



# **Town of Valier**

## **Montana**

514 Montana Street  
Valier, Montana 59486

### **ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended**  
**June 30, 2018**

Entity #023702

**Town of Valier  
Annual Financial Report  
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June 30, 2018**

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# INTRODUCTORY SECTION

**Town of Valier  
Elected Officials/Officers**

OFFICE	TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Glenn Wunderlich	12/31/2019
Councilperson/Commission	Steve Nelson	12/31/2021
Councilperson/Commission	Norma Bukoveckas	12/31/2019
Councilperson/Commission	Ray Bukoveckas	12/31/2019
Councilperson/Commissioner	Dave Widhalm	12/31/2019
Attorney	Justin B. Lee	
Clerk/Treasurer	Jacalyn G. Sheble	
Deputy Clerk/Treasurer	McKenzie A. Graye	
City Judge	Amber Schoenrock	
Water/Sewer	Josh Clifford and Leo Malinak	

In accordance with State law, I hereby transmit the  
Town of Valier  
Annual Financial Report for the fiscal year ended  
June 30, 2018

Respectfully submitted;

\_\_\_\_\_  
Andrea Bowie  
Town Clerk-Treasurer

\_\_\_\_\_  
7/17/2020  
Date

# FINANCIAL SECTION

BASIC  
FINANCIAL  
STATEMENTS

**Town of Valier**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Valier Library Foundation
<b>ASSETS</b>				
<u>Current assets:</u>				
Cash and investments	\$ 242,369.01	\$ 397,786.74	\$ 640,155.75	\$ 70,294.33
Taxes and assessments receivable, net	19,603.85	8,484.58	28,088.43	
Accounts receivable	-	32,877.80	32,877.80	
Total current assets	<u>261,972.86</u>	<u>439,149.12</u>	<u>701,121.98</u>	<u>70,294.33</u>
<u>Noncurrent assets:</u>				
Restricted cash and investments	-	134,266.42	134,266.42	
Capital assets - land	112,100.00	-	112,100.00	
Capital assets - construction in progress	181,275.19	-	181,275.19	
Capital assets - net of depreciation	309,089.61	5,486,997.09	5,796,086.70	
Total noncurrent assets	<u>602,464.80</u>	<u>5,621,263.51</u>	<u>6,223,728.31</u>	<u>-</u>
Total Assets	<u>864,437.66</u>	<u>6,060,412.63</u>	<u>6,924,850.29</u>	<u>70,294.33</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	21,338.63	26,565.36	47,903.99	
Total deferred outflows of resources	<u>21,338.63</u>	<u>26,565.36</u>	<u>47,903.99</u>	<u>-</u>
<b>LIABILITIES</b>				
<u>Current liabilities:</u>				
Capital debt	7,063.31	61,043.74	68,107.05	
Compensated absences payable	1,628.31	3,408.74	5,037.05	
Total current liabilities	<u>8,691.62</u>	<u>64,452.48</u>	<u>73,144.10</u>	<u>-</u>
<u>Noncurrent liabilities:</u>				
Capital debt	27,480.92	1,776,435.97	1,803,916.89	
Compensated absences payable	1,627.90	3,408.72	5,036.62	
Pension liability	99,073.82	123,341.18	222,415.00	
Total noncurrent liabilities	<u>128,182.64</u>	<u>1,903,185.87</u>	<u>2,031,368.51</u>	<u>-</u>
Total Liabilities	<u>136,874.26</u>	<u>1,967,638.35</u>	<u>2,104,512.61</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	5,939.57	7,394.43	13,334.00	
Total deferred inflows of resources	<u>5,939.57</u>	<u>7,394.43</u>	<u>13,334.00</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	567,920.57	3,649,517.38	4,217,437.95	
Restricted for:				
Public works	52,950.81		52,950.81	
Culture & recreation	139,436.19		139,436.19	70,294.33
Debt service	-	134,266.42	134,266.42	
Unrestricted	(17,345.11)	328,161.41	310,816.30	
Total net position	<u>\$ 742,962.46</u>	<u>\$ 4,111,945.21</u>	<u>\$ 4,854,907.67</u>	<u>\$ 70,294.33</u>

The notes to the financial statements are an integral part of this statement.

**Town of Valier  
Statement of Activities  
For the Fiscal Year Ended  
June 30, 2018**

	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Valier Library Foundation
<b>Functions/Programs</b>								
<b>Primary government:</b>								
<u>Governmental activities:</u>								
General government	\$ 37,379.41	\$ 2,965.00	\$ 12.54	\$ -	\$ (34,401.87)		\$ (34,401.87)	
Public safety	72,587.81	454.00	1,855.74	-	(70,278.07)		(70,278.07)	
Public works	95,997.04	28,340.44	35,125.00	-	(32,531.60)		(32,531.60)	
Culture and recreation	109,058.79	33,294.33	4,859.61	22,856.09	(48,048.76)		(48,048.76)	
Debt service - interest and other charges	808.65	-	-	-	(808.65)		(808.65)	
Total governmental activities	<u>315,831.70</u>	<u>65,053.77</u>	<u>41,852.89</u>	<u>22,856.09</u>	<u>(186,068.95)</u>		<u>(186,068.95)</u>	
<u>Business-type activities:</u>								
Water	211,585.78	181,217.76	39.14	-	\$ (30,328.88)		(30,328.88)	
Sewer	219,896.90	223,030.64	39.61	-	3,173.35		3,173.35	
Total business-type activities	<u>431,482.68</u>	<u>404,248.40</u>	<u>78.75</u>	<u>-</u>	<u>(27,155.53)</u>		<u>(27,155.53)</u>	
Total primary government	<u>\$ 747,314.38</u>	<u>\$ 469,302.17</u>	<u>\$ 41,931.64</u>	<u>\$ 22,856.09</u>	<u>(186,068.95)</u>	<u>(27,155.53)</u>	<u>(213,224.48)</u>	
<b>Component units:</b>								
Valier Library Foundation	\$ 724.69	\$ -	\$ -	\$ -			(724.69)	
Total component units	<u>\$ 724.69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			<u>\$ (724.69)</u>	
<b>General revenues:</b>								
Property taxes for general purposes					175,240.09	-	175,240.09	
Unrestricted federal/state shared revenues					50,508.92	-	50,508.92	
Unrestricted investment earnings					606.04	2,724.05	3,330.09	
Miscellaneous					7,636.36	210.00	7,846.36	
Gain (loss) on sale of a capital asset					1,116.87	-	1,116.87	
Total general revenues					<u>235,108.28</u>	<u>2,934.05</u>	<u>238,042.33</u>	
Change in net position					49,039.33	(24,221.48)	24,817.85	
Net position - beginning					693,923.13	4,136,166.69	4,830,089.82	
Net position - ending					<u>\$ 742,962.46</u>	<u>\$ 4,111,945.21</u>	<u>\$ 4,854,907.67</u>	
						\$	<u>70,294.33</u>	

The notes to the financial statements are an integral part of this statement



**Town of Valier  
Balance Sheet  
Governmental Funds  
June 30, 2018**

	Major Governmental Funds			
	2220			
	General Fund	Library	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and investments	\$ 49,982.01	\$ 135,078.22	\$ 57,308.78	\$ 242,369.01
Taxes and assessments receivable, net	6,417.29	-	13,186.56	19,603.85
Total current assets	56,399.30	135,078.22	70,495.34	261,972.86
Total assets	56,399.30	135,078.22	70,495.34	261,972.86
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax/special assessment revenue	6,417.29	-	13,186.56	19,603.85
Total deferred inflows of resources	6,417.29	-	13,186.56	19,603.85
<b>FUND BALANCES</b>				
<u>Restricted for:</u>				
Public works	-	-	52,950.81	52,950.81
Culture & recreation	-	135,078.22	4,357.97	139,436.19
<u>Assigned to:</u>				
General government	12,847.00	-	-	12,847.00
Unassigned	37,135.01	-	-	37,135.01
Total fund balances	\$ 49,982.01	\$ 135,078.22	\$ 57,308.78	\$ 242,369.01
Total liabilities, deferred inflows of resources and fund balance	\$ 56,399.30	\$ 135,078.22	\$ 70,495.34	\$ 261,972.86

The notes to the financial statements are an integral part of this statement.

**Town of Valier**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2018**

<b>Total fund balances - governmental funds</b>		\$ 242,369.01
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	112,100.00	
Construction in progress	181,275.19	
Depreciable capital assets (net)	<u>309,089.61</u>	602,464.80
Taxes and Assessments receivable that will be collected but are not available soon enough to pay for current-period expenditures are deferred inflows of resources in the funds.		
		19,603.85
Long-term liabilities (current and non-current portions) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Capital debt	(34,544.23)	
Compensated absences payable	(3,256.21)	
Pension liability	<u>(99,073.82)</u>	(136,874.26)
Certain deferred outflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions		21,338.63
Certain deferred inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions		(5,939.57)
<b>Total net position - governmental activities</b>		<u><u>\$ 742,962.46</u></u>

The notes to the financial statements are an integral part of this statement.

**Town of Valier**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For Fiscal Year Ended**  
**June 30, 2018**

	Major Governmental Funds			
	2220			
	General Fund	Library	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes and assessments	\$ 90,263.24	\$ 82,107.00	\$ 28,040.44	\$ 200,410.68
Licenses and permits	3,419.00	-	-	3,419.00
Intergovernmental	53,114.37	-	35,107.54	88,221.91
Charges for services	32,570.00	907.71	-	33,477.71
Miscellaneous	7,636.36	27,049.36	-	34,685.72
Investment earnings	454.77	-	151.27	606.04
Total revenues	187,457.74	110,064.07	63,299.25	360,821.06
<b>EXPENDITURES</b>				
Current:				
General government	36,877.50	-	-	36,877.50
Public safety	66,846.43	-	-	66,846.43
Public works	35,943.52	-	51,198.72	87,142.24
Culture and recreation	34,605.39	67,828.33	-	102,433.72
Debt service - principal	-	-	5,455.77	5,455.77
Debt service - interest and other charges	-	-	808.65	808.65
Capital outlay	38,848.00	158,770.19	-	197,618.19
Total expenditures	213,120.84	226,598.52	57,463.14	497,182.50
Excess (deficiency) of revenues over (under) expenditures	(25,663.10)	(116,534.45)	5,836.11	(136,361.44)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of general capital assets	1,116.87	-	-	1,116.87
Total other financing sources (uses)	1,116.87	-	-	1,116.87
Net change in fund balance	(24,546.23)	(116,534.45)	5,836.11	(135,244.57)
Fund balances - beginning	74,528.24	251,612.67	51,472.67	377,613.58
Fund balances - ending	\$ 49,982.01	\$ 135,078.22	\$ 57,308.78	\$ 242,369.01

The notes to the financial statements are an integral part of this statement.

