

MONTANA DEPARTMENT OF ADMINISTRATION  
Local Government Services Bureau

Mitchell Bldg., Room 270, P.O. Box 200547, Helena, Montana 59620-0547

ENTITY # \_\_\_\_\_ (if known)

**MONTANA**  
**Town of Valier**  
**PO Box 512**

Valier

MONTANA

59486

**ANNUAL FINANCIAL  
REPORT**



**Fiscal Year Ended  
June 30, 2016**

**Town of Valier**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**June 30, 2016**

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# **INTRODUCTORY SECTION**

**Town of Valier**  
**LETTER OF TRANSMITTAL**  
**June 30, 2016**

**Town of Valier  
ELECTED OFFICIALS/OFFICERS**

OFFICE	NAME OF COUNTY OFFICIALS/OFFICERS	DATE TERM EXPIRES
Commissioner (Chairperson)		
Commissioner		
Commissioner		
Assessor		
Attorney		
Auditor		
Treasurer		
Clerk and recorder		
Clerk of district court		
Coroner		
Justice of the peace		
Justice of the peace		
Public administrator		
School superintendent		
Sheriff		
Budget Director		
Election Administrator		

OFFICE	NAME OF CITY/TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Raymon D. Bukoveckas	12/31/2017
Councilperson/Commissioner	Velda Loch	12/31/2017
Councilperson/Commissioner	Steve Nelson	12/31/2017
Councilperson/Commissioner	John Conrad Knipschild	12/31/2019
Councilperson/Commissioner	Dave Widhalm	12/31/2019
Councilperson/Commissioner		
Councilperson/Commissioner		
Councilperson/Commissioner		
Councilperson/Commissioner		
City manager		
Attorney	Justin B. Lee	
Chief of police		
Clerk		
Clerk/Treasurer	Jacalyn G. Sheble	
Deputy Clerk/Treasurer	Diedre Woolf	
City Judge	Amber Schoenrock	
City Services Supervisor		
Utility billing/collection clerk		

In accordance with State law, I hereby transmit the  
Town of Valier  
Annual Financial Report for the fiscal year ended  
June 30, 2016

Respectfully submitted;

\_\_\_\_\_  
County Clerk and Recorder

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
City/Town Clerk-Treasurer

6-19-17  
\_\_\_\_\_  
Date

# **FINANCIAL SECTION**

**MANAGEMENT'S  
DISCUSSION  
AND  
ANALYSIS**

MD and A

Not Available



# **BASIC FINANCIAL STATEMENTS**

**Town of Valier  
Statement of Net Position  
June 30, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 209,000.16	\$ 298,919.87	\$ 507,920.03
Taxes and assessments receivable, net	7,666.91	1,371.64	9,038.55
Accounts receivable - net	-	35,036.34	35,036.34
Total current assets	<u>\$ 216,667.07</u>	<u>\$ 335,327.85</u>	<u>\$ 551,994.92</u>
Noncurrent assets:			
Restricted cash and investments	\$ -	\$ 133,730.43	\$ 133,730.43
Capital assets - land	112,100.00	-	112,100.00
Capital assets - net of depreciation	233,490.27	5,812,400.90	6,045,891.17
Total noncurrent assets	<u>\$ 345,590.27</u>	<u>\$ 5,946,131.33</u>	<u>\$ 6,291,721.60</u>
Total Assets	<u>\$ 562,257.34</u>	<u>\$ 6,281,459.18</u>	<u>\$ 6,843,716.52</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	10,395.63	12,614.57	23,010.20
Total deferred outflows of resources	<u>\$ 10,395.63</u>	<u>\$ 12,614.57</u>	<u>\$ 23,010.20</u>
<b>LIABILITIES</b>			
Current liabilities:			
Current portion of long-term capital liabilities	7,515.39	69,028.00	76,543.39
Current portion of compensated absences payable	1,791.70	3,882.10	5,673.80
Total current liabilities	<u>\$ 9,307.09</u>	<u>\$ 72,910.10</u>	<u>\$ 82,217.19</u>
Noncurrent liabilities:			
Noncurrent portion of long-term capital liabilities	0.00	1,912,429.03	1,912,429.03
Noncurrent portion of compensated absences	1,791.70	3,882.11	5,673.81
Noncurrent portion of net pension liability	84,067.55	99,740.88	183,808.43
Total noncurrent liabilities	<u>\$ 85,859.25</u>	<u>\$ 2,016,052.02</u>	<u>\$ 2,101,911.27</u>
Total Liabilities	<u>\$ 95,166.34</u>	<u>\$ 2,088,962.12</u>	<u>\$ 2,184,128.46</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	8,473.70	8,960.02	17,433.72
Total deferred inflows of resources	<u>\$ 8,473.70</u>	<u>\$ 8,960.02</u>	<u>\$ 17,433.72</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 338,074.88	\$ 3,830,943.87	\$ 4,169,018.75
Restricted for:			
Debt service	-	133,730.43	133,730.43
Public safety	20,080.77		20,080.77
Public works	14,199.00		14,199.00
Social & economic services	4,357.97		4,357.97
Culture & recreation	112,795.61		112,795.61
Unrestricted	(20,495.30)	231,477.31	210,982.01
Total net position	<u>\$ 469,012.93</u>	<u>\$ 4,196,151.61</u>	<u>\$ 4,665,164.54</u>

See accompanying notes to the financial statements

**Town of Valier  
Statement of Activities  
For the Fiscal Year Ended  
June 30, 2016**

**Net (Expenses) Revenues and  
Changes in Net Position**

	Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 48,797.17	\$ -	\$ 315.90	\$ -	\$ (48,481.27)	\$	\$ (48,481.27)
Public safety	62,189.79	-	-	-	(62,189.79)		(62,189.79)
Public works	74,708.84	21,274.48	28,180.04	-	(25,254.32)		(25,254.32)
Culture and recreation	101,741.11	30,155.00	33,890.90	-	(37,695.21)		(37,695.21)
Total Governmental Activities	\$ 287,436.91	\$ 51,429.48	\$ 62,386.84	\$ -	\$ (173,620.59)	\$	\$ (173,620.59)
Business-type activities:							
Water	\$ 239,962.22	\$ 185,117.71	\$ 1,289.48	\$ 135,661.83	\$	\$ 82,106.80	\$ 82,106.80
Sewer	239,219.28	224,688.32	1,254.79	113,086.38		99,810.21	99,810.21
Total business-type activities	\$ 479,181.50	\$ 409,806.03	\$ 2,544.27	\$ 248,748.21	\$	\$ 181,917.01	\$ 181,917.01
<b>Total primary government</b>	\$ 766,618.41	\$ 461,235.51	\$ 64,931.11	\$ 248,748.21	\$ (173,620.59)	\$	\$ 8,296.42

**General Revenues:**

Property taxes for general purposes	150,827.41	-	150,827.41
Local option tax	11,634.54	-	11,634.54
Permits & Licenses	4,112.00	-	4,112.00
Unrestricted Federal/State shared revenues	49,169.48	-	49,169.48
Unrestricted investment earnings	30.09	267.92	298.01
Miscellaneous	2,410.20	4,014.20	6,424.40
Total general revenues, special items and transfers	\$ 218,183.72	\$ 4,282.12	\$ 222,465.84
Change in net position	\$ 44,563.13	\$ 186,199.13	\$ 230,762.26
Net position - beginning	426,126.50	4,744,764.55	5,170,891.05
Restatements	(1,676.70)	(734,812.07)	(736,488.77)
Net position - beginning - restated	\$ 424,449.80	\$ 4,009,952.48	\$ 4,434,402.28
Net position - ending	\$ 469,012.93	\$ 4,196,151.61	\$ 4,665,164.54

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See accompanying notes to the financial statements

Town of Valier  
Balance Sheet  
Governmental Funds  
June 30, 2016

2220

	General Fund	Library	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 57,566.81	\$ 112,795.61	\$ 38,637.74	\$ 209,000.16
Taxes and assessments receivable, net	4,411.48	-	3,255.43	7,666.91
Total Current Assets	\$ 61,978.29	\$ 112,795.61	\$ 41,893.17	\$ 216,667.07
Total Assets	\$ 61,978.29	\$ 112,795.61	\$ 41,893.17	\$ 216,667.07
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax/special assessment revenue	-	-	-	-
Total Deferred Inflows of Resources	\$ 4,411.48	-	\$ 3,255.43	\$ 7,666.91
	\$ 4,411.48	-	\$ 3,255.43	\$ 7,666.91
<b>Fund Balances</b>				
Restricted for:				
Public safety	-	-	-	-
Public works	-	-	20,080.77	20,080.77
Social & economic services	-	-	14,199.00	14,199.00
Culture & recreation	-	112,795.61	4,357.97	112,795.61
Unassigned	57,566.81	-	-	57,566.81
Total Fund Balance	\$ 57,566.81	\$ 112,795.61	\$ 38,637.74	\$ 209,000.16
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 61,978.29	\$ 112,795.61	\$ 41,893.17	\$ 216,667.07

