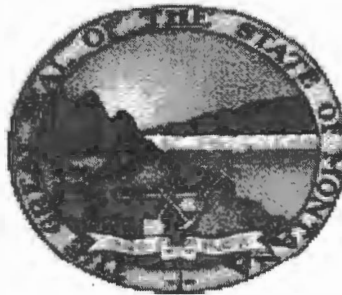


MONTANA DEPARTMENT OF ADMINISTRATION  
State Financial Services Division  
Local Government Services  
Mitchell Building, Room 270, PO Box 200547, Helena, Montana 59620-0547

ENTITY # 022702

**MONTANA**  
**CITY OF LIBBY**  
**PO BOX 1428**  
**LIBBY MT 59923**

**ANNUAL FINANCIAL  
REPORT**



**FISCAL YEAR ENDING JUNE 30, 2019**

FOR DEPARTMENT OF ADMINISTRATION USE ONLY

Entered into Database		Date:
Reviewed by System's Staff		

**City of Libby**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**FISCAL YEAR ENDING JUNE 30, 2019**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	
List of Elected and Appointed Officials - Signature Page.....	

**FINANCIAL SECTION**

Management's Discussion and Analysis .....	
--	--

**Basic Financial Statements:**

**Government-wide Financial Statements:**

Statement of Net Position .....	
Statement of Activities .....	

**Fund Financial Statements:**

Balance Sheet - Governmental Funds .....	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	
Statement of Net Position - Proprietary Funds .....	
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	
Statement of Cash Flows - Proprietary Funds .....	
Statement of Fiduciary Net Position - Fiduciary Funds .....	
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	

Notes to the Financial Statements .....	
---	--

**Required Supplementary Information:**

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund .....	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Special Revenue Funds .....	
Other Post Employment Benefit Information Schedules .....	
Pension Liability Schedules .....	

**Other Supplementary Information:**

**Combining and Individual Fund Statements and Schedules:**

Combining Balance Sheet - Nonmajor Special Revenue Funds .....	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds .....	
Combining Balance Sheet - Nonmajor Debt Service Funds .....	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Debt Service Funds .....	
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Capital Projects Funds .....	
Combining Balance Sheet - Permanent Funds .....	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Permanent Funds .....	
Combining Statement of Net Position - Nonmajor Enterprise Funds .....	
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds .....	
Combining Statement of Cash Flows - Nonmajor Enterprise Funds .....	
Combining Statement of Net Position - Internal Service Funds .....	
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds .....	
Combining Statement of Cash Flows - Internal Service Funds .....	
Schedule of Federal/State Grants, Entitlements and Shared Revenues .....	
Schedule of Cash Receipts and Disbursements - All Funds .....	
Cash Reconciliation .....	

## **GENERAL INFORMATION SECTION**

General Information .....

**The Filing Fee Form** - auto calculates if using the spreadsheet. Submit a copy of the file for

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## **ANNUAL FINANCIAL REPORT INFORMATION FOR FY2019:**

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A PDF version of this excel file should be submitted through the LGS portal as well as the excel file format has been completed in its entirety; or completed using the blank excel Database Ledger Load file provided on the LGS website; or a DLL .csv file can be produced using certain accounting software programs.

Local Government Services webpage: <http://sfdsd.mt.gov/LGSB>

The following are suggestions to review before submitting your AFR:

### **The Basic Financial Statements will include:**

#### **The Government-Wide Statements must be included and in balance**

The GW Statement of Net Position should reconcile to the GW Statement of Activities

#### **Governmental Funds:**

All fund financial statements must be included and balanced for all major and non-major governmental funds. The combining balance sheets should reconcile to the combining statement of revenues, expenditures, and changes in fund balances.

The changes in revenues, expenditures and fund balance budget to actual pages for all funds included. (Including all non-major governmental funds)

The reconciliation of governmental funds to the government-wide statement of net position and the reconciliation of the statement of revenues, expenditures & changes in fund balance to the government-wide statement of activities.