**Town of Valier**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended**  
**June 30, 2018**

**Net change in fund balances - total governmental funds** \$ (135,244.57)

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 and reported as depreciation expense.

Capital assets purchased - capital outlay	197,618.19	
Depreciation expense	(19,333.94)	
	178,284.25	178,284.25

In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. Governmental funds recognize the proceeds from the sale of these assets:

Gain (loss) on the disposal of capital assets	1,116.87	
Proceeds from the sale of capital assets	(1,116.87)	
	178,284.25	

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds:

Tax and assessment receivable (change in deferred revenues)		2,869.85
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The change in compensated absences is shown as an expense on the Statement of Activities, but is not reported as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance:

Change in compensated absence liability		158.79
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Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces the liability, the long-term debt, in the Statement of Net Position:

Long-term debt principal payments		5,455.77
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The change in the proportionate share of collective net pension liability related to the proportionate share of collective pension expense is reported as an expense on the Statement of Activities but is not reported as an expense in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

(2,548.01)

On behalf State contributions that reduce pension liability in the measurement period not reported as revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balance are reported as revenues on the Statement of Activities.

63.25

**Change in net position - Statement of Activities**

\$ 49,039.33

The notes to the financial statements are an integral part of this statement.

**Town of Valier  
Statement of Net Position  
Proprietary Funds  
June 30, 2018**

	Business-Type Activities		
	Major Enterprise Funds		
	5210	5310	
	Water	Sewer	Total Enterprise Funds
<b>ASSETS</b>			
<u>Current assets</u>			
Cash and investments	\$ 135,985.32	\$ 261,801.42	\$ 397,786.74
Taxes and assessments receivable, net	2,449.68	6,034.90	8,484.58
Accounts receivable	12,711.96	20,165.84	32,877.80
Total current assets	151,146.96	288,002.16	439,149.12
<u>Noncurrent assets</u>			
Restricted cash and investments	77,487.00	56,779.42	134,266.42
Capital assets - net of depreciation	2,621,337.58	2,865,659.51	5,486,997.09
Total noncurrent assets	2,698,824.58	2,922,438.93	5,621,263.51
Total assets	2,849,971.54	3,210,441.09	6,060,412.63
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	13,202.94	13,362.42	26,565.36
Total deferred outflows of resources	13,202.94	13,362.42	26,565.36
<b>LIABILITIES</b>			
<u>Current liabilities</u>			
Capital debt	15,856.04	45,187.70	61,043.74
Compensated absences payable	2,103.04	1,305.70	3,408.74
Total current liabilities	17,959.08	46,493.40	64,452.48
<u>Noncurrent liabilities</u>			
Capital debt	796,063.86	980,372.11	1,776,435.97
Compensated absences payable	2,103.03	1,305.69	3,408.72
Pension liability	61,300.36	62,040.82	123,341.18
Total noncurrent liabilities	859,467.25	1,043,718.62	1,903,185.87
Total liabilities	877,426.33	1,090,212.02	1,967,638.35
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	3,675.02	3,719.41	7,394.43
Total deferred inflows of resources	3,675.02	3,719.41	7,394.43
<b>NET POSITION</b>			
Net investment in capital assets	1,809,417.68	1,840,099.70	3,649,517.38
<u>Restricted for:</u>	-	-	-
Debt service	77,487.00	56,779.42	134,266.42
Unrestricted	95,168.45	232,992.96	328,161.41
Total net position	\$ 1,982,073.13	\$ 2,129,872.08	\$ 4,111,945.21

The notes to the financial statements are an integral part of this statement.

**Town of Valier**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For Fiscal Year Ended**  
**June 30, 2018**

	Business-Type Activities		
	Major Enterprise Funds		
	5210	5310	
	Water	Sewer	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 181,217.76	\$ 223,030.64	\$ 404,248.40
Miscellaneous revenues	210.00	-	210.00
On-behalf - pensions	39.14	39.61	78.75
Total operating revenues	<u>181,466.90</u>	<u>223,070.25</u>	<u>404,537.15</u>
<b>OPERATING EXPENSES</b>			
Personal services	56,569.98	58,684.27	115,254.25
Supplies	15,071.77	17,948.01	33,019.78
Purchased services	44,788.35	38,938.17	83,726.52
Fixed charges	3,304.35	3,304.35	6,608.70
Depreciation	64,197.75	73,518.82	137,716.57
Total operating expenses	<u>183,932.20</u>	<u>192,393.62</u>	<u>376,325.82</u>
Operating income (loss)	<u>(2,465.30)</u>	<u>30,676.63</u>	<u>28,211.33</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest revenue	943.10	1,780.95	2,724.05
Debt service interest expense	<u>(27,653.58)</u>	<u>(27,503.28)</u>	<u>(55,156.86)</u>
Total non-operating revenues (expenses)	<u>(26,710.48)</u>	<u>(25,722.33)</u>	<u>(52,432.81)</u>
Income (loss) before contributions, transfers, special & extraordinary items	<u>(29,175.78)</u>	4,954.30	<u>(24,221.48)</u>
Change in net position	<u>(29,175.78)</u>	4,954.30	<u>(24,221.48)</u>
Net position - beginning	2,011,248.91	2,124,917.78	4,136,166.69
Net position - ending	<u>\$ 1,982,073.13</u>	<u>\$ 2,129,872.08</u>	<u>\$ 4,111,945.21</u>

The notes to the financial statements are an integral part of this statement.

**Town of Valier  
Statement of Cash Flows  
Proprietary Fund  
For Fiscal Year Ended  
June 30, 2018**

	Business-type Activities		
	Major Enterprise Funds		Total Enterprise Funds
	5210	5310	
	Water	Sewer	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 182,618.99	\$ 219,866.74	\$ 402,485.73
Cash received from miscellaneous sources	210.00	-	210.00
Cash paid to suppliers of goods and services	(63,164.47)	(60,190.53)	(123,355.00)
Cash paid to employees	(53,397.91)	(54,043.09)	(107,441.00)
Net cash provided (used) by operating activities	<u>66,266.61</u>	<u>105,633.12</u>	<u>171,899.73</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal paid on capital debt	(13,482.42)	(43,373.72)	(56,856.14)
Interest paid on capital debt	(27,653.58)	(27,503.28)	(55,156.86)
Acquisition and construction of capital assets	-	0.00	0.00
Net cash provided (used) by non-capital and related financing activities	<u>(41,136.00)</u>	<u>(70,877.00)</u>	<u>(112,013.00)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	943.10	1,780.95	2,724.05
Net cash provided (used) by investing activities	<u>943.10</u>	<u>1,780.95</u>	<u>2,724.05</u>
Net increase (decrease) in cash and cash equivalents	26,073.71	36,537.07	62,610.78
<b>Cash and cash equivalents as of:</b>			
June 30, 2017	187,398.61	282,043.77	469,442.38
June 30, 2018	<u>\$ 213,472.32</u>	<u>\$ 318,580.84</u>	<u>\$ 532,053.16</u>
Displayed on Statement of Net Position-Proprietary Funds as:			
Cash and investments	\$ 135,985.32	\$ 261,801.42	\$ 397,786.74
Restricted cash and investments	77,487.00	56,779.42	134,266.42
Total at end of year	<u>\$ 213,472.32</u>	<u>\$ 318,580.84</u>	<u>\$ 532,053.16</u>
<b>Reconciliation of operating income to net cash provided by operating activity:</b>			
Operating income (loss)	\$ (2,465.30)	\$ 30,676.63	\$ 28,211.33
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	64,197.75	73,518.82	137,716.57
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in assessments receivable	(545.60)	(624.45)	(1,170.05)
(Increase) decrease in accounts receivable	1,946.83	(2,539.45)	(592.62)
Increase (decrease) in compensated absences payable	820.49	298.76	1,119.25
Increase (decrease) in net pension liability	5,414.36	7,697.82	13,112.18
(Increase) decrease in deferred outflows-pension	(4,362.94)	(4,766.42)	(9,129.36)
Increase (decrease) in deferred inflows-pension	1,261.02	1,371.41	2,632.43
Net cash provided (used) by operating activities	<u>\$ 66,266.61</u>	<u>\$ 105,633.12</u>	<u>\$ 171,899.73</u>
<b>Schedule of non-cash transactions</b>			
Depreciation	64,197.75	73,518.82	137,716.57

The notes to the financial statements are an integral part of this statement.

**Town of Valier  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2018**

		<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	6,169.94
Total assets		<u>6,169.94</u>
<b>LIABILITIES</b>		
Warrants payable		6,169.84
Due to other governments		0.10
Total liabilities		<u>6,169.94</u>
<b>NET POSITION</b>		
Restricted for other purposes	\$	<u>-</u>

The notes to the financial statements are an integral part of this statement.



**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. New pronouncements adopted in the fiscal year ending June 30, 2018 are described below.

The government adopted the provisions of the following GASB Statements:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers and to improve the information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. This Statement addresses recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 85, *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement provides guidance for in-substance defeasance of debt for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Statement addresses accounting and financial reporting for in-substance defeasance of debt and for prepaid insurance on debt that is extinguished.

The Town's significant accounting policies are described below.

**A. Reporting Entity**

The Town of Valier is a political subdivision of the State of Montana governed by a Mayor and Council (Commission) duly elected by the registered voters of the Town. The accompanying financial statements present the primary government and its component units.

Component units are legally separate entities for which the primary government is financially accountable. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's Board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit. In addition, component units can be other legally separate entities for which the primary government is not financially accountable but the nature and significance of the relationship is such that exclusion would cause the Town's financial statements to be misleading.