See accompanying notes to the financial statements

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Town of Valier

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Fiscal Year Ended  
June 30, 2016

2220

	General Fund	Library	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes and assessments	\$ 84,433.04	\$ 77,415.00	\$ 20,599.48	\$ 182,447.52
Licenses and permits	4,112.00	-	-	4,112.00
Intergovernmental	49,919.48	834.16	26,805.72	77,559.36
Charges for services	30,830.00	625.77	-	31,455.77
Miscellaneous	2,410.20	29,863.98	1,500.00	33,774.18
Investment earnings	-	-	30.09	30.09
Total revenues	\$ 171,704.72	\$ 108,738.91	\$ 48,935.29	\$ 329,378.92
<b>EXPENDITURES</b>				
General government	\$ 47,444.35	\$ -	\$ 1,254.60	\$ 48,698.95
Public safety	60,669.91	-	-	60,669.91
Public works	28,928.66	-	39,126.48	68,055.14
Culture and recreation	27,242.64	67,898.01	-	95,140.65
Debt service - principal	814.61	-	6,700.00	7,514.61
Total expenditures	\$ 165,100.17	\$ 67,898.01	\$ 47,081.08	\$ 280,079.26
Excess (deficiency) of revenues over expenditures	\$ 6,604.55	\$ 40,840.90	\$ 1,854.21	\$ 49,299.66
Net change in fund balance	\$ 6,604.55	\$ 40,840.90	\$ 1,854.21	\$ 49,299.66
Fund balances - beginning	\$ 56,109.86	\$ 71,954.71	\$ 31,635.93	\$ 159,700.50
Restatements	(5,147.60)	-	5,147.60	-
Fund balances - beginning restated	\$ 50,962.26	\$ 71,954.71	\$ 36,783.53	\$ 159,700.50
Fund balances - ending	\$ 57,566.81	\$ 112,795.61	\$ 38,637.74	\$ 209,000.16

See accompanying notes to the financial statements

**Town of Valier**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**  
**June 30, 2016**

<b>Total fund balances - governmental funds</b>	\$	209,000.16
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		345,590.27
Taxes/assessments receivables are not available for current-period expenditures and, therefore, are deferred inflows of resources in the funds		7,666.91
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(11,098.79)
Deferred outflows and inflows of resources related to pension transactions are not reported in the funds.		1,921.93
Net pension liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(84,067.55)
<b>Total net position - governmental activities</b>	\$	469,012.93

See accompanying notes to the financial statements

**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, 2016**

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>49,299.66</b>
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
- Depreciation expense		(13,416.73)
Tax and assessment revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
- Tax and assessment receivables (change in deferred revenues)		613.91
The change in compensated absences is shown as an expense on the Statement of Activities, but are not reported as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance:		
-Change in compensated absence liability		155.30
Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
- Long-term debt principal payments		7,514.61
The change in the proportionate share of collective net pension liability related to the proportionate share of collective pension expense is reported on the Statement of Activities but is not reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		
		(1,610.83)
On behalf State contributions to pensions not reported as revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balance are reported as revenues on the Statement of Activities.		
		2,007.21
<b>Change in net position - Statement of Activities</b>	<b>\$</b>	<b><u><u>44,563.13</u></u></b>

See accompanying notes to the financial statements

**Town of Valier  
Statement of Net Position  
Proprietary Funds  
June 30, 2016**

**Business-Type Activities  
Enterprise Funds**

	<u>5210</u>	<u>5310</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 83,763.95	\$ 215,155.92	\$ 298,919.87
Taxes and assessments receivable, net	(23.98)	1,395.62	1,371.64
Accounts receivable - net	15,873.63	19,162.71	35,036.34
Total Current Assets	<u>\$ 99,613.60</u>	<u>\$ 235,714.25</u>	<u>\$ 335,327.85</u>
Noncurrent Assets			
Restricted cash and investments	\$ 77,177.67	\$ 56,552.76	\$ 133,730.43
Capital assets - net of depreciation	2,749,133.08	3,063,267.82	5,812,400.90
Total Noncurrent Assets	<u>\$ 2,826,310.75</u>	<u>\$ 3,119,820.58</u>	<u>\$ 5,946,131.33</u>
Total Assets	<u>\$ 2,925,924.35</u>	<u>\$ 3,355,534.83</u>	<u>\$ 6,281,459.18</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	6,343.09	6,271.48	12,614.57
Total Deferred Outflows of Resources	<u>\$ 6,343.09</u>	<u>\$ 6,271.48</u>	<u>\$ 12,614.57</u>
<b>LIABILITIES</b>			
Current Liabilities			
Current portion of long-term capital liabilities	13,036.00	55,992.00	69,028.00
Current portion of compensated absences payable	2,296.79	1,585.31	3,882.10
Total Current Liabilities	<u>\$ 15,332.79</u>	<u>\$ 57,577.31</u>	<u>\$ 72,910.10</u>
Noncurrent Liabilities			
Noncurrent portion of long-term capital liabilities	825,412.95	1,087,016.08	1,912,429.03
Noncurrent portion of compensated absences	2,296.79	1,585.32	3,882.11
Noncurrent portion of net pension liability	49,941.91	49,798.97	99,740.88
Total Noncurrent Liabilities	<u>\$ 877,651.65</u>	<u>\$ 1,138,400.37</u>	<u>\$ 2,016,052.02</u>
Total Liabilities	<u>\$ 892,984.44</u>	<u>\$ 1,195,977.68</u>	<u>\$ 2,088,962.12</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	4,382.21	4,577.81	8,960.02
Total Deferred Inflows of Resources	<u>\$ 4,382.21</u>	<u>\$ 4,577.81</u>	<u>\$ 8,960.02</u>
<b>NET POSITION</b>			
Government Wide Format:			
Net investment in capital assets	\$ 1,910,684.13	\$ 1,920,259.74	\$ 3,830,943.87
Restricted for debt service	77,177.67	56,552.76	133,730.43
Unrestricted	47,038.99	184,438.32	231,477.31
Total Net Position	<u>\$ 2,034,900.79</u>	<u>\$ 2,161,250.82</u>	<u>\$ 4,196,151.61</u>

See accompanying notes to the financial statements



**Town of Valier**

**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ended  
June 30, 2016**

**Business-Type Activities  
Enterprise Funds**

	<b>5210</b>	<b>5310</b>	
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 185,117.71	\$ 224,688.32	\$ 409,806.03
Miscellaneous revenues	7.10	4,007.10	4,014.20
<b>Total Operating Revenues</b>	<b>\$ 185,124.81</b>	<b>\$ 228,695.42</b>	<b>\$ 413,820.23</b>
<b>OPERATING EXPENSES</b>			
Personal services	\$ 54,340.84	\$ 51,880.26	\$ 106,221.10
Supplies	31,555.66	15,342.14	46,897.80
Purchased services	58,823.58	24,838.68	83,662.26
Fixed charges	2,011.09	2,011.09	4,022.18
Depreciation	64,698.67	115,370.34	180,069.01
<b>Total Operating Expenses</b>	<b>\$ 211,429.84</b>	<b>\$ 209,442.51</b>	<b>\$ 420,872.35</b>
Operating Income (Loss)	<b>\$ (26,305.03)</b>	<b>\$ 19,252.91</b>	<b>\$ (7,052.12)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	1,289.48	1,254.79	2,544.27
Interest revenue	154.62	113.30	267.92
Debt service interest expense	(28,532.38)	(29,776.77)	(58,309.15)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (27,088.28)</b>	<b>\$ (28,408.68)</b>	<b>\$ (55,496.96)</b>
Income (loss) before contributions, transfers, special & extraordinary items	<b>\$ (53,393.31)</b>	<b>\$ (9,155.77)</b>	<b>\$ (62,549.08)</b>
Capital contributions	\$ 135,661.83	113,086.38	248,748.21
Change in net position	<b>\$ 82,268.52</b>	<b>\$ 103,930.61</b>	<b>\$ 186,199.13</b>
Net Position - Beginning of the year	1,952,632.27	2,792,132.28	4,744,764.55
Restatements	-	(734,812.07)	(734,812.07)
Net Position - Beginning of the year - Restated	<b>\$ 1,952,632.27</b>	<b>\$ 2,057,320.21</b>	<b>\$ 4,009,952.48</b>
Net Position - End of the year	<b>\$ 2,034,900.79</b>	<b>\$ 2,161,250.82</b>	<b>\$ 4,196,151.61</b>