**Proprietary/Enterprise Funds (if applicable):**

The statement of net position must reconcile to the statement of changes in net position for all major and non-major proprietary funds.

The statement of cash flows for all major and non-major proprietary funds must be included and to the cash reported on the statement of net position.

**Fiduciary Funds (if applicable):**

The statement of fiduciary net position must reconcile to the statement of changes in net position

**Notes to the Financial Statements:**

All applicable notes must be completed and reconciled to the information reported within the financial statements. Notes should include: capital assets by category for governmental and proprietary funds, long-term debt by loan purpose, breakdown of interfund loans, investment information, excess of expenditure over budget by fund, description of prior period adjustments, fund balance classifications, OPEB and Net Pension Liability (GASB68)

**Other Information Required:**

A schedule of **intergovernmental revenues** must be included that details all intergovernmental revenues received from federal and state sources. This information must include the federal or state agency and the amount received. This information can be provided by attaching a software generated report of all BARS Chart of Account Revenues between 330000 and 339999 or an audited SE (A-133 Schedule of Federal Expenditures) if applicable.

A **cash reconciliation** report by cash, cash equivalents and investments that reconciles to the cash as reported within the annual financial report. If the cash is not reconciled that should be disclosed on the cash reconciliation page and included in report.

The **cash receipts & disbursements schedule by fund** is a mandatory schedule for FY2019 reporting. The information ties the cash reconciliation to the fund level activity. It also provides information that is used to assist with special purpose district reporting.

The **general information** should include the class, form of government, population, land area, and usage of utility consumers if applicable, number of employees, taxable value and mill levy

**ANNUAL FINANCIAL REPORT FILING FEE  
FISCAL YEAR ENDING JUNE 30, 2019**

022702  
CITY OF LIBBY  
PO BOX 1428  
LIBBY MT 59923

If the local government entity name or mailing address  
on the Department's mailing list is inaccurate or has  
changed recently please note the correction below.

**\*\*If a filing fee is owed, please print the completed filing fee form and mail with your payment to:**

**Montana Department of Administration  
Local Government Services  
Mitchell Bldg - Room 270  
PO Box 200547  
Helena, MT 59620-0547**

**\*\*If no filing fee is owed, you must complete Part II to determine if an audit is required. *Please* assure a copy of the completed *Determination of Filing Fee & Audit Requirement* form is either included in your Annual Financial Report (AFR) or if not, a completed copy of the form is uploaded along with your AFR in the portal to ensure we enter the correct amount of adjusted debt proceeds in our system.**

**PLEASE NOTE:** The "Determination of Filing Fee Form" - page 2 of 2 - is designed to be self-calculating. If you choose to print this form and manually fill it in, please adjust the "Filing Fee Owed" in Box #1, based on the Filing Fee Schedule included below. Please revise Box #2 to "YES" if the adjusted debt proceeds and total revenues received by your government indicate that an audit will be required.

**If there is an amount listed in BOX #1 of the Determination of Filing Fee Form (page 2 of 2), please include a check or warrant for that amount, made payable to "State Treasurer" in the amount of the required fee.**

**LOCAL GOVERNMENT ANNUAL FILING FEE SCHEDULE**

The following filing fee schedule is required by Section 2-7-514, MCA, and has been adopted as Section 2.4.402 of the  
Administrative Rules of Montana.

Annual Resources In Excess of:	Annual Resources Equal to or Less Than	Filing Fee
\$0	\$750,000	\$0
\$750,000	\$1,000,000	\$500
\$1,000,000	\$1,500,000	\$800
\$1,500,000	\$2,500,000	\$950
\$2,500,000	\$5,000,000	\$1,300
\$5,000,000	\$10,000,000	\$1,700
\$10,000,000	\$50,000,000	\$2,500
\$50,000,000		\$3,000

**FOR DEPARTMENT OF ADMINISTRATION USE ONLY**

GL#	Amount Received:	
	\$	Date:
TD#	By:	

## Determination of Filing Fee Form

**Note:** This form is self-calculating, with defaults of -0- and "NO" in box #1 and #2. Please adjust according if you print this form and enter information manually.