*Discretely Presented Component Unit:*

The Town discretely presents one component unit, the Valier Library Foundation which was established to support the Valier Public Library. Discrete presentation entails reporting component unit financial data in columns and rows separate from the financial data of the primary government on the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting. The Valier Library Foundation is a separate legal entity and is governed by an independent governing board. This non-profit organization is reported as a component unit because the sole purpose of the foundation is the support of the Valier Public Library which is a special revenue fund in the Town's governmental operations, and the Town has determined it would be misleading to exclude. Information on stand alone financial statements may be obtained from the Valier Library Foundation.

**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 primary government and its component units. 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 to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary governments is financially accountable. Internal service fund activity, if applicable, is eliminated to avoid "doubling up" revenues and expenses.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.**

**B. Government-wide and fund financial statements-cont.**

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. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. All nonmajor governmental and enterprise funds are aggregated in one column and reported as "All other" in their respective 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 and fiduciary 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.

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 compensated absences and judgments, are recorded only when payment is due.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government. Taxes and assessments receivable remaining uncollected at year end are offset by deferred tax/assessment revenue, a deferred inflow of resources, since they are not available to pay liabilities of the current period.

Both financial statements presented on the accrual basis of accounting and the modified accrual basis of accounting recognize grants and similar items, pending purely routine requirements such as filing reimbursement and/or progress reports, where all eligibility requirements imposed by the provider have been met, other than time requirements, as revenue in the current period. Grants and similar items received prior to meeting time requirements but after all eligibility requirements are met, are recognized as deferred inflows of resources until use is required or first permitted.

The Town reports the following major governmental funds:

General Fund - This is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Library Fund - established to account for the financial resources and the use of those resources to operate the City Library

The Town reports the following major proprietary funds:

Water Enterprise Fund - This fund is used to account for the operating and nonoperating revenues and expenses of the public water utility system. The fund is maintained on the full accrual basis of accounting.

Sewer Enterprise Fund - This fund is used to account for the operating and nonoperating revenues and expenses of the public sewer utility system.

Additionally, the Town reports the following fund types:

Trust & Agency Funds - Used to account for assets held by the Town] in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These may include (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds and (d) agency funds.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.**

**C. Measurement focus, basis of accounting, and financial statement presentation-cont.**

The Governmental Accounting Standards Board (GASB) issued Statement No. 62. The Statement codifies the requirements of all pre-November 30, 1989 FASB and AICPA pronouncements that apply to state and local governments. Both the government-wide and proprietary fund financial statements follow the guidance of the Governmental Accounting Standards Board. Governments can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including Statement No. 62. The government has adopted the provisions of GASB Statement No. 62.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments' enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include: 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. 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 of the enterprise funds and the government's internal service funds are charges to customers for services provided. Operating expenses for enterprise funds and internal service funds include the cost of providing such services and the depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance/net position**

**1. Deposits and investments**

Allowable deposit and investment of public funds is governed by Title 7, Chapter 6, Part 2 of the Montana Code Annotated (MCA). Deposits and investments may include demand, time, and savings deposits, direct obligations of the United States Government, securities issued by agencies of the United States, investments in the Montana Short-Term Investment Program (STIP), repurchase agreements, and registered warrants.

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash, and have maturities at purchase date of three months or less. The Town's cash and cash equivalents (including restricted assets) are considered to be demand, savings and time deposits, STIP and all short-term investments with original maturity dates of three months or less from the date of acquisition.

Investments, with limited exceptions, are reported at fair value. Investments in nonparticipating certificates of deposit are reported at cost. Money market investments, including U.S. Treasury and Agency obligations, that mature within one year of acquisition are reported at amortized cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined annually, and requires the use of valuation techniques, a specific method or combination of methods using one or more of three approaches: market, cost or income approach.

**2. Receivables and payables**

Accounts receivables are shown net of allowance for uncollectible amounts.

Property tax receivables are offset by deferred inflows of resource accounts since they are not available to pay liabilities of the current period. All property tax levies are set at the time of the adoption of the annual budget. The real estate taxes are payable in two installments, the first due by November 30 and the second by May 31. Personal property taxes are assessed in April or May and are payable within 30 days of the issuance of the notice.

**3. Inventories and prepaid items**

All inventories are valued at cost. Inventories are recorded as expenditures when purchased (when consumed).

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**4. Restricted assets**

Certain assets of the enterprise funds are restricted for specific use as required by the bond indenture agreement covenants established with the issuance and sale of the revenue bonds representing a liability to the enterprise funds. These restricted assets represent cash and cash equivalents restricted for use to establish a reserve for future debt.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.**

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance/net position - cont.**

**5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, curbs, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the Town as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following years of estimated useful lives:

Buildings	20 to 40
Improvement other than Buildings	10 to 50
Machinery & Equipment	5 to 15
System infrastructure	10 to 50

**6. Deferred outflows of resources**

Deferred outflow of resources is a financial statement element. A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. The government-wide statement of net position, proprietary fund statement of net position, and governmental fund balance sheet report a separate section for deferred outflows of resources. Deferred outflows of resources are disclosed on the face of the financial statements.

**7. Compensated absences**

As required by State law, the Town allows for employees to accumulate earned but unused vacation and sick leave benefits. Such amounts are reported as liabilities in the appropriate governmental or business-type activity in the government wide statements. Expenditures for unpaid vacation and sick leave benefits are recorded when paid in the governmental funds on the modified accrual basis of accounting and expenses for vacation and sick leave benefits are recorded when accrued in the proprietary funds on the full accrual basis of accounting.

**8. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond issue using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as outflows of resources in the fiscal year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Deferred inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. The government-wide statement of net position, proprietary fund statement of net position, and governmental fund balance sheet report a separate section for deferred inflows of resources. Deferred inflows of resources may be disclosed on the face of the financial statements, in the notes to the financial statements, or a combination of both. Deferred inflows of resources not disclosed on the face of the financial statements are as follows:

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-cont.**

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance/net position - cont.**

**10. Fund balance/Net Position**

Governmental Accounting Standards Board (GASB) Statement No. 54 requires presentation of governmental fund balances by specific purpose. In the governmental fund financial statements, the fund balance classifications are presented either discretely or in the aggregate for the following fund balance classifications: non-spendable, restricted, committed, assigned and unassigned. GASB Statement No. 63 resulted in presentation changes in the government-wide and proprietary fund financial statements. Among other changes, equity is classified as 'net position'. Components of net position are net investment in capital assets, restricted, and unrestricted. See NOTE 4. - K and L for further information.

**11. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The Reconciliation of the Governmental Funds Balance Sheet to the (government-wide) Statement of Net Position for governmental activities explains differences.

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the (government-wide) Statement of Activities for governmental activities explains differences.

**NOTE 3. COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The Town adopts an annual budget for all of its funds in accordance with Title 7, Chapter 6, Part 40 of the Montana Code Annotated. Statute requires the adoption of a preliminary budget, public hearings on the preliminary budget and the final adoption of the budget by the later of the first Thursday after the first Tuesday in September or within 30 calendar days of the receipt of the certified taxable valuations from the Department of Revenue (county assessor). The Town must also submit a copy of the final budget to the Department of Administration by the later of October 1 or 60 days after the receipt of taxable values from the Department of Revenue.

State statute limits the making of expenditures or incurring of obligations to the amount of the final budget as adopted or as amended. Budget transfers and amendments are authorized by law, and in some instances, may require further public hearings. Any budget amendments providing for additional appropriations must identify the fund reserves, unanticipated revenue, or previously unbudgeted revenue that will fund the appropriations.

Appropriations are created by fund, function, and activity and may further be detailed by department. Expenditure limitations imposed by law extend to the department level which is identified as the legal level of budgetary control.

**B. Excess of expenditures over appropriations**

At fiscal year-end the Town had no funds where expenditures exceeded total appropriations.

**C. Deficit fund equity**

At fiscal year-end the Town had no funds with deficit fund equity.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 4. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At year end, the Town's cash, cash equivalents and investments are reported in the basic financial statements as follows:

Governmental Activities	242,369.01
Business-Type Activities	532,053.16
Fiduciary Funds	6,169.94
Total - Primary Government	\$ 780,592.11
Discretely Presented Component Unit(s)	70,294.33
Total cash, cash equivalents and investments	\$ 850,886.44

The composition of cash and investments held by the Town, the primary government, at fiscal year-end is as follows:

	June 30, 2018			
<b>Cash on hand</b> (petty cash)				
<b>Deposits</b>				
Demand deposits	378,293.86	-250000		128,293.86
Certificates of Deposit (non-participating)	134,266.42			
Total deposits	\$ 512,560.28			
<b>Investments</b>				
<i>Investments by fair value level</i>	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
STIP	268,031.83			
Total investments by fair value level	\$ 268,031.83			
Total cash, deposits and investments	\$ 780,592.11			

Information on investments held in the STIP, fair value levels, and valuation techniques used to measure fair value may be found in the MBOI's Annual Report:  
<http://investmentmt.com/AnnualReportsAudits>.