See accompanying notes to the financial statements

**Town of Valier**  
**STATEMENT OF CASH FLOWS**  
**MAJOR PROPRIETARY FUNDS**  
**FISCAL YEAR ENDED**

**June 30, 2016**

Description	Business-type Activities		Total Major Business-Type
	5210 Water	5310 Sewer	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	183,856.59	228,561.33	412,417.92
Cash paid to suppliers	(92,390.33)	(42,191.92)	(134,582.25)
Cash paid to employees	(53,295.05)	(51,433.56)	(104,728.61)
Net cash provided (used) by operating activities	<b>38,171.21</b>	<b>134,935.85</b>	<b>173,107.06</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from debt	-	925,992.93	925,992.93
Purchases/acquisition/construction of capital assets	(172,231.57)	(546,239.57)	(718,471.14)
Principal on debt	(12,603.62)	(827,991.92)	(840,595.54)
Interest paid on debt	(28,532.38)	(29,776.77)	(58,309.15)
Proceeds from intergovernmental capital grants	135,661.83	450,925.02	586,586.85
Net cash provided (used) by capital and related financing activities	(77,705.74)	(27,090.31)	(104,796.05)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	154.62	113.30	267.92
Net cash provided (used) by investing activities	154.62	113.30	267.92
Net increase (decrease) in cash and cash equivalents	(39,379.91)	107,958.84	68,578.93
<b>Cash and cash equivalents as of:</b>			
June 30, 2015	200,321.53	163,749.84	364,071.37
June 30, 2016	160,941.62	271,708.68	432,650.30
Operating income (loss)	(26,305.03)	19,252.91	(7,052.12)
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities</b>			
Depreciation expense	64,698.67	115,370.34	180,069.01
(Increase) Decrease in accounts receivable	(127.09)	2,101.32	1,974.23
(Increase) Decrease in intergovernmental receivables	-	(0.00)	(0.00)
Increase (decrease) in warrants/accounts payable	-	(0.00)	(0.00)
Increase (decrease) in compensated absences pay.	10.95	(560.30)	(549.35)
(Increase) decrease in assessments receivable	(1,141.13)	(2,235.42)	(3,376.55)
Increase (decrease) in net pension liability	9,016.77	8,774.21	17,790.98
(Increase) Decrease in deferred outflows-pension	(1,677.64)	(1,632.51)	(3,310.15)
Increase (decrease) in deferred inflows-pension	(6,304.29)	(6,134.70)	(12,438.99)
Total adjustments	64,476.24	115,682.94	180,159.18
Net cash provided (used) by operating activities	<b>38,171.21</b>	<b>134,935.85</b>	<b>173,107.06</b>

**Town of Valier**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and short-term investments	\$ 17,263.81
Total Assets	\$ <u>17,263.81</u>
<b>LIABILITIES</b>	
Warrants payable	\$ 17,263.81
Total Liabilities	\$ <u>17,263.81</u>
<b>Net Position</b>	
Held in trust for pension benefits and other purposes	\$ <u><u>-</u></u>

See accompanying notes to the financial statements

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Valier 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, 2016 are described below.

The government adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The Statement defines fair value, and provides guidance for determining a fair value measurement for financial reporting purposes. The statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The Town of Valier 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 duly elected by the registered voters of the Town. The Town utilizes the Mayor/Council form of government. The accompanying financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government, but is financially accountable to or fiscally dependent upon the primary government or their omission from the financial statements would be misleading or incomplete.

Blended Component Unit: None

Discretely Presented Component Unit: The Public Library Foundation has been identified as a Component Unit of the Town of Valier. The Financial Statement of the Foundation was not available for presentation on the financial statement of the Town's FY 2016 Annual Financial Statement

**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 government is financially accountable. Internal service fund activity, if applicable, is eliminated to avoid "doubling up" revenues and expenses.

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 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.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

**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 government 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 - This is a special revenue fund that accounts for the activities of the Town Library

Gas Tax Fund: This is a special revenue fund that accounts for the restricted activities related to streets and street equipment repair and/or maintenance

The government 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. The fund is maintained on the full accrual basis of accounting.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

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

Additionally, the government reports the following fund types:

Internal Service Funds - These funds account for services provided by the government to its various departments or agencies or to other governments, on a cost recovery basis.

Private Purpose Trust Funds - These funds are used to account for resources legally held in trust for use by another government, individual, or organization as identified by the donor. The use of these funds may be restricted to only the interest earned on the investment of the principal or the entire amount may be used in accordance with the terms of the donor.

Pension Trust Funds - These funds are used to account for the activities of a local retirement plan which accumulates resources for pension benefit payments to qualified employees.

Permanent Funds - These funds are used to account for certain funds held in a trust capacity wherein the principle balance of the trust cannot be expended, only the interest earned on the investment of such funds.

Fiduciary Funds

Trust & Agency Funds - Used to account for assets held by the City 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.

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 cash on hand, 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**

Activity between funds that are representative of lending/borrowing arrangements outstanding at fiscal year end are referred to as either "due to/from other funds" or "advances to/from other funds".

The non-current portion of advances between funds are not available for appropriation and are not expendable available financial resources.

Accounts receivables are shown net of allowance for uncollectibles. Property tax receivables are offset by deferred revenue 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.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont.

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

**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 repay current debt, establish a reserve for future debt and the establish a replacement and depreciation reserve for the purpose of replacing the system in the future.

**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 two 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 estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	<u>20-40</u>
Building improvements	<u>20-50</u>
Public domain infrastructure	<u>5 to 15</u>
System infrastructure	<u>40</u>
Machinery & Equipment	<u>20-25</u>

**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 may be disclosed on the face of the financial statements, in the notes to the financial statements, or a combination of both.

**7. Compensated absences**

As required by State law, the County/City/Town allows for employees to accumulate earned but unused vacation and sick leave benefits. Unused vacation leave benefits are 100 percent payable upon termination and 1/4 of unused sick leave benefits are payable upon termination. 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.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

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

**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.

**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 notes K and L for further information.

**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 governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position.

**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 governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.



**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

**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.

Encumbrance accounting is not employed for the governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year.

**B. Excess of expenditures over appropriations**

The Town had no funds where expenditures exceeded appropriations as of June 30, 2016

**C. Deficit fund equity**

The Town had no funds with deficit equity as of June 30, 2016

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

**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	\$	209,000.16
Business-Type Activities	\$	432,650.30
Fiduciary Funds	\$	17,263.81
Total - Primary Government	\$	658,914.27
Discretely Presented Component Unit(s)	\$	-
Total cash, cash equivalents and investments	\$	658,914.27

The composition of cash and investments held by the Town at June 30 is as follows:

	6/30/2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Cash on hand</b> (petty cash)				
<b>Deposits</b>				
Demand deposits	513,184			
Savings accounts				
Certificates of Deposit (non-participating)	145,730			
(other)				
(other)				
Total deposits	\$ 658,914			
<b>Investments</b>				
<b>Investments by fair value level</b>	<b>Fair Value</b>			
STIP				
U.S. Treasury Bills				
Mutual Funds				
Repurchase Agreements				
(other by type)				
(other by type)				
(other by type)				
Total investments by fair value level	\$ -	\$ -	\$ -	\$ -
<b>Investments measured at the net asset value (NAV)</b>	<b>NAV</b>			
(investment by type)				
Total cash, deposits and investments	\$ 658,914			

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

4. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments (cont.)**

**Deposit and Investment Risks**

The Town does engage in risky investments

**Custodial Credit Risk-Deposits**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover pledged (collateral) securities that are in the possession of an outside party.

The Town does not have a formal deposit policy that addresses custodial credit risk.

As of June 30th, \$ 182,707 of the government's bank balance of \$ 513,184 was exposed to custodial credit risk as follows:

\$ \_\_\_\_\_ Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the depositor-government's name.

\$ 128,707 \_\_\_\_\_ Uninsured and collateralized with securities held by the pledging financial institution.

\$ \_\_\_\_\_ Uninsured and Uncollateralized

State law requires that the Town obtain securities for the uninsured portion of deposits as follows: (1) securities equal to 50% of such deposits if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more, OR (2) securities equal to 100% if the ratio of net worth to total assets is less than 6%. State law does not specify in whose custody or in whose name the collateral is to be held. The amount of collateral held for the Town deposits as of June 30, 2016 equaled the amount required by State law.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments (cont.)

Concentration of Credit Risk - Investments

The Town does not have a formal investment policy that addresses concentration of credit risk.