**FEE REQUIREMENT:** As provided by 2-7-514, MCA, each local government required to have an audit under 2-7-503, MCA, shall pay an annual filing fee to the department; the fee schedule shall be based upon the local government's annual revenue amounts. Administrative Rule 2.4.402 defines "revenue" as all receipts of a local government entity from any source excluding the proceeds from bond issuances and other long-term debt.

**AUDIT REQUIREMENT:** As provided by 2-7-503, MCA, each local government receiving revenue or financial assistance in excess of \$750,000, regardless of the source of revenue or financial assistance, shall have an audit. "Financial Assistance" is defined as including assistance provided by a federal, state, or local government entity in the form of loans and loan guarantees.

**Part II - Determination of Audit Requirement.** Loan proceeds received in the fiscal year that were used to refinance (payoff) existing debt will not be considered as "Financial Assistance" when determining the current audit requirement.

### GOVERNMENTAL FUNDS - PAGE 16 (STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES)

Total Revenues	0.00	2,116,082.00
Other Financing Sources - Proceeds from Sale of Capital Assets	0.00	
Special and/or Extraordinary Items (Revenues only)	0.00	

### ENTERPRISE FUNDS - PAGE 19 (STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION)

*Note: Do not include revenues of Internal Service Funds*

Total Operating Revenues	2,332,573.00	0.00	Box #1
Non-Operating Revenues: (Do not include Gain on Sale of Capital Assets)			
Taxes/Assessments		0.00	
Licenses/Permits		0.00	
Intergovernmental Revenues	27,881	0.00	Filing Fee Owed 0
Interest Revenues	19,754	0.00	
Other Non-operating Revenues not included above			
Capital Contributions		0.00	
Special and/or Extraordinary Items (Revenues only)		0.00	\$950.00

### ENTERPRISE FUNDS - PAGE 20 (STATEMENT OF CASH FLOWS)

Proceeds from Sale of Capital Assets	0.00
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### TRUST FUNDS - PAGE 22 (STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS)

*NOTE: Do not include additions to Investment Trust Funds*

Total Additions to Pension & Private Purpose Trust Funds Only	0.00
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**Total Revenues for Calculation of Filing Fee** \$0.00 \$950

If total revenues are equal to or less than \$750,000, no filing fee is required to be paid. However, your entity may be subject to audit requirements.

Review Part II below to determine if there is an audit requirement. Manually subtract proceeds of debt received to refinance an existing debt to exclude from audit determination.

If total revenues plus adjusted debt proceeds exceeds \$750,000, your entity will be subject to audit requirements.

### Part II - Determination of Audit Requirement w/ No Filing Fee

**Add:** Proceeds from Debt provided by a Federal agency, a State agency or another local government:

<b>Governmental Funds</b> (from Statement of Revenues, Expenditures, and Changes in Fund Balances (Page 16) Proceeds from General Long-Term Debt)	0.00	Box #2
<b>Proprietary Funds</b> (from Statement of Cash Flows, Major & Non-Major Enterprise Funds (Page 20) Proceeds from Debt)	0.00	
<b>Manually subtract</b> debt proceeds received from non-governmental financial institutions (banks, savings & loans) included above (Enter as a negative)		
<b>Subtotal - Proceeds received from Debt</b>	0.00	
<b>Manually subtract</b> amount of proceeds received from governments used to refinance existing debt. (Enter as a negative)		
<b>Total Adjusted Debt Proceeds</b>	\$0.00	
<b>Total Revenues + Total Adjusted Debt Proceeds</b>	\$0.00	Audit Required? <span style="color: blue;">yes.</span> <span style="color: blue;">NO</span>

If this amount is in excess of \$750,000, you are required to have an audit for the fiscal year.

# **INTRODUCTORY SECTION**

## LETTER OF TRANSMITTAL

-1-

LETTER OF TRANSMITTAL - CONT.