The composition of cash and investments held by the Valier Library Foundation, a component unit of the Town of Valier, at fiscal year-end is as follows:

	June 30, 2018			
<b>Cash on hand</b> (petty cash)				
<b>Deposits</b>				
Savings accounts	17,603.25			
Total deposits	\$ 17,603.25			
<b>Investments</b>				
<i>Investments by fair value</i>	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
DA Davidson-Mutual Funds	52,691.08			
Total investments by fair value level	\$ 52,691.08			
Total cash, deposits and investments	\$ 70,294.33			

Information on investments held in the mutual funds, fair value levels, and valuation techniques used to measure fair value may be obtained from the Valier Library Foundation.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 4. DETAILED NOTES ON ALL FUNDS - cont.**

**B. Capital assets**

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 112,100			\$ 112,100
Construction in progress	\$ 22,505	\$ 158,770		\$ 181,275
Total capital assets not being depreciated	<u>\$ 134,605</u>	<u>\$ 158,770</u>	<u>\$ -</u>	<u>\$ 293,375</u>
<i>Capital assets being depreciated</i>				
Buildings	\$ 331,002			\$ 331,002
Improvements other than buildings	\$ 45,000	\$ 32,078		\$ 77,078
Machinery and equipment	\$ 195,023	\$ 6,770	\$ (5,500)	\$ 196,293
Total capital assets being depreciated	<u>\$ 571,025</u>	<u>\$ 38,848</u>	<u>\$ (5,500)</u>	<u>\$ 604,373</u>
<i>Less accumulated depreciation for:</i>				
Buildings	\$ (161,160)	\$ (6,243)		\$ (167,403)
Improvements other than buildings	\$ (28,950)	\$ (1,992)		\$ (30,942)
Machinery and equipment	\$ (91,339)	\$ (11,100)	\$ 5,500	\$ (96,938)
Total accumulated depreciation	<u>\$ (281,449)</u>	<u>\$ (19,334)</u>	<u>\$ 5,500</u>	<u>\$ (295,283)</u>
Total capital assets being depreciated	<u>\$ 289,576</u>	<u>\$ 19,514</u>	<u>\$ -</u>	<u>\$ 309,090</u>
Governmental activities capital assets net	<u>\$ 424,181</u>	<u>\$ 178,284</u>	<u>\$ -</u>	<u>\$ 602,465</u>
<b>Business-type activities:</b>				
<i>Capital assets being depreciated</i>				
Buildings	\$ 354,286			\$ 354,286
Machinery and equipment	\$ 88,474			\$ 88,474
Source of supply	\$ 988,867			\$ 988,867
Pumping plant	\$ 57,000			\$ 57,000
Treatment plant	\$ 2,711,676			\$ 2,711,676
Transmission and distribution	\$ 3,161,631			\$ 3,161,631
Total capital assets being depreciated	<u>\$ 7,361,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,361,935</u>
<i>Less accumulated depreciation for:</i>				
Buildings	\$ (60,964)	\$ (7,982)		\$ (68,947)
Machinery and equipment	\$ (65,176)	\$ (2,066)		\$ (67,242)
Source of supply	\$ (118,664)	\$ (19,777)		\$ (138,441)
Pumping plant	\$ (17,100)	\$ (1,425)		\$ (18,525)
Treatment plant	\$ (1,078,082)	\$ (43,234)		\$ (1,121,316)
Transmission and distribution	\$ (397,235)	\$ (63,233)		\$ (460,468)
Total accumulated depreciation	<u>\$ (1,737,222)</u>	<u>\$ (137,717)</u>	<u>\$ -</u>	<u>\$ (1,874,938)</u>
Total capital assets being depreciated	<u>\$ 5,624,714</u>	<u>\$ (137,717)</u>	<u>\$ -</u>	<u>\$ 5,486,997</u>
Business-Type activities capital assets net	<u>\$ 5,624,714</u>	<u>\$ (137,717)</u>	<u>\$ -</u>	<u>\$ 5,486,997</u>

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

Governmental activities:	
Public safety	5,838
Public works	8,151
Culture and recreation	5,344
Total depreciation expense - governmental activities	<u>\$ 19,334</u>
Business-type activities:	
Water utilities	64,198
Sewer utilities	73,519
Total depreciation expense - business-type activities	<u>\$ 137,717</u>

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 3. DETAILED NOTES ON ALL FUNDS - cont.**

**C. Long-term debt obligations**

Changes in Long-term Debt Obligations - During the year ended June 30, 2018, the following changes occurred in long-term debt liabilities:

**Governmental Activities**

	Balance as of <u>6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance as of <u>6/30/2018</u>	Due Within <u>One Year</u>
Notes/Loans payable	\$ 40,000		(5,456)	34,544	5,435
Compensated Absences payable	3,415		(159)	3,256	1,628
Net pension liability	91,739	7,335		99,074	
<b>Total</b>	<b>\$ 135,154</b>	<b>7,335</b>	<b>(5,615)</b>	<b>136,874</b>	<b>7,063</b>

**Notes/Loans/Contracts**

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term of years</u>	<u>Final maturity</u>	<u>Amount issued</u>	<u>Outstanding June 30, 2018</u>	<u>Due Within One Year</u>
Motor Grader	4/13/17	2.5% to 3.15%	7	4/13/24	40,000	34,544	5,435
<b>Total notes/loans/contracts</b>					<b>\$ 40,000</b>	<b>\$ 34,544</b>	<b>\$ 5,435</b>

Annual requirement to amortize notes/loans/contract debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2019	5,435	864	6,299
2020	5,572	728	6,300
2021	5,712	588	6,300
2022	5,855	446	6,301
2023	6,003	299	6,302
2024	5,967	149	6,116
<b>Total</b>	<b>\$ 34,544</b>	<b>\$ 3,074</b>	<b>\$ 37,618</b>

**Business-type Activities**

	Balance as of <u>6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance as of <u>6/30/2018</u>	Due Within <u>One Year</u>
Revenue bonds	\$ 1,894,336		(56,856)	1,837,480	57,635
Compensated Absences payable	5,699	1,119		6,818	3,409
Net pension liability	110,229	13,112		123,341	
<b>Total</b>	<b>\$ 2,010,264</b>	<b>14,231</b>	<b>(56,856)</b>	<b>1,967,639</b>	<b>61,044</b>

**Revenue Bonds**

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term of years</u>	<u>Final maturity</u>	<u>Bonds issued</u>	<u>Outstanding June 30, 2018</u>	<u>Due Within One Year</u>
2006 Sewer bond	5/7/13	2.250%	13	7/1/26	449,000	282,000	32,000
2016 Sewer bond	8/19/15	2.750%	40	8/19/55	775,000	743,560	11,882
2011 Water bond	2/28/11	3.375%	40	1/28/51	902,000	811,920	13,753
<b>Total revenue bonds</b>					<b>\$ 2,126,000</b>	<b>\$ 1,837,480</b>	<b>\$ 57,635</b>



**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 3. DETAILED NOTES ON ALL FUNDS - cont.**

**C. Long-term debt obligations-cont.**

Revenue Bonds-cont.

Annual requirement to amortize revenue bond debt:

<u>For Fiscal Year Ended</u>	<u>Sewer Revenue Bonds</u>			<u>Water Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2019	43,688	23,729	67,417	13,967	27,190	41,157
2020	45,959	23,052	69,011	14,373	26,784	41,157
2021	46,347	22,239	68,586	14,939	26,218	41,157
2022	47,691	21,470	69,161	15,451	25,706	41,157
2023	49,044	20,673	69,717	15,981	25,176	41,157
2024	49,356	19,911	69,267	16,461	24,696	41,157
2025	50,779	19,038	69,817	17,093	24,064	41,157
2026	52,163	18,185	70,348	17,678	23,479	41,157
2027	14,558	17,434	31,992	18,284	22,873	41,157
2028-2032	79,005	81,455	160,460	101,141	104,644	205,785
2033-2037	90,692	68,968	159,660	119,781	86,004	205,785
2038-2042	104,050	55,910	159,960	141,775	64,009	205,784
2043-2047	119,376	40,584	159,960	167,808	37,977	205,785
2048-2052	136,949	23,011	159,960	137,188	8,575	145,763
2053-2056	95,903	4,307	100,210			
Total	\$ 1,025,560	\$ 459,966	\$ 1,485,526	\$ 811,920	\$ 527,395	\$ 1,339,315

**D. Property leased**

The Town leases land used for picnic and camping facilities and water sports from the Pondera County Canal and Reservoir Company. The agreement, dated May 4, 1996, is for 25 years with an additional 25 year option. The land is to be used for picnic and camping facilities and water sports. The Town must carry liability insurance and adequately maintain the property.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)**

**JUNE 30, 2017 (measurement date)**

**JUNE 30, 2018 (reporting date)**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions.

This report provides information for employers who are using a June 30, 2017 measurement date for the 2018 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2018.

**Pension Amount Totals**

Employers are provided guidance in GASB Statement 68, paragraph 74, that pension amounts must be combined as a total or aggregate for reporting. This is true when employees are provided benefits through more than one pension, whether cost-sharing, single-employer, or agent plans.

**Net Pension Liability**

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). As GASB Statement 68 allows, a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2017, was determined by taking the results of the June 30, 2016, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

Special Funding

The State of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who received *special funding* are counties; cities & towns; school districts & high schools; and other governmental agencies.

Not Special Funding

Per Montana law, state agencies and universities paid their own additional contributions. These employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions. The state of Montana, as the non-employer contributing entity, also paid to the Plan coal tax contributions that are *not* accounted for as special funding for all participating employers.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2017, and 2016, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The employer recorded a liability of \$222,415 and the employer's proportionate share was 0.0114 percent.

As of measurement date	Net Pension Liability as of 6/30/2017	Net Pension Liability as of 6/30/2016	Percent of Collective NPL as of 6/30/2017	Percent of Collective NPL as of 6/30/2016	Change in Percent of Collective NPL
TOWN OF VALIER Proportionate Share	\$ 222,415	\$ 201,968	0.0114%	0.0119%	(0.0004)%
State of Montana Proportionate Share associated with Employer	\$ 2,658	\$ 2,468	0.0135%	0.0152%	(0.0016)%
<b>Total</b>	<b>\$ 225,073</b>	<b>\$ 204,436</b>	<b>0.0250%</b>	<b>0.0270%</b>	<b>(0.0020)%</b>

***Changes in actuarial assumptions and methods:***

Effective July 1, 2017, the following assumption changes were used:

- Lowered the interest rate from 7.75% to 7.65%.
- Lowered the inflation rate from 3.00% to 2.75%.
- Updated non-disabled mortality to the RP-2000 Combined Employee and Annuitant Mortality Table projected to 2020 using scale BB, males set back 1 year.
- Increased rates of withdrawal.
- Lowered the merit component of the total salary increase.
- Lowered the wage base component of the total salary increase from 4.00% to 3.50%.
- Decreased the administrative expense load from 0.27% to 0.26%.

Effective July 1, 2017, the following method changes were used:

- Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount will vary from year to year based on the prior year's actual administrative expenses.
- To be consistent with the wage base growth change, the payroll growth assumption for amortization as a level percent of pay was reduced from 4.00% to 3.50%.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

***Changes in benefit terms:***

Effective July 1, 2017, the following benefit changes were:

- The interest rate credited to member accounts increased from 0.25% to 0.77%.
- Lump sum payouts in all systems are limited to the member's accumulated contributions rather than the present value of the member's benefit.

***Changes in proportionate share:*** Between the measurement date of the collective NPL and the employer's reporting date there were no changes in proportion that would have an effect on the employer's proportionate share of the collective NPL.