B. Amounts due to/advanced from and due from/advanced to other funds

The Town does not have Due from/advance to other funds.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

4. DETAILED NOTES ON ALL FUNDS - cont.

C. **Capital assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Adjustments	Ending Balance
<b>Governmental activities:</b>						
Capital assets not being depreciated						
Land	\$ 112,100					\$ 112,100
Construction in progress						\$ -
Other						\$ -
Other						\$ -
Total capital assets not being depreciated	<u>\$ 112,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,100</u>
Capital assets being depreciated						
Buildings	\$ (148,675)	\$ (6,243)				\$ (154,918)
Improvements other than buildings	\$ (24,450)	\$ (2,250)				\$ (26,700)
Machinery and equipment	\$ (75,992)	\$ (4,924)				\$ (80,916)
Infrastructure						\$ -
Other						\$ -
Other						\$ -
Other						\$ -
Total capital assets being depreciated	<u>\$ (249,117)</u>	<u>\$ (13,417)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,534)</u>
Less accumulated depreciation for:						
Buildings						\$ -
Improvements other than buildings						\$ -
Machinery and equipment						\$ -
Infrastructure						\$ -
Other						\$ -
Other						\$ -
Other						\$ -
Total accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total capital assets being depreciated	<u>\$ (249,117)</u>	<u>\$ (13,417)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,534)</u>
Governmental activities capital assets net	<u>\$ (137,017)</u>	<u>\$ (13,417)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (150,434)</u>
<b>Business-type activities:</b>						
Capital assets not being depreciated						
Land						\$ -
Construction in progress	\$ 1,978,293	\$ 250,703			\$ (2,228,996)	\$ -
Other						\$ -
Other						\$ -
Total capital assets not being depreciated	<u>\$ 1,978,293</u>	<u>\$ 250,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,228,996)</u>	<u>\$ -</u>
Capital assets being depreciated						
Buildings	\$ 140,000		\$ (5,000)		\$ 219,286	\$ 354,286
Improvements other than buildings						\$ -
Machinery and equipment	\$ 114,958					\$ 114,958
Source of supply	\$ 988,867					\$ 988,867
Pumping plant	\$ 57,000					\$ 57,000
Treatment plant	\$ 1,204,394				\$ 1,507,282	\$ 2,711,676
Transmission and distribution	\$ 2,659,204				\$ 502,427	\$ 3,161,631
General plant						\$ -
Other						\$ -
Other						\$ -
Other						\$ -
Total capital assets being depreciated	<u>\$ 5,164,423</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ 2,228,996</u>	<u>\$ 7,388,419</u>
Less accumulated depreciation for:						
Buildings	\$ (50,002)	\$ (7,982)	\$ 5,000			\$ (52,984)
Improvements other than buildings						\$ -
Machinery and equipment	\$ (74,604)	\$ (4,418)				\$ (79,023)
Source of supply	\$ (79,109)	\$ (19,777)				\$ (98,887)
Pumping plant	\$ (14,250)	\$ (1,425)				\$ (15,675)
Treatment plant	\$ (911,615)	\$ (83,234)				\$ (994,849)
Transmission and distribution	\$ (271,369)	\$ (63,233)				\$ (334,601)
General plant						\$ -
Other						\$ -
Other						\$ -
Other						\$ -
Prior year accumulated depreciation						\$ -
Total accumulated depreciation	<u>\$ (1,400,949)</u>	<u>\$ (180,069)</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,576,018)</u>
Total capital assets being depreciated	<u>\$ 3,763,474</u>	<u>\$ (180,069)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,228,996</u>	<u>\$ 5,812,401</u>
Business-Type activities capital assets net	<u>\$ 5,741,767</u>	<u>\$ 70,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,812,401</u>

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

**C. Capital assets - cont.**

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

Governmental activities:

General government	\$	1,520
Public safety	\$	6,153
Public works		
Public health		
Social and economic services		
Culture and recreation	\$	5,744
Housing and community development		
Conservation of natural resources		
Uncategorized		
Total depreciation expense - governmental activities	<u>\$</u>	<u>13,417</u>

Business-type activities:

Water utilities	\$	64,699
Sewer utilities	\$	115,370
Solid Waste services		
Ambulance services		

Total depreciation expense - business-type activities	<u>\$</u>	<u>180,069</u>
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**D. Operating leases**

The Town had operating leases as of June 30, 2016

**E. Long-term debt**

The Town has assumed the following long-term debt:

1. **General Obligation Bonds** The Town has no General Obligation Bonds payable as of June 30, 2016

J

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

E. **Long-term debt - cont.**

**2. Revenue Bonds** Revenue Bonds payable at June 30, 2016 are comprised of the following issues:

Purpose	Issue Date	Interest Rate	Term of years	Final maturity	Bonds issued	Outstanding June 30, 2016	Annual serial payment
SRF #1 1998 Sewer Bond	5/7/13	2.000%	5 yrs	7/1/18	\$ 71,000	28,000.00	varies
SRF #2 1999 Sewer Bond	5/7/13	2.000%	6 yrs	7/1/19	\$ 6,500	3,000.00	varies
SRF #3 2006 Sewer Bond	5/7/13	2.250%	13 yrs	7/1/26	\$ 449,000	346,000.00	varies
RD 2011 Water Bond	2/28/11	3.375%	40 yrs	1/28/51	\$ 902,000	838,448.95	varies
RD 2015 Sewer Bond	8/19/2015	2.750%	40 yrs	8/19/2055	\$ 775,000	783,676.16	varies
<b>Total Revenue Bonds</b>					<b>\$ 2,203,500</b>	<b>1,999,125.11</b>	<b>-</b>

3. **Special Assessment Bonds** The Town had no Special Assessment Bonds payable as of June 30, 2016

4. **Contracts, Notes, or Loans** The Town had no Contracts, Notes, or Loans as of June 30, 2016

F. **Property leased to others**

The Town has no property which is leased to other governments, organizations or individuals for specific purposes as of June 30, 2016

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

**OTHER POST EMPLOYMENT BENEFITS (OPEB) NOTE DISCLOSURE**



**EMPLOYER: Town of Valier**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM - DEFINED BENEFIT**  
**GASB 68 NOTES TO THE FINANCIAL STATEMENTS**  
**FOR FISCAL YEAR ENDED**  
**JUNE 30, 2015 (MEASUREMENT DATE)**  
**June 30, 2016 (REPORTING DATE)**

**Pension Amount Totals - 74**

GASB Statement 68, Paragraph 74 requires that when employees are provided benefits through more than one pension system, whether provided through cost-sharing, single-employer or agent pension plans, the employer must combine the amounts reported as a total or aggregate for all pensions.

**Net Pension Liability - 80a, 80b, 80c, 80d, 80e, 80f**

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 their participation in the Public Employees' Retirement System (PERS). Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective Net Pension Liability (NPL), Pension Expense, and Deferred Inflows and Deferred Outflows of resources associated with pensions.

PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government or school district's collective NPL that is associated with the non-State employer.

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Tax Severance fund. All employers are required to report the portion of Coal Tax Severance income and earnings attributable to the employer.

The Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to the measurement date of June 30, 2015. For most employers, their June 30, 2016 reporting will use the 2016 reporting values presented in these notes.

<b>As of reporting date:</b>	<b>Net Pension Liability as of 6/30/2016</b>	<b>Net Pension Liability as of 6/30/2015</b>	<b>Percent of Collective NPL as of 6/30/2016</b>	<b>Percent of Collective NPL as of 6/30/2015</b>	<b>Change in Percent of Collective NPL</b>
Employer Proportionate Share	\$ 183,807.95	\$ 151,981.43	0.013149%	0.012197%	0.000952%
State of Montana Proportionate Share associated with the Employer	\$ 2,257.71	\$ 1,855.83	0.000162%	0.000149%	0.000013%
<b>Total</b>	<b>\$ 186,065.66</b>	<b>\$ 153,837.26</b>	<b>0.013311%</b>	<b>0.012346%</b>	<b>0.000965%</b>

The Table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all PERS' participating employers.

As of the employer's reporting date the employer recorded a liability of \$ 183,807.95  
and the employer's proportionate share was 0.013149%

**Changes in actuarial assumptions and methods:** There were no changes in assumptions or other inputs that affected the measurement of the TPL.

**Changes in benefit terms:** There have been no changes in benefit terms since the previous measurement date.

**Changes in proportionate share:** Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL. (Employers must disclose the details of significant changes or state no changes.)

**Pension Expense – 80g, 80j**

As of reporting date	Pension Expense as of 6/30/2016	Pension Expense as of 6/30/2015
Employer's Proportionate Share of PERS	\$ 15,444.04	\$ 11,440.35
State of Montana Proportionate Share associated with the Employer	\$ 140.29	\$ 139.70
<b>Total</b>	<b>\$ 15,584.33</b>	<b>\$ 11,580.05</b>

At June 30, 2016, the employer recognized its proportionate share of the PERS' Pension Expense of \$ 15,584.33

The employer also recognized grant revenue of \$ 140.29 for the support provided by the State of Montana for the proportionate share of the Pension Expense that is associated with the employer, and grant revenue of \$ 4,411.19 from the Coal Tax Fund.

