health and Human Services</u>			
Direct Awards:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Drug-Free Communities Support Program Grants	93.276	1H79SP017004-01	\$ 125,079
Passed Through the State of Wyoming Department of Family Services			
Low Income Home Energy Assistance Program	93.568	-	\$ 118,208
Total Department of Health and Human Services			\$ 243,287
<u>Department of Homeland Security</u>			
Passed Through the State of Wyoming, Office of Homeland Security and Emergency Management			
Homeland Security Grant Program	97.067	12-GPD-GIL-LP-HLE12	\$ 7,568
<u>Department of Justice</u>			
Direct Awards:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	-	\$ 757
Passed Through the State of Wyoming Division of Criminal Investigation			
Edward Byrne Memorial Justice Assistance Grant Program - 2011 and 2012			
	16.738	-	\$ 50,237
Passed Through the State of Wyoming Association of Sheriffs and Chiefs of Police			
Enforcing Underage Drinking Laws Program	16.727	-	\$ 7,659
Passed Through the State of Wyoming Office of Attorney General			
Crime Victim Assistance	16.575	-	\$ 25,466
Violence Against Women Formula Grants	16.588	-	\$ 13,867
Total Passed Through the State of Wyoming Office of Attorney General			\$ 39,333
Total Pass Through Awards			\$ 97,229
Total Department of Justice			\$ 97,986

(Continued)

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2014

(Page 2 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<u>Department of Transportation</u>			
Passed Through the State of Wyoming, Department of Transportation			
State and Community Highway Safety	20.600	-	\$ 23,125
Alcohol Open Container Requirements	20.607	-	17,713
Passed Through the State of Wyoming Association of Sheriffs and Chiefs of Police			
Alcohol Impaired Driving Countermeasures Incentive	20.601	-	\$ 1,800
Passed Through the State of Wyoming, Department of Transportation			
Alcohol Impaired Driving Countermeasures Incentive	20.601	-	5,016
Total Alcohol Impaired Driving Countermeasures Incentive			\$ 6,816
Total Passed Through the State of Wyoming, Department Of Transportation			\$ 45,854
Total Department of Transportation			\$ 47,654
<u>Executive Office of the President</u>			
Passed Through the State of Wyoming Division of Criminal Investigation			
High Intensity Drug Trafficking Areas Program - 2013	95.001	-	\$ 1,395
High Intensity Drug Trafficking Areas Program - 2014	95.001	-	898
Total Executive Office of the President			\$ 2,293
<u>Department of the Interior</u>			
Passed Through State of Wyoming Water Development Commission			
Abandoned Mine Land Reclamation Program	15.252	-	\$ 4,298,910
Total Expenditures of Federal Awards			\$ 4,697,698

(Continued)

**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2014

(Page 3 of 3)

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, 2014. Following is the balance of the federal portion of the loans at June 30, 2014.

Program	CFDA Number	Amount
Capitalization Loans for Clean Water State Revolving Funds		
Design and Construction, Wastewater Treatment Plant CWSRF Loan #50	66.458	\$ 9,895,868
Capitalization Loans for Drinking Water State Revolving Funds		
Design and Construction, Water Distribution System DWSRF Loan #39	66.468	443,596
<b>Total Federal Loans</b>		<b>\$ 10,339,464</b>



**CITY OF GILLETTE, WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2014

(Page 2 of 2)

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**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.

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**CITY OF GILLETTE, WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Year Ended June 30, 2014

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1) Prior Year Findings:

There were no prior year findings.

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