**Pension Expense**

As of measurement date	Pension Expense as of 6/30/2017	Pension Expense as of 6/30/2016
TOWN OF VALIER's Proportionate Share	\$21,125	\$12,423
Employer Grant Revenue – State of Montana Proportionate Share for employer	142	207
Employer Grant Revenue – State of Montana Coal Tax for employer	3,182	3,539
<b>Total</b>	<b>\$24,449</b>	<b>\$16,168</b>

At June 30, 2017 measurement date, the employer recognized \$21,125 for its proportionate share of the Plan's pension expense and recognized grant revenue of \$142 for the state of Montana proportionate share of the pension expense associated with the employer. Additionally, the employer recognized grant revenue of \$3,182 from the Coal Severance Tax fund.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

**Recognition of Deferred Inflows and Outflows**

At June 30, 2017, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

As of measurement date	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$5,477	\$322
Projected Investment Earnings vs. Actual Investment Earnings	0	1,494
Changes in Assumptions	30,402	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	11,518
Employer Contributions Subsequent to the Measurement Date	12,025	
Total	\$47,904	\$13,334

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2018	\$4,745
2019	\$10,690
2020	\$11,844
2021	\$(4,734)
2022	\$0
Thereafter	\$0

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

**Plan Description**

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, MCA. This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature.

**Summary of Benefits**

**Eligibility for benefit**

**Service retirement:**

- Hired prior to July 1, 2011:
  - Age 60, 5 years of membership service;
  - Age 65, regardless of membership service; or
  - Any age, 30 years of membership service.
- Hired on or after July 1, 2011:
  - Age 65, 5 years of membership service;
  - Age 70, regardless of membership service.

**Early Retirement (actuarially reduced):**

- Hired prior to July 1, 2011:
  - Age 50, 5 years of membership service; or
  - Any age, 25 years of membership service.
- Hired on or after July 1, 2011:
  - Age 55, 5 years of membership service.

**Second Retirement** (requires returning to PERS-covered employer or PERS service):

- 1) Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
  - a. A refund of member's contributions plus return interest (currently .77% effective July 1, 2017).
  - b. No service credit for second employment;
  - c. Start the same benefit amount the month following termination; and
  - d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- 2) Retire before January 1, 2016 and accumulate at least 2 years of additional service credit:
  - a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
  - b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- 3) Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.)**

- a. The same retirement as prior to the return to service;
- b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
- c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

**Vesting**

5 years of membership service

**Member's highest average compensation (HAC)**

- ☐ Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;
- ☐ Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

**Compensation Cap**

- ☐ Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

**Monthly benefit formula**

- 1) Members hired prior to July 1, 2011:
  - a. Less than 25 years of membership service: 1.785% of HAC per year of service credit;
  - b. 25 years of membership service or more: 2% of HAC per year of service credit.
- 2) Members hired on or after July 1, 2011:
  - a. Less than 10 years of membership service: 1.5% of HAC per year of service credit;
  - b. 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
  - c. 30 years or more of membership service: 2% of HAC per year of service credit.

**Guaranteed Annual Benefit Adjustment (GABA)**

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, **inclusive** of all other adjustments to the member's benefit.

- ☐ 3.0% for members hired **prior to July 1, 2007**
- ☐ 1.5% for members hired between July 1, 2007 and June 30, 2013
- ☐ Members hired on or after July 1, 2013:
  - a. 1.5% for each year PERS is funded at or above 90%;
  - b. 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
  - c. 0% whenever the amortization period for PERS is 40 years or more.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

**Overview of Contributions**

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are shown in the table below.

<u>Fiscal</u> <u>Year</u>	<u>Member</u>		<u>State &amp;</u> <u>Universities</u>	<u>Local Government</u>		<u>School Districts</u>	
	<u>Hired</u> <u>&lt;07/01/11</u>	<u>Hired</u> <u>&gt;07/01/11</u>	<u>Employer</u>	<u>Employer</u>	<u>State</u>	<u>Employer</u>	<u>State</u>
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

- 1) Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
  - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
  - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
3. Non Employer Contributions:
  - a. Special Funding
    - i. The state contributed 0.1% of members' compensation on behalf of local government entities.
    - ii. The state contributed 0.37% of members' compensation on behalf of school district entities.
  - b. Not Special Funding
    - i. The state contributed a portion of Coal Severance Tax income and earnings from the Coal Severance Tax fund.



**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

**Stand-Alone Statements**

The financial statements of the Montana Public Employees Retirement Board (PERB) *Comprehensive Annual Financial Report* (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov>

**Actuarial Assumptions**

The TPL used to calculate the NPL was determined by taking the results of the June 30, 2016, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2017. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of the last actuarial experience study, dated May 2017, for the six- year period July 1, 2010 to June 30, 2016. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.65%
- Admin Expense as % of Payroll 0.26%
- General Wage Growth\* 3.50%
- \*includes Inflation at 2.75%
- Merit Increases 0% to 4.8%
- Postretirement Benefit Increases:

**i. Guaranteed Annual Benefit Adjustment (GABA)**

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, **inclusive** of other all adjustments to the member's benefit.

- 3.0% for members hired **prior to** July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  - 1.5% for each year PERS is funded at or above 90%;
  - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
  - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among disabled members were based on RP 2000 Combined Mortality Tables with no projections.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)**

**Discount Rate**

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed coal severance tax and interest money from the general fund. The interest was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

**Target Allocations**

The long-term expected return on pension plan assets was reviewed as part of the regular experience study prepared for the Plan. The most recent analysis, performed for the period of July 1, 2010 to June 30, 2016, was outlined in a report dated May 2017 and can be located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, are summarized below.

<b>Asset Class</b>	<b>Target Asset Allocation (a)</b>	<b>Real Rate of Return Arithmetic Basis (b)</b>	<b>Long-Term Expected Real Rate of Return (a) x (b)</b>
<b>Cash Equivalents</b>	2.6%	4.00%	0.10%
<b>Domestic Equity</b>	36.0%	4.55%	1.64%
<b>Foreign Equity</b>	18.0%	6.35%	1.14%
<b>Fixed Income</b>	23.4%	1.00%	0.23%
<b>Private Equity</b>	12.0%	7.75%	0.93%
<b>Real Estate</b>	8.0%	4.00%	0.32%
<b>Total</b>	100.0%		4.37%
<b>Inflation</b>			2.75%
<b>Portfolio Return Expectation</b>			7.12%

The long-term expected nominal rate of return above of 7.12% is an expected portfolio rate of return provided by Board of Investments (BOI), which differs from the total long-term assumed rate of return of 7.65% in the experience study. The assumed investment rate is comprised of a 2.75% inflation rate and a real rate of return of 4.90%.

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**E. Pension Plan-Public Employees Retirement System (PERS)-cont.**

**Sensitivity Analysis**

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

<b>As of measurement date</b>	<b>1.0% Decrease (6.65 %)</b>	<b>Current Discount Rate</b>	<b>1.0% Increase (8.65 %)</b>
TOWN OF VALIER's Net Pension Liability	\$323,928	\$222,415	\$137,202

**Summary of Significant Accounting Policies**

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the NPL; Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions; Pension Expense; the Fiduciary Net Position; and, Additions to or Deductions from Fiduciary Net Position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

**Town of Valier**  
**Notes to the Financial Statements**  
**June 30, 2018**

**NOTE 4. DETAILED NOTES ON ALL FUNDS - cont.**

**F. Fund Balance/Net Position**

1. Fund Balance

The Governmental Accounting Standards Board issued Statement No. 54, which requires presentation of governmental fund balances by specific purpose. In the basic financial statements, the fund balance classifications are presented in the aggregate for the following fund balance classifications: non-spendable, restricted, committed, assigned, and unassigned.

The non-spendable fund balance classification represents the portion of fund balances that cannot be spent either because it is not in spendable form such as inventories, the long term portion of notes & loans receivable, land held for resale of which the future proceeds are not committed, and pre-paid expenses, or because of legal or contractual constraints such as the corpus of a permanent fund.

The restricted fund balance/net position classification includes amounts that can be spent only for specific purposes which are externally imposed either by: a) providers such as creditors (such as through debt covenants), grantors, contributors, and laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

The committed fund balance classification includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority, the Town Council through Resolution and/or Ordinance and does not lapse at year-end.

The assigned fund balance classification includes amounts that are intended to be used by the government for a specific purpose that do not meet the criteria to be classified as restricted or committed. Per GASB Statement No. 54, an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance. Assignments of fund balance may also be created by designated individuals, positions or the governing body.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in other classifications. In governmental funds other than the general fund, the unassigned classification is only used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Fund Balance Classifications

GASB Statement No 54 requires presentation of specific purpose details by fund balance classification either on the face of the balance sheet-governmental funds, in the notes to the financial statements, or a combination of both.

Fund balance classifications are presented on the Balance Sheet-Governmental Funds by function.

2. Net Position

The government-wide and proprietary fund financial statements report net position. Net position represent the difference between assets plus deferred outflow of resources and liabilities plus deferred inflows of resources. Components of net position are net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation plus capital related deferred outflows of resources, less outstanding balance of any related borrowing used for the acquisition, construction, or improvement of those assets and capital related deferred inflows of resources. Restricted net position is defined above, and unrestricted net position is any portion of net position that does not meet the definition of net investment in capital assets and restricted.

**Town of Valier  
Notes to the Financial Statements  
June 30, 2018**

**BOC SUPPLEMENT SCHEDULE**

1. **Intergovernmental expenditures** - Of the expenditures reported, detail below those expenditures made to other governments on a cost-sharing basis.

Purpose	Amount - Omit Cents	
	Paid to local governments	Paid to state
Airports	M01 \$ -	\$ -
Libraries	M52 \$ -	\$ -
Health	M32 \$ -	\$ -
Local schools	M12 \$ -	\$ -
Welfare	M79 \$ -	L79 \$ -
Other	M89 \$ -	L89 \$ -

2. **Salaries and Wages** - Report here the total salaries and wages paid to all employees of your government before deductions for social security, retirement, etc. Include also salaries and wages paid to employees of any utility owned and operated by your government.