(Two years of pension expense are documented in the above table but are not necessary for the employer's disclosures.)

**Recognition of Deferred Inflows and Outflows - 57, 80h, 80i**

At June 30, 2016, the employer reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. Expected Experience	\$ -	\$ 1,112.05
Changes in Assumptions	\$ -	\$ -
Actual vs Expected Investment Earnings	\$ -	\$ 15,561.30
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	\$ 11,191.53	\$ 760.21
Employer Contributions subsequent to the measurement date - # FY2016 Contributions	\$ 11,926.65	
<b>Total</b>	<b>\$ 23,118.18</b>	<b>\$ 17,433.56</b>

# Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the NPL beginning in the year ended June 30, 2017.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Reporting Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to Pension Expense	
2017	\$	(3,475.44)
2018	\$	(3,475.44)
2019	\$	(3,338.33)
2020	\$	4,047.20
2021	\$	-
Thereafter	\$	-

**Plan Description – 76a**

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 may 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 – 76b**

**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**

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.

**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 part of a member's highest average compensation.

### **Monthly benefit formula**

- 1) Members hired prior to July 1, 2011:
  - i) Less than 25 years of membership service  
1.785% of HAC per year of service credit;
  - ii) 25 years of membership service or more  
2% of HAC per year of service credit.
- 2) Members hired on or after July 1, 2011:
  - i) Less than 10 years of membership service  
1.5% of HAC per year of service credit;
  - ii) 10 years or more, but less than 30 years of membership service  
1.785% of HAC per year of service credit;
  - iii) 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 other adjustments to the member's benefit.

3% 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% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- c) 0% whenever the amortization period for PERS is 40 years or more.

### **Overview of Contributions - 76c**

Rates are specified by state law for periodic member and employer contributions 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 to the plan. Member and employer contribution rates are shown in the table below.

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 an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and 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.
- c. The portion of employer contributions allocated to the PCR are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

3. Non Employer Contributions:
  - a. Special Funding
    - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
    - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
  - b. Not Special Funding
    - i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust fund.

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired <7/01/11	Hired >7/01/11	Employer	Employer	State	Employer	State
	2016	7.9%	7.9%	8.370%	8.270%	0.10%	8.00%
2015	7.9%	7.9%	8.270%	8.170%	0.10%	7.90%	0.370%
2014	7.9%	7.9%	8.170%	8.070%	0.10%	7.80%	0.370%
2012-2013	6.9%	7.9%	7.170%	7.070%	0.10%	6.80%	0.370%
2010-2011	6.9%		7.170%	7.070%	0.10%	6.80%	0.370%
2008-2009	6.9%		7.035%	6.935%	0.10%	6.80%	0.235%
2000-2007	6.9%		6.900%	6.800%	0.10%	6.80%	0.100%

#### Stand-Alone Statements - 76d

The PERS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, (406) 444-3154.

CAFR information including our stand alone financial statements can be found on our web site at <http://mpera.mt.gov/annualReports.shtml>

The latest actuarial valuation and experience study can be found on our website at <http://mpera.mt.gov/actuarialvaluations.shtml>

#### Actuarial Assumptions - 77

The TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to June 30, 2015. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the last actuarial experience study, dated June 2010 for the six year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

Investment Return (net of admin expense)	7.75%
Admin Expense as % of Payroll	0.27%
General Wage Growth*	4%
*includes Inflation at	3%
Merit Increases	0% to 6%
Post Retirement Increases	

#### 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 adjustments to the members' benefit.

3% 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% is reduced by 0.1% for each 2% PERS is funded below 90%; and
- c) 0% whenever the amortization period for PERS is 40 years or more.

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA>

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

**Discount Rate - 78a, 78b, 78d**

The discount rate used to measure the Total Pension Liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non- employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. A municipal bond rate was not incorporated in the discount rate.

**Target Allocations - 78c, 78f**

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of 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 by an investment consultant 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 then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Summarized in the table below are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.55%
Foreign Equity	18.00%	6.10%
Fixed Income	24.00%	1.25%
Private Equity	12.00%	8.00%
Real Estate	8.00%	4.25%

**Sensitivity Analysis – 78g**

	1.0% Decrease 6.75%	Current Discount Rate	1.0% Increase 8.75%
<b>Employer's Net Pension Liability</b>	\$283,392.08	\$183,807.95	\$99,711.46

The above table presents the NPL calculated using the discount rate of 7.75% as well as what the NPL would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

## Summary of Significant Accounting Policies - 79

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the NPL; deferred inflows of resources and deferred outflows of resources related to pensions; Pension Expense; information about the fiduciary net position; and, additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, 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 when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

I. **Pending Litigation**

The following is a list of pending litigation against the entity and the amount of damages claimed by the plaintiff. Indicate in the potential of loss column if all or a portion of the damages will be covered by insurance if the entity suffers a loss.

Case	Damages requested	Potential of loss* (Mark with X)		
		1	2	3
NONE				

\*The potential for loss

1 - **Probable** - The future event or events are likely to occur.

2 - **Reasonably possible** - The chance of the future event or events occurring is more than remote but less than likely.

3 - **Remote** - The chance of the future event or events occurring is slight.

J. **Restatements/prior period adjustments**

During the current fiscal year, adjustments relating to prior year's transactions were made to the fund balance and net position accounts. The following is a schedule of these adjustments:

Fund	Amount	Reason for adjustment
general	(5,147.60)	restatement to due from other funds
LG Study Commission	5,147.60	restatement to due to other funds
Sewer fund	(624,007.07)	prior period adjustment of federal grant revenues/capital liabilities
Sewer fund	(110,805.00)	prior period adjustment of federal grant revenues/capital liabilities
Governmental Activities	(1,676.70)	prior period adjustment of prior year personal service expense/compensated absences payable
Total	(736,468.77)	

K. **Significant difference between deferred outflow of resources or deferred inflow of resources and the balance of the related asset or liability**

The following provides an explanation of the effect on net position;

J. **Pension and retirement plans**

The entity participates in the Montana Public Employees Retirement System, the Sheriff's Retirement System, and the Teacher's Retirement System. The contributions to the plans for the fiscal year are as follows:	Employer share of retirement contribution expenses	Employee share of retirement contribution	Total
a. Public Employee's Retirement System (City)	11,745.63	11,220.16	\$ 22,966
<b>Total</b>	11,745.63	11,220.16	\$ 22,966



**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

4. DETAILED NOTES ON ALL FUNDS - cont.

L. **Fund Balance/Net Position**

**1. Fund Balance**

For fiscal year ended June 30, 2016, the Town implemented the provisions of GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions". Statement No. 54, 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 Mayor and Town Council through Resolution 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.

Assignments of fund balance may be created by the following designated individuals, positions or bodies:  
Mayor and Town Council

by means of the following procedure:

After reviewing the budget documents, AFR and Audit Reports, they will assign Fund Balances

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 overpending for specific purposes for which amounts had been restricted, committed, or assigned.

**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**  
**NOTE TO THE FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

**L. Fund Balance/Net Position (cont.)**

**3. 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.

Specific purposes details by fund balance classification are presented on the Balance Sheet-Governmental Funds.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

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

M. **Major Special Revenue Funds:**

The purpose of each major special revenue fund and revenue source(s) is listed below:

<b>Major Special Revenue Fund:</b>	<b>Revenue Source(s):</b>
Library	levied tax, state grants and other miscellaneous revenues
Gas Tax	state shared revenue

N. **Spending policy:**

The Town receives inflows from revenue and other financial sources from numerous sources for use in the General fund. The Fund will expend those resources on multiple purposes of the local government. The intention of this spending policy is to identify the expenditure order of resource categories for the General Fund. Resources will be categorized according to Generally Accepted Accounting Principles (GAAP) for state and local governments. When both restricted and unrestricted resources are available in the General Fund, the following spending policy will apply or the default will apply if a policy has not been adopted:

- 1st: Restricted
- 2nd: Committed
- 3rd: Assigned
- 4th: Unassigned

The Town receives inflows from revenue and other financial sources from numerous sources for use in the Special Revenue, Debt Service and Capital Projects funds. These funds will expend those resources on the specific purpose of the fund.

The intention of this spending policy is to identify the expenditure order of resource categories for these Funds. Resources will be categorized according to Generally Accepted Accounting Principles (GAAP) for state and local governments. When both restricted and unrestricted resources are available in these funds, the following spending policy will apply or the default will apply if a policy has not been adopted:

- 1st: Restricted
- 2nd: Committed
- 3rd: Unassigned

O. **Minimum Fund Balance Policy:**

The Town does not have a minimum fund balance policy in place.

**Town of Valier**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2016**

5. **BOC SUPPLEMENT SCHEDULE**

1. **Intergovernmental expenditures** - The Town does not have intergovernmental expenditures as of June 30, 2016

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	
	190,840.00

3. **Debt outstanding**

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

Purpose	Bonds Outstanding July 1, 2015	Amount -- Omit cents			
		Bonds during the fiscal year		Outstanding as of June 30, 2016	
		Issued	Retired	General Obligation	Revenue bonds
Water utility	19A \$ 851,052	29A	39A \$ 12,604	41A	44A \$ 838,448
Sewer utility	19X 421,000	29X 775,000	39X 52,992	41X	44X 1,143,008

B. **Short-term debt**

**NONE**

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 -- Omit cents
General fund (1000)	W61 \$ 57,567
Special revenue funds (2000)	W61 \$ 151,433
Debt Service funds (3000)	W01 \$ -
Capital projects funds (4000)	W31 \$ -
Enterprise funds (5000)	W61 \$ 432,650
Internal services funds (6000)	\$ -
Trust and agency funds (7000)	\$ 17,264
Permanent funds (8000)	\$ -
<b>Total cash all funds</b>	<b>\$ 658,914</b>

Form BOC-1

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**Town of Valier**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Last Ten Fiscal Years\***

81a1

	2016	2015
Employer's proportion of the Net Pension Liability as a percentage	0.013149%	0.012197%
Employer's proportionate share of the Net Pension Liability as an amount	\$ 183,807.95	\$ 151,981.43
State of Montana's proportionate share of the Net Pension Liability associated with the Employer	\$ 2,257.71	\$ 1,855.83
<b>Total</b>	<b>\$ 186,065.66</b>	<b>\$ 153,837.26</b>

Employer's Pensionable Payroll	\$ 153,452.95	\$ 138,074.83
Employer's proportionate share of the Net Pension Liability as a percentage of its Pensionable Payroll	119.78%	110.07%
Plan fiduciary net position as a percentage of the total Pension Liability	78.40%	79.90%

*\*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**  
**Schedule of Contributions**  
**For the Last Ten Fiscal Years\***

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	2016	2015
Contractually Required Contributions	\$ 11,926.65	\$ 12,645.14
Contributions in Relation to the Contractually Required Contributions	\$ 11,926.65	\$ 12,645.14
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Pensionable Payroll	\$ 142,027.48	\$ 153,452.95
Contributions as a percentage of Pensionable Payroll	8.397%	8.240%

*\*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 the Required Supplementary Information**  
**for the Year ended June 30, 2016**

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**Changes of Benefit Terms**

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

**2013 Legislative Changes:**

**Working Retirees** - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. PERS working retirees may still work up to 960 hours a year, without impacting benefits.

**Highest Average Compensation (HAC) Cap** - House Bill 97, effective July 1, 2013

All PERS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.

All bonuses paid to PERS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

**House Bill 454** - Permanent Injunction Limits Application of the GABA Reduction passed under HB 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS

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% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007 and before July 1, 2013
- Members hired on or after July 1, 2013
  - a. 1.5% each year PERS is funded at or above 90%;
  - b. 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and,
  - c. 0% whenever the amortization period for PERS is 40 years or more.

**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 in 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 in 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:**

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- 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 in 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 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 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

**Changes in Actuarial Assumptions and Methods**

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

The following addition to the actuarial assumptions was adopted in 2014 based upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.27%
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The following changes were adopted in 2013 based on the 2013 Economic Experience study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

The following Actuarial Assumptions are from the June 2010 Experience Study:

General Wage Growth*	4.25%
*Includes inflation at	3.00%
Merit increase	0% to 7.3%
Investment rate of return	8.00 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open



1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	72,475.00	72,475.00	72,798.50	323.50
Local option taxes	11,500.00	11,500.00	11,634.54	134.54
Licenses and permits				
Alcoholic beverage licenses	800.00	800.00	1,000.00	200.00
General business licenses	1,500.00	1,500.00	2,250.00	750.00
Building permits	800.00	800.00	400.00	(400.00)
Animal licenses	200.00	200.00	462.00	262.00
Intergovernmental revenue (See supplemental section for detail)				
State grants	750.00	750.00	750.00	0.00
State shared revenues	49,523.00	49,523.00	48,455.84	(1,067.16)
Local shared revenues	500.00	500.00	713.64	213.64
Charges for services				
Public works	900.00	900.00	675.00	(225.00)
Culture and recreation	32,300.00	32,300.00	30,155.00	(2,145.00)
Fines and forfeitures				
Miscellaneous	500.00	500.00	2,410.20	1,910.20
Internal services	30,342.00	30,342.00	0.00	(30,342.00)
<b>Total revenues</b>	<b>202,090.00</b>	<b>202,090.00</b>	<b>171,704.72</b>	<b>(30,385.28)</b>

**EXPENDITURES**

Current:

General Government:				
Legislative services				
Personal services	3,891.00	3,891.00	3,855.96	35.04
Supplies/services/materials, etc	1,653.00	1,653.00	604.09	1,048.91
Executive services				
Judicial services				
Supplies/services/materials, etc	300.00	300.00	(25.00)	325.00
Administrative services				
Personal services	1,568.00	1,568.00	1,458.90	109.10
Supplies/services/materials, etc	2,200.00	2,200.00	2,045.94	154.06
Financial services				
Personal services	12,436.00	12,436.00	12,260.69	175.31
Supplies/services/materials, etc	25,427.00	25,427.00	26,007.79	(580.79)
Elections				
Supplies/services/materials, etc	1,000.00	1,000.00	549.58	450.42
Purchasing services				
Personnel services				
Records administration				

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1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Legal services				
Supplies/services/materials, etc	6,000.00	6,000.00	686.40	5,313.60
Planning and research services				
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	1,145.00	1,145.00	381.72	763.28
Supplies/services/materials, etc	8,138.00	8,138.00	3,288.19	4,849.81
Protective inspections				
Civil defense				
Emergency services				
Other public safety services				
Public Works:				
Public works administration				
Road and street services				
Personal services	25,739.00	25,739.00	24,467.73	1,271.27
Supplies/services/materials, etc	14,022.00	14,022.00	5,275.54	8,746.46
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				
Nursing homes				
Mental health center				
Animal control services				
Insect and pest controls				
Other public health services				

1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
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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				
Supplies/services/materials, etc	5,295.00	5,295.00	1,996.19	3,298.81
Participant recreation	26,951.00	26,951.00	16,470.65	10,480.35
Spectator recreation				
Other culture and recreation services				
Supplies/services/materials, etc	9,325.00	9,325.00	8,775.80	549.20
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**

Excess of revenues over (under) expenditures	202,090.00	202,090.00	165,100.17	36,989.83
	0.00	0.00	6,604.55	6,604.55

OTHER FINANCING SOURCES (USES)

Net change in fund balance	0.00	0.00	6,604.55	6,604.55
Fund balance - July 1, 2015 -	56,109.86	56,109.86	56,109.86	0.00
-As previously reported	( 5,147.60)	( 5,147.60)	( 5,147.60)	0.00
Prior period adjustments				

35. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL FUND  
For the year ending June 30, 2016

1000 GENERAL

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	50,962.26	50,962.26	50,962.26	0.00
Fund balance - June 30, 2016	50,962.26	50,962.26	57,566.81	6,604.55

2220 LIBRARY

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
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REVENUES				
Taxes				
Property Taxes	77,415.00	77,415.00	77,415.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	834.00	834.00	834.16	0.16
Charges for services	360.00	360.00	625.77	265.77
Culture and recreation				
Fines and forfeitures				
Miscellaneous	51,333.00	51,333.00	29,863.98	(21,469.02)
<b>Total revenues</b>	<b>129,942.00</b>	<b>129,942.00</b>	<b>108,738.91</b>	<b>(21,203.09)</b>

EXPENDITURES

Current:				
General Government				
Public Safety				
Public Works				
Public Health				
Social and Economic Services				
Culture and Recreation				
Personal services	44,562.00	44,562.00	41,498.25	3,063.75
Supplies/services/materials, etc	37,357.00	37,357.00	26,399.76	10,957.24
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures				
Debt Service	48,023.00	48,023.00	0.00	48,023.00
<b>Total expenditures</b>	<b>129,942.00</b>	<b>129,942.00</b>	<b>67,898.01</b>	<b>62,043.99</b>

Excess of revenues over (under) expenditures

OTHER FINANCING SOURCES (USES)

	0.00	0.00	40,840.90	40,840.90
Net change in fund balance	71,954.71	71,954.71	71,954.71	0.00
Fund balance - July 1, 2015 -	71,954.71	71,954.71	71,954.71	0.00
-As previously reported				
Fund balance - July 1, 2015 - As restated				

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TOWN OF VALLER  
 41. STATEMENT OF REVENUE, EXPENDITURE, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - MAJOR SPECIAL REVENUE FUNDS  
 For the year ending June 30, 2016