Amount - Omit cents
\$193,743

3. **Debt outstanding**

**A. Long-term debt outstanding, issued and retired**

Purpose	Bonds Outstanding July 1, 2017	Amount -- Omit cents			
		Bonds during the fiscal year		Outstanding as of June 30, 2018	
		Issued	Retired	General Obligation	Revenue bonds
Water utility	19A \$ 825,402	29A \$ -	39A \$ 13,482	41A \$ -	44A \$ 811,920
Sewer utility	19X \$ 1,068,934	29X \$ -	39X \$ 43,374	41X \$ -	44X \$ 1,025,560
Gas utility	19C \$ -	29C \$ -	39C \$ -	41C \$ -	44C \$ -
Electric utility	19B \$ -	29B \$ -	39B \$ -	41B \$ -	44B \$ -
All other	19X \$ -	29X \$ -	39X \$ -	41X \$ -	44X \$ -

**B. Short-term debt**

Type	Beginning of fiscal year	End of fiscal year
Registered warrants	61V \$ -	64V \$ -
Contracts payable	\$ -	\$ -
Notes payable	\$ -	\$ -
Totals	\$ -	\$ -

4. **Cash balances by fund type** - Cash may consist of cash on hand, checking, savings, repurchase agreements, certificates of deposit, securities, or any other cash related item.

Type of funds	Amount - Omits cents
General fund (1000)	W61 \$ 49,506
Special revenue funds (2000)	W61 \$ 192,863
Debt Service funds (3000)	W01 \$ -
Capital projects funds (4000)	W31 \$ -
Enterprise funds (5000)	W61 \$ 532,053
Internal services funds (6000)	\$ -
Trust and agency funds (7000)	\$ 6,170
Permanent funds (8000)	\$ -
35 Total cash all funds	\$ 780,592

REQUIRED  
SUPPLEMENTARY  
INFORMATION

TOWN OF VALIER

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

For the year ending June 30, 2018

1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	78,200.00	78,200.00	78,011.21	( 188.79)
Local option taxes	11,000.00	11,000.00	12,252.03	1,252.03
<b>Licenses and permits</b>				
Alcoholic beverage licenses	600.00	600.00	650.00	50.00
General business licenses	1,800.00	1,800.00	1,290.00	( 510.00)
Building permits	400.00	400.00	1,025.00	625.00
Animal licenses	300.00	300.00	454.00	154.00
<b>Intergovernmental revenue (See supplemental section for detail)</b>				
Federal grants	60,112.50	60,112.50	0.00	( 60,112.50)
State grants	750.00	750.00	750.00	0.00
State shared revenues	51,608.00	51,608.00	51,539.92	( 68.08)
Local shared revenues	850.00	850.00	824.45	( 25.55)
<b>Charges for services</b>				
Public works	225.00	225.00	300.00	75.00
Culture and recreation	32,300.00	32,300.00	32,270.00	( 30.00)
<b>Fines and forfeitures</b>				
Miscellaneous	5,200.00	5,200.00	7,636.36	2,436.36
Investment and royalty earnings	0.00	0.00	454.77	454.77
Internal services	45,605.00	45,605.00	0.00	( 45,605.00)
<b>Total revenues</b>	<b>288,950.50</b>	<b>288,950.50</b>	<b>187,457.74</b>	<b>( 101,492.76)</b>

**EXPENDITURES**

**Current:**

**General Government:**

**Legislative services**

Personal services

3,891.00 3,891.00 3,890.88 0.12

Supplies/services/materials, etc

1,100.00 1,100.00 1,296.32 ( 196.32)

**Executive services**

**Judicial services**

Supplies/services/materials, etc

300.00 300.00 300.00 0.00

**Administrative services**

Personal services

1,459.00 1,459.00 1,458.96 0.04

Supplies/services/materials, etc

2,850.00 2,850.00 2,945.45 ( 95.45)

**Financial services**

Personal services

14,774.00 14,774.00 11,759.38 3,014.62

Supplies/services/materials, etc

26,027.00 26,027.00 14,870.05 11,156.95

**Elections**

Supplies/services/materials, etc

1,000.00 1,000.00 0.00 1,000.00

**Purchasing services**

TOWN OF VALIER

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

For the year ending June 30, 2018

1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
	-----	-----	-----	-----
Personnel services				
Records administration				
Legal services				
Supplies/services/materials, etc	3,000.00	3,000.00	356.46	2,643.54
Planning and research services				
Supplies/services/materials, etc	3,400.00	3,400.00	0.00	3,400.00
Facilities administration				
Estate Administration				
Public school administration				
Other general government services				
Public Safety:				
Law enforcement services				
Supplies/services/materials, etc	57,000.00	57,000.00	57,000.00	0.00
Detention and correction				
Probation and parole				
Fire protection				
Personal services	386.00	386.00	388.72	( 2.72)
Supplies/services/materials, etc	9,650.00	9,650.00	9,457.71	192.29
Capital outlay	60,112.50	60,112.50	32,078.00	28,034.50
Protective inspections				
Civil defense				
Emergency services				
Other public safety services				
Public Works:				
Public works administration				
Road and street services				
Personal services	26,547.00	26,547.00	23,827.28	2,719.72
Supplies/services/materials, etc	10,550.00	10,550.00	12,116.24	( 1,566.24)
Capital outlay	15,770.00	15,770.00	6,770.00	9,000.00
Airport				
Transit systems				
Water utilities				
Sewer utilities				
Natural gas/electric				
Solid waste services				
Cemetery services				
Public scales				
Weed control				
Flood control				
Central shop services				
Other public works services				
Public Health:				
Public health services				
Hospitals				



TOWN OF VALIER

35. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL FUND  
For the year ending June 30, 2018

1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Nursing homes				
Mental health center				
Animal control services				
Insect and pest controls				
Other public health services				
Social and Economic Services:				
Welfare				
Veteran's services				
Aging services				
Extension services				
Other social and economic services				
Culture and Recreation:				
Library services				
Fairs				
Other community events				
Parks				
Personal services	3,334.00	3,334.00	3,163.89	170.11
Supplies/services/materials, etc	25,675.00	25,675.00	23,081.31	2,593.69
Participant recreation				
Spectator recreation				
Other culture and recreation services				
Supplies/services/materials, etc	22,125.00	22,125.00	8,360.19	13,764.81
Housing and Community Development:				
Community public facility projects				
Housing rehabilitation				
Economic development				
TSEP/Home/Infrastructure rehabilitation				
HOME - tenant based rental assistance				
Other housing and community development				
Conservation of Natural Resources:				
Soil conservation				
Water quality control				
Air quality control				
Other natural resources conservation				
Debt Service:				
Total expenditures	288,950.50	288,950.50	213,120.84	75,829.66
Excess of revenues over (under) expenditures	0.00	0.00	( 25,663.10)	( 25,663.10)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	0.00	0.00	1,116.87	1,116.87

TOWN OF VALIER  
 35. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL FUND  
 For the year ending June 30, 2018

1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Total other financing sources (uses)	0.00	0.00	1,116.87	1,116.87
Net change in fund balance	0.00	0.00	( 24,546.23)	( 24,546.23)
Fund balance - July 1, 2017 - -As previously reported	74,528.24	74,528.24	74,528.24	0.00
Fund balance - July 1, 2017 - As restated	74,528.24	74,528.24	74,528.24	0.00
Fund balance - June 30, 2018	74,528.24	74,528.24	49,982.01	( 24,546.23)

TOWN OF VALIER

41. STATEMENT OF REVENUE, EXPENDITURE, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - MAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2220 LIBRARY

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	80,000.00	81,950.00	82,107.00	157.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
Charges for services				
Culture and recreation	600.00	600.00	907.71	307.71
Fines and forfeitures				
Miscellaneous	136,410.00	139,431.00	27,049.36	( 112,381.64)
Internal services	100,000.00	100,000.00	0.00	( 100,000.00)
<b>Total revenues</b>	<b>317,010.00</b>	<b>321,981.00</b>	<b>110,064.07</b>	<b>( 211,916.93)</b>
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Public Health				
Social and Economic Services				
Culture and Recreation				
Personal services	46,532.00	45,057.00	41,812.41	3,244.59
Supplies/services/materials, etc	35,246.00	38,250.00	26,015.92	12,234.08
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	235,232.00	238,674.00	158,770.19	79,903.81
Debt Service				
<b>Total expenditures</b>	<b>317,010.00</b>	<b>321,981.00</b>	<b>226,598.52</b>	<b>95,382.48</b>
Excess of revenues over (under) expenditures	0.00	0.00	( 116,534.45)	( 116,534.45)
OTHER FINANCING SOURCES (USES)				
<b>Net change in fund balance</b>	<b>0.00</b>	<b>0.00</b>	<b>( 116,534.45)</b>	<b>( 116,534.45)</b>
Fund balance - July 1, 2017 -				
-As previously reported	251,612.67	251,612.67	251,612.67	0.00
Fund balance - July 1, 2017 - As restated	251,612.67	251,612.67	251,612.67	0.00

TOWN OF VALIER

41. STATEMENT OF REVENUE, EXPENDITURE, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - MAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2220 LIBRARY

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	251,612.67	251,612.67	135,078.22	( 116,534.45)

**Town of Valier**  
**Required Supplementary Information**  
**Public Employees Retirement System (PERS)**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Last Ten Fiscal Years\***

As of measurement date	2017	2016	2015	2014
Employer's proportion of the Net Pension Liability (percentage)	0.0114%	0.0119%	0.0131%	0.0122%
Employer's Net Pension Liability (amount)	\$222,415	\$201,968	\$183,808	\$151,981
State's Net Pension Liability (amount)	2,658	2,468	2,258	1,856
Total	\$225,073	\$204,436	\$186,066	\$153,837
Employer's Covered Payroll	\$141,663	\$142,027	\$153,453	\$138,075
Employer's Proportionate Share as a percent of Covered Payroll	157.00%	142.20%	119.78%	111.22%
Plan Fiduciary Net Position as a percent of Total Pension Liability	73.75%	74.71%	78.40%	79.87%

*\*The amounts presented for each fiscal year were determined as of June 30  
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**Town of Valier**  
**Required Supplementary Information**  
**Public Employees Retirement System (PERS)**  
**Schedule of Contributions**  
**For the Last Ten Fiscal Years\***