2220 LIBRARY

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - June 30, 2016	71,954.71	71,954.71	112,795.61	40,840.90

**OTHER  
SUPPLEMENTARY  
INFORMATION**

Town of Valier  
**COMBINING BALANCE SHEET**  
**ALL NON-MAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2016

	2350	2480	2700	2710	2820	
Local Government						<b>TOTAL NON-MAJOR SPECIAL REVENUE FUNDS</b>
Study Commiss						
Street Light						
Baseball Trust						
Playground Equipment Trust						
Gas Tax						

**ASSETS**

Current Assets

Cash and investments	-	\$ 20,080.77	\$ 2,357.97	\$ 2,000.00	\$ 14,199.00	\$ 38,637.74
Taxes and assessments receivable, net	-	3,255.43	-	-	-	3,255.43
<b>Total Current Assets</b>	-	<u>23,336.20</u>	<u>2,357.97</u>	<u>2,000.00</u>	<u>14,199.00</u>	<u>41,893.17</u>
Total Assets	-	23,336.20	2,357.97	2,000.00	14,199.00	41,893.17

**DEFERRED INFLOWS OF RESOURCES**

Deferred property tax/special assessment revenue

Total Deferred Inflows of Resources	-	3,255.43	-	-	-	3,255.43
	-	<u>3,255.43</u>	-	-	-	<u>3,255.43</u>

**FUND BALANCES**

Fund Format:

Restricted for:	-	-	-	-	-	-
Public safety	-	20,080.77	-	-	-	20,080.77
Public works	-	-	-	-	14,199.00	14,199.00
Social & economic services	-	-	2,357.97	2,000.00	-	4,357.97
<b>Total Fund Balance</b>	-	<u>\$ 20,080.77</u>	<u>\$ 2,357.97</u>	<u>\$ 2,000.00</u>	<u>\$ 14,199.00</u>	<u>\$ 38,637.74</u>
Total Liabilities, Deferred Outflow of Resources and Fund Balance	-	<u>\$ 23,336.20</u>	<u>\$ 2,357.97</u>	<u>\$ 2,000.00</u>	<u>\$ 14,199.00</u>	<u>\$ 41,893.17</u>

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2350 LOCAL GOVERNMENT STUDY COMMISSION

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	6,000.00	6,000.00	0.00	( 6,000.00)
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	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Investment and royalty earnings	0.00	0.00	0.00	0.00
Internal services				
<b>Total revenues</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>0.00</b>	<b>( 6,000.00)</b>

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>EXPENDITURES</b>				
Current:				
General Government				
Supplies/services/materials, etc	2,107.00	2,107.00	1,254.60	852.40
Public Safety				
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>2,107.00</b>	<b>2,107.00</b>	<b>1,254.60</b>	<b>852.40</b>
Excess of revenues over (under) expenditures	3,893.00	3,893.00	( 1,254.60)	( 5,147.60)
<b>OTHER FINANCING SOURCES (USES)</b>				

Net change in fund balance	3,893.00	3,893.00	( 1,254.60)	( 5,147.60)
Fund balance - July 1, 2015 -	( 3,893.00)	( 3,893.00)	( 3,893.00)	0.00
-As previously reported	5,147.60	5,147.60	5,147.60	0.00
Prior period adjustments				

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TOWN OF VALLER  
Page: 2 of 10  
49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2016

2350 LOCAL GOVERNMENT STUDY COMMISSION

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	1,254.60	1,254.60	1,254.60	0.00
Fund balance - June 30, 2016	5,147.60	5,147.60	0.00	( 5,147.60)

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06/19/17

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
TOWN OF VALIER  
For the year ending June 30, 2016  
Page: 3 of 10

2480 STREET LIGHT

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	400.00	400.00	191.37	( 208.63)
Special assessments	20,940.00	20,940.00	20,408.11	( 531.89)
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	0.00	0.00	0.00	0.00
Miscellaneous	30.00	30.00	30.09	0.09
Investment and royalty earnings	6,885.00	6,885.00	0.00	( 6,885.00)
Internal services				
<b>Total revenues</b>	<b>28,255.00</b>	<b>28,255.00</b>	<b>20,629.57</b>	<b>( 7,625.43)</b>

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>EXPENDITURES</b>				
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	28,255.00	28,255.00	26,557.85	1,697.15
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>28,255.00</b>	<b>28,255.00</b>	<b>26,557.85</b>	<b>1,697.15</b>
Excess of revenues over (under) expenditures	0.00	0.00	( 5,928.28)	( 5,928.28)
<b>OTHER FINANCING SOURCES (USES)</b>				

Net change in fund balance	0.00	0.00	( 5,928.28)	( 5,928.28)
Fund balance - July 1, 2015 -	26,009.05	26,009.05	26,009.05	0.00
-As previously reported				
Prior period adjustments	0.00	0.00	0.00	0.00

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TOWN OF VALLER  
 49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
 For the year ending June 30, 2016  
 Page: 4 of 10

2480 STREET LIGHT

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	26,009.05	26,009.05	26,009.05	0.00
Fund balance - June 30, 2016	26,009.05	26,009.05	20,080.77	( 5,928.28)

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2700 BASEBALL FIELD TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
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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)	0.00	0.00	0.00	0.00
State shared revenues				
Charges for services				
Fines and forfeitures	0.00	0.00	1,500.00	1,500.00
Miscellaneous	0.00	0.00	0.00	0.00
Investment and royalty earnings	0.00	0.00	0.00	0.00
Internal services				
<b>Total revenues</b>	<b>0.00</b>	<b>0.00</b>	<b>1,500.00</b>	<b>1,500.00</b>

EXPENDITURES

Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Excess of revenues over (under) expenditures

	0.00	0.00	1,500.00	1,500.00
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OTHER FINANCING SOURCES (USES)

Net change in fund balance	0.00	0.00	1,500.00	1,500.00
Fund balance - July 1, 2015 -	857.97	857.97	857.97	0.00
-As previously reported	0.00	0.00	0.00	0.00
Prior period adjustments				

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49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
TOWN OF VALLER  
For the year ending June 30, 2016

2700 BASEBALL FIELD TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	857.97	857.97	857.97	0.00
Fund balance - June 30, 2016	857.97	857.97	2,357.97	1,500.00

2710 PLAYGROUND EQUIPMENT TRUST

REVENUES

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
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)	0.00	0.00	0.00	0.00
State shared revenues				
Charges for services				
Fines and forfeitures				
Miscellaneous	0.00	0.00	0.00	0.00
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>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

EXPENDITURES

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Excess of revenues over (under) expenditures

OTHER FINANCING SOURCES (USES)

Net change in fund balance	0.00	0.00	0.00	0.00
Fund balance - July 1, 2015 -	2,000.00	2,000.00	2,000.00	0.00
-As previously reported	0.00	0.00	0.00	0.00
Prior period adjustments				

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49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
TOWN OF VALLER  
For the year ending June 30, 2016  
Page: 8 of 10

2710 PLAYGROUND EQUIPMENT TRUST

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	2,000.00	2,000.00	2,000.00	0.00
Fund balance - June 30, 2016	2,000.00	2,000.00	2,000.00	0.00

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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	26,805.00	26,805.00	26,805.72	0.72
Charges for services				
Fines and forfeitures	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Investment and royalty earnings				
Internal services	0.00	0.00	0.00	0.00
<b>Total revenues</b>	<b>26,805.00</b>	<b>26,805.00</b>	<b>26,805.72</b>	<b>0.72</b>

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>EXPENDITURES</b>				
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Public Works				
Personal services	67.00	67.00	191.71	( 124.71)
Supplies/services/materials, etc	26,738.00	26,738.00	19,076.92	7,661.08
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>26,805.00</b>	<b>26,805.00</b>	<b>19,268.63</b>	<b>7,536.37</b>
Excess of revenues over (under) expenditures	0.00	0.00	7,537.09	7,537.09
<b>OTHER FINANCING SOURCES (USES)</b>				

Net change in fund balance	0.00	0.00	7,537.09	7,537.09
Fund balance - July 1, 2015 -	6,661.91	6,661.91	6,661.91	0.00
-As previously reported	0.00	0.00	0.00	0.00
Prior period adjustments				

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06/19/17

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, 2016

2820 GAS TAX

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	6,661.91	6,661.91	6,661.91	0.00
Fund balance - June 30, 2016	6,661.91	6,661.91	14,199.00	7,537.09