As of reporting date	2018	2017	2016	2015
Contractually Required DB Contributions	\$12,025	\$11,857	\$11,871	\$12,645
Plan Choice Rate Required Contributions	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	\$12,025	\$11,857	\$11,871	\$12,645
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
Employer's Covered Payroll	\$141,972	\$141,663	\$142,027	\$153,453
Contributions as a percent of Covered Payroll	8.47%	8.37%	8.36%	8.24%

*\*The amounts presented for each fiscal year were determined as of June 30  
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**Town of Valier**  
**Notes to Required Supplementary Information**  
**Public Employees Retirement System (PERS)**  
**for the Year ended June 30, 2018 (Measurement Date June 30, 2017)**

**Changes of Benefit Terms**

The following changes to the plan provisions were made as identified:

**2015 Legislative Changes:**

General Revisions – House Bill 101, effective January 1, 2016

**Second Retirement Benefit** – for PERS

- 1) Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
  - Refund of member's contributions from second employment plus regular interest (currently 0.25%);
  - No service credit for second employment;
  - Start same benefit amount the month following termination; and
  - GABA starts again the January immediately following second retirement.
- 2) For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
  - Member receives a recalculated retirement benefit based on laws in effect at second retirement; and
  - GABA starts the January after receiving recalculated benefit for 12 months.
- 3) For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
  - Refund of member's contributions from second employment plus regular interest (currently 0.25%);
  - No service credit for second employment;
  - Start same benefit amount the month following termination; and
  - GABA starts again the January immediately following second retirement.
- 4) For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate five or more years of service credit before retiring again:
  - Member receives the same retirement benefit as prior to return to service;
  - Member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
  - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

Revise DC Funding Laws – House Bill 107, effective July 1, 2015

**Employer Contributions and the Defined Contribution Plan** – for PERS and MUS-RP

The PCR was paid off effective March 2016 and the contributions of 2.37%, .47% and the 1.00% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

**2017 Legislative Changes:**

General Revisions – House Bill 101, effective July 1, 2017

**Working Retiree Limitations** – for PERS

If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

### **Terminating Employers – Recovery of actuarial costs – for PERS**

Employers who terminate participation in PERS must pay the actuarial liability associated with that termination. Starting July 1, 2017, the terminating employer must also pay for the cost of the actuarial study used to determine that liability.

### **Refunds**

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

### **Family Law Orders**

If a Family Law Order (FLO) is silent regarding the apportionment of post-retirement benefit adjustments such as the Guaranteed Annual Benefit Adjustment (GABA), the FLO is presumed to require apportionment of the post-retirement benefit adjustment in the same percentage as the monthly retirement benefit is apportioned.

### **Disabled PERS Defined Contribution (DC) Members**

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

### **PERS Statutory Appropriation – House Bill 648, effective July 1, 2017**

Revenue from coal severance taxes and interest income from the coal severance tax permanent fund previously statutorily-appropriated to the PERS defined benefit trust fund will be replaced with the following statutory appropriations:

1. FY2018 - \$31.386 million
2. FY2019 - \$31.958 million
3. Beginning July 1, 2019 through at least June 30, 2025, 101% of the contribution from the previous year from the general fund to the PERS defined benefit trust fund, as follows:
  - a. FY2020 - \$32.277 million
  - b. FY2021 - \$32.6 million
  - c. FY2022 - \$32.926 million
  - d. FY2023 - \$33.255 million
  - e. FY2024 - \$33.588 million
  - f. FY2025 - \$33.924 million



## Changes in Actuarial Assumptions and Methods

### Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2017 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.26%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

# SUPPLEMENTAL INFORMATION

**Town of Valier  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018**

	2840	2700	2710	2820	2821	Total Nonmajor Special Revenue Funds
	<u>Street Light</u>	<u>Baseball Field Trust</u>	<u>Playground Equipment Trust</u>	<u>Gas Tax</u>	<u>BaRSAA</u>	
<b>ASSETS</b>						
<u>Current assets</u>						
Cash and investments	\$ 23,145.33	\$ 2,357.97	\$ 2,000.00	\$ 29,805.48	\$ -	\$ 57,308.78
Taxes and assessments receivable, net	13,186.56	-	-	-	-	13,186.56
Total current assets	<u>36,331.89</u>	<u>2,357.97</u>	<u>2,000.00</u>	<u>29,805.48</u>	<u>-</u>	<u>70,495.34</u>
Total assets	<u>36,331.89</u>	<u>2,357.97</u>	<u>2,000.00</u>	<u>29,805.48</u>	<u>-</u>	<u>70,495.34</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property tax/special assessment revenue	13,186.56	-	-	-	-	13,186.56
Total deferred inflows of resources	<u>13,186.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,186.56</u>
<b>FUND BALANCES</b>						
<u>Restricted for:</u>						
Public works	23,145.33	-	-	29,805.48	-	52,950.81
Culture & recreation	-	2,357.97	2,000.00	-	-	4,357.97
Unassigned	-	-	-	-	-	-
Total Fund Balance	<u>\$ 23,145.33</u>	<u>\$ 2,357.97</u>	<u>\$ 2,000.00</u>	<u>\$ 29,805.48</u>	<u>\$ -</u>	<u>\$ 57,308.78</u>
Total Liabilities, Deferred Outflow of Resources and Fund Balance	<u>\$ 36,331.89</u>	<u>\$ 2,357.97</u>	<u>\$ 2,000.00</u>	<u>\$ 29,805.48</u>	<u>\$ -</u>	<u>\$ 70,495.34</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2480 STREET LIGHT

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	200.00	200.00	410.10	210.10
Special assessments	25,000.00	25,000.00	27,630.34	2,630.34
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	30.00	30.00	30.00	0.00
Internal services	3,770.00	3,770.00	0.00	( 3,770.00)
<b>Total revenues</b>	<b>29,000.00</b>	<b>29,000.00</b>	<b>28,070.44</b>	<b>( 929.56)</b>
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Supplies/services/materials, etc	29,000.00	29,000.00	28,303.05	696.95
Public Health				
Social and Economic Services				
Culture and Recreation				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>29,000.00</b>	<b>29,000.00</b>	<b>28,303.05</b>	<b>696.95</b>
<b>Excess of revenues over (under) expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>( 232.61)</b>	<b>( 232.61)</b>
OTHER FINANCING SOURCES (USES)				
<b>Net change in fund balance</b>	<b>0.00</b>	<b>0.00</b>	<b>( 232.61)</b>	<b>( 232.61)</b>
Fund balance - July 1, 2017 -				
-As previously reported	23,377.94	23,377.94	23,377.94	0.00
<b>Fund balance - July 1, 2017 - As restated</b>	<b>23,377.94</b>	<b>23,377.94</b>	<b>23,377.94</b>	<b>0.00</b>

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2480 STREET LIGHT

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	23,377.94	23,377.94	23,145.33	( 232.61)

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2700 BASEBALL FIELD TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
<b>Licenses and permits</b>				
<b>Intergovernmental revenue (See supplemental section for detail)</b>				
State shared revenues	0.00	0.00	0.00	0.00
<b>Charges for services</b>				
<b>Fines and forfeitures</b>				
Investment and royalty earnings	0.00	0.00	0.00	0.00
Internal services	2,357.00	2,357.00	0.00	( 2,357.00)
<b>Total revenues</b>	<b>2,357.00</b>	<b>2,357.00</b>	<b>0.00</b>	<b>( 2,357.00)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General Government</b>				
<b>Public Safety</b>				
<b>Public Works</b>				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
<b>Public Health</b>				
<b>Social and Economic Services</b>				
<b>Culture and Recreation</b>				
Supplies/services/materials, etc	2,357.00	2,357.00	0.00	2,357.00
<b>Housing and Community Development</b>				
<b>Conservation of Natural Resources</b>				
<b>Debt Service</b>				
<b>Total expenditures</b>	<b>2,357.00</b>	<b>2,357.00</b>	<b>0.00</b>	<b>2,357.00</b>
<b>Excess of revenues over (under) expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Net change in fund balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Fund balance - July 1, 2017 -				
-As previously reported	2,357.97	2,357.97	2,357.97	0.00
<b>Fund balance - July 1, 2017 - As restated</b>	<b>2,357.97</b>	<b>2,357.97</b>	<b>2,357.97</b>	<b>0.00</b>

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
 For the year ending June 30, 2018

2700 BASEBALL FIELD TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	2,357.97	2,357.97	2,357.97	0.00

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2710 PLAYGROUND EQUIPMENT TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	0.00	0.00	0.00	0.00
Internal services	2,000.00	2,000.00	0.00	( 2,000.00)
<b>Total revenues</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>0.00</b>	<b>( 2,000.00)</b>
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Supplies/services/materials, etc	2,000.00	2,000.00	0.00	2,000.00
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>0.00</b>	<b>2,000.00</b>
Excess of revenues over (under) expenditures	0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)				
<b>Net change in fund balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Fund balance - July 1, 2017 -				
-As previously reported	2,000.00	2,000.00	2,000.00	0.00
Fund balance - July 1, 2017 - As restated	2,000.00	2,000.00	2,000.00	0.00



TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
 For the year ending June 30, 2018

2710 PLAYGROUND EQUIPMENT TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	2,000.00	2,000.00	2,000.00	0.00

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2820 GAS TAX

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	25,586.00	25,586.00	25,586.72	0.72
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	0.00	0.00	121.27	121.27
Internal services	14,279.00	14,279.00	0.00	( 14,279.00)
<b>Total revenues</b>	<b>39,865.00</b>	<b>39,865.00</b>	<b>25,707.99</b>	<b>( 14,157.01)</b>
<b>EXPENDITURES</b>				
Current:				
General Government				
Public Safety				
Public Works				
Supplies/services/materials, etc	39,865.00	39,865.00	19,639.27	20,225.73
Public Health				
Social and Economic Services				
Culture and Recreation				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>39,865.00</b>	<b>39,865.00</b>	<b>19,639.27</b>	<b>20,225.73</b>
Excess of revenues over (under) expenditures	0.00	0.00	6,068.72	6,068.72
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Net change in fund balance</b>	<b>0.00</b>	<b>0.00</b>	<b>6,068.72</b>	<b>6,068.72</b>
Fund balance - July 1, 2017 -				
-As previously reported	23,736.76	23,736.76	23,736.76	0.00
Fund balance - July 1, 2017 - As restated	23,736.76	23,736.76	23,736.76	0.00

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2820 GAS TAX

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	23,736.76	23,736.76	29,805.48	6,068.72

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

2821 BaRSAA HB473 Allocation

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	9,810.00	9,810.00	9,520.82	( 289.18)
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	0.00	0.00	0.00	0.00
Internal services	0.00	0.00	0.00	0.00
<b>Total revenues</b>	<b>9,810.00</b>	<b>9,810.00</b>	<b>9,520.82</b>	<b>( 289.18)</b>
<b>EXPENDITURES</b>				
Current:				
General Government				
Public Safety				
Public Works				
Supplies/services/materials, etc	19,330.82	9,810.00	9,520.82	289.18
Public Health				
Social and Economic Services				
Culture and Recreation				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>19,330.82</b>	<b>9,810.00</b>	<b>9,520.82</b>	<b>289.18</b>
Excess of revenues over (under) expenditures	( 9,520.82)	0.00	0.00	0.00
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Net change in fund balance</b>	<b>( 9,520.82)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Fund balance - July 1, 2017 - -As previously reported	0.00	0.00	0.00	0.00
Fund balance - July 1, 2017 - As restated	0.00	0.00	0.00	0.00

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
 For the year ending June 30, 2018

2821 BaRSAA HB473 Allocation

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	( 9,520.82)	0.00	0.00	0.00

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	200.00	200.00	410.10	210.10
Special assessments	25,000.00	25,000.00	27,630.34	2,630.34
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	35,396.00	35,396.00	35,107.54	( 288.46)
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	30.00	30.00	151.27	121.27
Internal services	22,406.00	22,406.00	0.00	( 22,406.00)
Total revenues	83,032.00	83,032.00	63,299.25	( 19,732.75)
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Supplies/services/materials, etc	88,195.82	78,675.00	57,463.14	21,211.86
Public Health				
Social and Economic Services				
Culture and Recreation				
Supplies/services/materials, etc	4,357.00	4,357.00	0.00	4,357.00
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
Total expenditures	92,552.82	83,032.00	57,463.14	25,568.86
Excess of revenues over (under) expenditures	( 9,520.82)	0.00	5,836.11	5,836.11
OTHER FINANCING SOURCES (USES)				
Net change in fund balance	( 9,520.82)	0.00	5,836.11	5,836.11
Fund balance - July 1, 2017 -				
-As previously reported	51,472.67	51,472.67	51,472.67	0.00
Fund balance - July 1, 2017 - As restated	51,472.67	51,472.67	51,472.67	0.00

TOWN OF VALIER

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR SPECIAL REVENUE FUNDS  
 For the year ending June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2018	41,951.85	51,472.67	57,308.78	5,836.11

TOWN OF VALIER  
Schedule of Federal/State Grants, Entitlements, and Shared Revenues  
For the Fiscal Year Ending June 30, 2018

Accounts 330000-337999

Account Object Fund	Opening Balance	Change	Closing Balance
330000 INTERGOVERNMENTAL REVENUES			
334121 DNRC Grant			
1000 GENERAL	0.00	750.00	750.00
Account Total:	0.00	750.00	750.00
335040 Gasoline Tax Apportionment			
2820 GAS TAX	0.00	25,586.72	25,586.72
Account Total:	0.00	25,586.72	25,586.72
335041 Gas Tax Project			
2821 BaRSAA HB473 Allocation	0.00	9,520.82	9,520.82
Account Total:	0.00	9,520.82	9,520.82
335050 Fire Disability & Pension Fund			
7120 FIRE DISABILITY	0.00	1,031.00	1,031.00
Account Total:	0.00	1,031.00	1,031.00
335051 Police Training/Pension Fund			
1000 GENERAL	0.00	1,031.00	1,031.00
Account Total:	0.00	1,031.00	1,031.00
335120 Gambling Machine Permits			
1000 GENERAL	0.00	1,850.00	1,850.00
Account Total:	0.00	1,850.00	1,850.00
335230 State Entitlement Share			
1000 GENERAL	0.00	48,658.92	48,658.92
Account Total:	0.00	48,658.92	48,658.92
336020 On Behalf State Contribution Retirement			
5210 WATER FUND	0.00	39.14	39.14
5310 SEWER FUND	0.00	39.61	39.61
Account Total:	0.00	78.75	78.75
Account Group Total:	0.00	88,507.21	88,507.21
Grand Total:	0.00	88,507.21	88,507.21



TOWN OF VALIER  
Schedule of Cash Receipts & Disbursements  
For the Year 2017-2018

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
1000 GENERAL						
101010 Cash-Checking	74,528.24	198,159.85	0.00	40,663.74	212,497.11	19,527.24
101011 STIP	0.00	40,454.77	0.00	10,000.00	0.00	30,454.77
Total Fund	74,528.24	238,614.62		50,663.74	212,497.11	49,982.01
Total 1000 GENERAL	74,528.24	238,614.62	0.00	50,663.74	212,497.11	49,982.01
2220 LIBRARY						
101010 Cash-Checking	251,612.67	110,064.07	0.00	0.00	226,598.52	135,078.22
2480 STREET LIGHT						
101010 Cash-Checking	11,377.94	46,873.55	0.00	5,849.58	29,256.58	23,145.33
101011 STIP	12,000.00	0.00	0.00	12,000.00	0.00	0.00
Total Fund	23,377.94	46,873.55		17,849.58	29,256.58	23,145.33
2700 BASEBALL FIELD TRUST						
101010 Cash-Checking	2,357.97	0.00	0.00	0.00	0.00	2,357.97
2710 PLAYGROUND EQUIPMENT TRUST						
101010 Cash-Checking	2,000.00	0.00	0.00	0.00	0.00	2,000.00
2820 GAS TAX						
101010 Cash-Checking	23,736.76	35,583.58	0.00	10,000.00	29,636.13	19,684.21
101011 STIP	0.00	10,121.27	0.00	0.00	0.00	10,121.27
Total Fund	23,736.76	45,704.85		10,000.00	29,636.13	29,805.48
2821 BaRSAA HB473 Allocation						
101010 Cash-Checking	0.00	9,520.82	0.00	9,520.82	0.00	0.00
Total 2000	303,085.34	212,163.29	0.00	37,370.40	285,491.23	192,387.00
5210 WATER FUND						
101010 Cash-Checking	110,066.43	192,688.15	0.00	75,187.19	167,370.35	60,197.04
101011 STIP	0.00	75,788.28	0.00	0.00	0.00	75,788.28
102010 CD-Water Project Reserve	77,332.18	154.82	0.00	0.00	0.00	77,487.00
Total Fund	187,398.61	268,631.25		75,187.19	167,370.35	213,472.32
5310 SEWER FUND						
101010 Cash-Checking	225,377.79	210,863.03	9,608.53	151,221.41	184,494.03	110,133.91
101011 STIP	0.00	151,667.51	0.00	0.00	0.00	151,667.51
102020 CD-Wastewater Project CD	56,665.98	113.44	0.00	0.00	0.00	56,779.42
Total Fund	282,043.77	362,643.98	9,608.53	151,221.41	184,494.03	318,580.84
Total 5000	469,442.38	631,275.23	9,608.53	226,408.60	351,864.38	532,053.16
7120 FIRE DISABILITY						
101010 Cash-Checking	0.00	1,031.00	0.00	0.00	1,031.00	0.00
7910 PAYROLL CLEARING FUND						
101010 Cash-Checking	116.05	0.00	193,742.53	194,795.54	0.00	-936.96
7930 CLAIMS CLEARING FUND						
101010 Cash-Checking	16,192.94	0.00	647,532.66	656,618.70	0.00	7,106.90
Total 7000	16,308.99	1,031.00	841,275.19	851,414.24	1,031.00	6,169.94
Totals	863,364.95	1,083,084.14	850,883.72	1,165,856.98	850,883.72	780,592.11

**Town of Valier**  
**ALL FUNDS**  
**CASH RECONCILIATION**  
**June 30, 2018**

Description	BANK NAME				Cash in all depositories
	Main Checking	CD's	STIP		
<b>BALANCE PER STATEMENTS</b>	368,837.13	134,266.42	268,031.83		771,135.38
<b>ADD</b>					
Deposits in transit	10,493.04				10,493.04
Service charges					0.00
Other					0.00
					0.00
					0.00
<b>Total to add</b>	10,493.04	0.00	0.00	0.00	10,493.04
<b>SUBTRACT</b>					
Outstanding checks	7,206.15				7,206.15
Other-payroll liabilities	0.10				0.10
					0.00
					0.00
					0.00
<b>Total to subtract</b>	7,206.25	0.00	0.00	0.00	7,206.25
<b>TOTAL CASH IN DEPOSITS</b>	372,123.92	134,266.42	268,031.83	0.00	774,422.17
<b>ADD</b>					
Investments					0.00
					0.00
					0.00
					0.00
					0.00
<b>Total to add</b>	0.00	0.00	0.00	0.00	0.00
<b>TOTAL IN DEPOSITORIES</b>	372,123.92	134,266.42	268,031.83	0.00	774,422.17
<b>ADD</b>					
Cash and cash items on hand					0.00
Cash held in clearing funds	6,169.94				6,169.94
					0.00
					0.00
					0.00
					0.00
<b>Total to add</b>	6,169.94	0.00	0.00	0.00	6,169.94
<b>**TOTAL ACCOUNTED FOR</b>	378,293.86	134,266.42	268,031.83	0.00	780,592.11

GENERAL  
INFORMATION  
SECTION

**Town of Valier  
June 30, 2018**

GENERAL INFORMATION	
1. Class of city	3rd Class Town
2. Date of incorporation	1909
3. County seat	Pondera County Conrad
4. Form of government	Mayor-Council
5. Population (most recent estimate)	506
6. Land area	2 sq miles
7. Miles of roads/streets/alleys	18.789
8. Taxable valuation	\$ 687,112
9. Road taxable valuation (county)	
10. Number of water consumers	320
11. Average daily water consumption	
12. Miles of water main	8.94
13. Miles of sanitary and storm sewers	6.7
14. Number of building permits issued	
15. Number of full-time employees	

**B. PROPERTY TAX MILL LEVIES -  
County/City/Town funds only (For fiscal year being reported)**

FUND NUMBER	FUND NAME	MILLS
1000	General	114.62
<b><u>TOTAL MILLS</u></b>		114.62