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**49. COMBINING STATE OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR SPECIAL REVENUE FUNDS**  
 For the year ending June 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	6,400.00	6,400.00	191.37	( 6,208.63)
Special assessments	20,940.00	20,940.00	20,408.11	( 531.89)
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	26,805.00	26,805.00	26,805.72	0.72
Charges for services				
Fines and forfeitures	0.00	0.00	1,500.00	1,500.00
Miscellaneous	30.00	30.00	30.09	0.09
Investment and royalty earnings	6,885.00	6,885.00	0.00	( 6,885.00)
Internal services				
<b>Total revenues</b>	<b>61,060.00</b>	<b>61,060.00</b>	<b>48,935.29</b>	<b>( 12,124.71)</b>
<b>EXPENDITURES</b>				
Current:				
General Government				
Supplies/services/materials, etc	2,107.00	2,107.00	1,254.60	852.40
Public Safety				
Public Works				
Personal services	67.00	67.00	191.71	( 124.71)
Supplies/services/materials, etc	54,993.00	54,993.00	45,634.77	9,358.23
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
<b>Total expenditures</b>	<b>57,167.00</b>	<b>57,167.00</b>	<b>47,081.08</b>	<b>10,085.92</b>
Excess of revenues over (under) expenditures	3,893.00	3,893.00	1,854.21	( 2,038.79)
<b>OTHER FINANCING SOURCES (USES)</b>				
Net change in fund balance	3,893.00	3,893.00	1,854.21	( 2,038.79)
Fund balance - July 1, 2015 -	31,635.93	31,635.93	31,635.93	0.00
-As previously reported	5,147.60	5,147.60	5,147.60	0.00
Prior period adjustments				

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49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR SPECIAL REVENUE FUNDS

TOWN OF VALIER  
For the Year ending June 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
Fund balance - July 1, 2015 - As restated	36,783.53	36,783.53	36,783.53	0.00
Fund balance - June 30, 2016	40,676.53	40,676.53	38,637.74	( 2,038.79)

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12:18:52

TOWN OF VALLIER  
Account Query  
For the Accounting Periods: 7/15 - 6/16

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Report ID: L099

Accounts 331000-335999

Account Object Fund	Opening Balance	Change	Closing Balance
330000 INTERGOVERNMENTAL REVENUES			
331991 RD Grant			
5310 SEWER FUND	0.00	431,896.62	431,896.62
331992 RD Loan	0.00	431,896.62	431,896.62
Account Total:	0.00	863,793.24	863,793.24
5310 SEWER FUND	0.00	150,992.93	150,992.93
334100 County Library Fnd - State Aid	0.00	150,992.93	150,992.93
2220 LIBRARY	0.00	834.16	834.16
Account Total:	0.00	834.16	834.16
334120 TSEP Grant			
5310 SEWER FUND	0.00	9,028.40	9,028.40
334121 DNRC Grant	0.00	9,028.40	9,028.40
Account Total:	0.00	9,028.40	9,028.40
1000 GENERAL			
334122 DNRC/RRGL	0.00	750.00	750.00
Account Total:	0.00	750.00	750.00
5310 SEWER FUND	0.00	10,000.00	10,000.00
334124 HMGP-FEMA Grant	0.00	10,000.00	10,000.00
Account Total:	0.00	10,000.00	10,000.00
5210 WATER FUND			
335040 Gasoline Tax Apportionment	0.00	135,661.83	135,661.83
Account Total:	0.00	135,661.83	135,661.83
2820 GAS TAX			
335050 Fire Disability & Pension Fund	0.00	26,805.72	26,805.72
Account Total:	0.00	26,805.72	26,805.72
7120 FIRE DISABILITY			
Account Total:	0.00	1,017.00	1,017.00

State/Federal Grants  
\$ 139,163.94

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TOWN OF VALLIER  
Account Query  
For the Accounting Periods: 7/15 - 6/16

Page: 2 of 2  
Report ID: I099

Accounts 331000-335999

Account Object Fund	Opening Balance	Change	Closing Balance
335065 Oil/Gas Production HB 758			
1000 GENERAL	0.00	832.28	832.28
Account Total:	0.00	832.28	832.28
335120 Gambling Machine Permits			
1000 GENERAL	0.00	1,100.00	1,100.00
Account Total:	0.00	1,100.00	1,100.00
335121 Live Card Game Permit			
1000 GENERAL	0.00	150.00	150.00
Account Total:	0.00	150.00	150.00
335230 State Entitlement Share			
1000 GENERAL	0.00	46,373.56	46,373.56
Account Total:	0.00	46,373.56	46,373.56
Account Group Total:	0.00	815,442.50	815,442.50
Grand Total:	0.00	815,442.50	815,442.50

State Shared Revenue  
\$ 76, 278.56

06/09/17  
12:32:25

TOWN OF VALLER  
Schedule of Cash Receipts & Disbursements  
For the Year 2015-2016

Page: 1 of 1  
Report ID: L160Z

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
1000 GENERAL						
101010 Cash-Checking	50,109.86	172,584.12	0.00	2.00	165,125.17	57,566.81
Total 1000 GENERAL	50,109.86	172,584.12	0.00	2.00	165,125.17	57,566.81
2220 LIBRARY						
101010 Cash-Checking	71,954.71	109,450.69	0.00	0.00	68,609.79	112,795.61
2350 LOCAL GOVERNMENT STUDY COMMISSION						
101010 Cash-Checking	2,107.00	0.00	0.00	852.40	1,254.60	0.00
2480 STREET LIGHT						
101010 Cash-Checking	14,009.05	30,197.60	0.00	1,831.97	34,293.91	8,080.77
101011 Cash-CD ST LIGHT FUND Maturing 6	12,000.00	0.00	0.00	0.00	0.00	12,000.00
Total Fund	26,009.05	30,197.60	0.00	1,831.97	34,293.91	20,080.77
2700 BASEBALL FIELD TRUST						
101010 Cash-Checking	857.97	1,500.00	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	6,661.91	26,805.72	0.00	0.00	19,268.63	14,199.00
Total 2000	109,590.64	167,954.01	0.00	2,684.37	123,426.93	151,433.35
5210 WATER FUND						
101010 Cash-Checking	123,298.48	329,384.53	4.50	0.00	368,923.56	83,763.95
102010 CD-Water Project Reserve CD Futu	77,023.05	154.62	0.00	0.00	0.00	77,177.67
Total Fund	200,321.53	329,539.15	4.50	0.00	368,923.56	160,941.62
5310 SEWER FUND						
101010 Cash-Checking	107,310.38	868,233.17	9,746.11	47,500.00	722,633.74	215,155.92
102020 CD-Wastewater Project CD Future	56,439.46	113.30	0.00	0.00	0.00	56,552.76
102021 New WW loan reserve	0.00	47,500.00	0.00	47,500.00	0.00	0.00
Total Fund	163,749.84	915,846.47	9,746.11	95,000.00	722,633.74	271,708.68
Total 5000	364,071.37	1,245,385.62	9,750.61	95,000.00	1,091,557.30	432,650.30
7120 FIRE DISABILITY						
101010 Cash-Checking	0.00	1,017.00	0.00	0.00	1,017.00	0.00
7910 PAYROLL CLEARING FUND						
101010 Cash-Checking	-53.68	0.00	190,839.76	191,464.46	0.00	-678.38
7930 CLAIMS CLEARING FUND						
101010 Cash-Checking	10,446.26	0.00	1,180,536.03	1,173,040.10	0.00	17,942.19
Total 7000	10,392.58	1,017.00	1,371,375.79	1,364,504.56	1,017.00	17,263.81
<b>Totals</b>	<b>534,164.45</b>	<b>1,586,940.75</b>	<b>1,381,126.40</b>	<b>1,462,190.93</b>	<b>1,381,126.40</b>	<b>658,914.27</b>

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**Town of Valier  
ALL FUNDS  
CASH RECONCILIATION  
June 30, 2016**

Description	BANK NAME				Cash in all depositories
	Well Fargo Bank	CD'S	Agency Funds Cash Balance		
<b>BALANCE PER STATEMENTS</b>	503,326.33	145,730.43	17,263.81		666,320.57
<b>ADD</b>					
Deposits in transit	10,893.82				10,893.82
Service charges					0.00
Other					0.00
					0.00
					0.00
<b>Total to add</b>	10,893.82	0.00	0.00	0.00	10,893.82
<b>SUBTRACT</b>					
Outstanding checks	18,300.03				18,300.03
Other	0.09				0.09
					0.00
					0.00
					0.00
<b>Total to subtract</b>	18,300.12	0.00	0.00	0.00	18,300.12
<b>TOTAL CASH IN DEPOSITS</b>	495,920.03	145,730.43	17,263.81	0.00	658,914.27
<b>ADD</b>					
Investments					0.00
					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>	495,920.03	145,730.43	17,263.81	0.00	658,914.27
<b>ADD</b>					
Cash and cash items on hand					0.00
					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 ACCOUNTED FOR</b>	495,920.03	145,730.43	17,263.81	0.00	658,914.27
*Must agree with total of prior page					



**GENERAL  
INFORMATION  
SECTION**