**CITY OF LIBBY  
ELECTED OFFICIALS/OFFICERS**

		EXPIRES
OFFICE	NAME OF CITY/TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Brent Teske	2021
Council President	Peggy Williams	2023
Councilperson	Brian Zimmerman	2023
	Kristin Smith	2021
	Gary Beach	2021
	Robert Dufficy	2021
	Hugh Taylor	2023
City manager	Jim Hammons	
Attorney	Dean Chisholm	
Chief of police	Scott Kessel	
Clerk/Treasurer	Audray McCollum	
Judge	Jay Sheffield	
Utility billing/collection clerk	Jody Martin/Charlotte Luedecke	

**IN ACCORDANCE WITH STATE LAW, I HEREBY TRANSMIT THE  
CITY OF LIBBY  
ANNUAL FINANCIAL REPORT FOR THE  
FISCAL YEAR ENDING JUNE 30, 2019**

Submitted by;

\_\_\_\_\_  
Audray J. McCollum  
Town Clerk-Treasurer

\_\_\_\_\_  
December 19, 2019  
Date

Preparers contact information:

Email: audray.mccollum@cityoflibby.com  
Phone: 1-406-293-2731 ext 2

# **FINANCIAL SECTION**

**MANAGEMENT'S**

**DISCUSSION**

**AND**

**ANALYSIS**

**City of Libby**  
**Management's Discussion and Analysis**  
**June 30, 2019**

As the management of the City of Libby, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to read the information presented herein conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

**Financial Highlights**

- The assets of the City of Libby exceeded its liabilities at the close of the fiscal year by \$22,843,065.00.
- The government's total net position decreased by \$5,092.00.
- At the close of the current fiscal year, the City of Libby's governmental funds reported combined ending fund balances of \$2,368,791.00 an increase of \$211,531.00 in comparison with the prior year increase of \$393,670.00. At the end of the current fiscal year, fund balance for the General Fund was \$659,981.00 or 47 percent of total general fund expenditures for the fiscal year.
- The City's total debt increased by \$110,011.00 during the current fiscal year. This was partially due to the city purchasing for new cop cruisers.

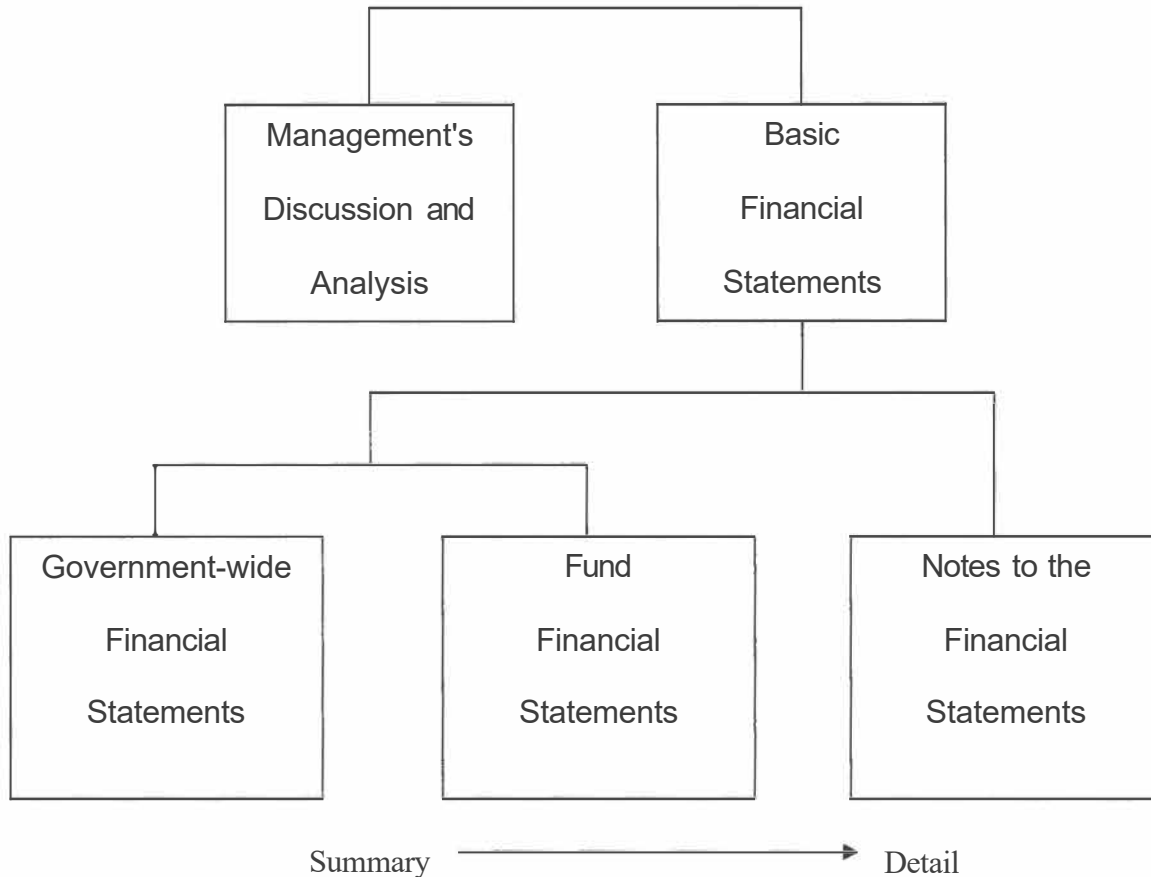
**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Libby's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Libby.



## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (pages 12 and 19) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 19 through 28) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental fund's statements; 2) the proprietary fund statements, and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by Statutes also can be found in this part of the statements.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements offer short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Measuring the net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, public works, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water and sewer services offered by the City of Libby.

The government-wide financial statements are on pages 20 and 21 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Libby, like all other governmental entities in Montana, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All the funds of the City of Libby can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

## **Fund Financial Statements**

### **Governmental Funds - continued**

The City of Libby adopts an annual budget for its governmental funds, and a budget for its proprietary funds, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund, IP Settlement Fund, Street Maintenance Fund, & ED Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting, which is the modified accrual basis and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** - The City of Libby has two enterprise funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Libby uses enterprise funds to account for its water and sewer services. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** - The City of Libby has two fiduciary funds. Fiduciary funds are trust or 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) pension trust funds, (b) investment trust funds, (c) private-purpose trust funds, and (d) agency funds. The city uses fiduciary funds to account for court bonds and fire relief pension.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 29 to 58 of this report.

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City of Libby exceeded liabilities and deferred inflows of resources by \$22,843,065.00 as of June 30, 2019. The City's net position decreased by \$5,092.00 for the fiscal year ended June 30, 2019. The City of Libby uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Libby's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Libby's net position, \$3,758,211.00, represents resources that are subject to external restrictions on how they may be used. Of the total restricted net position, \$1,797,702.00 represents restrictions for Governmental Activities. The remaining restricted net position of \$1,960,509.00 represents restrictions for Business-type Activities.

**Governmental activities:** Governmental activities increased the City's net position by \$67,302.00.

**Business-type activities:** Business-type activities decreased the City of Libby's net position by \$72,694.00.

- Decrease for the cop cruisers.

As noted earlier, the City of Libby uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Libby's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Libby's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Libby. At the end of the current fiscal year, the total fund balance of the General Fund was \$659,841.00. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents approximately 47% percent of total General Fund expenditures.

On June 30, 2019, the governmental funds of the City of Libby reported a combined fund balance of \$2,368,791.00, a 91 percent increase over last year.

**Governmental Fund Budgetary Highlights:** Capital assets in FY 18 were \$7,854,873.00 and in FY 19 they were \$ 8,211,655.00 an increase of \$ 356,782.00 or 95%.

#### **Capital Asset and Debt Administration:**

**Capital assets.** The City of Libby's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$28,850,891.00 (net of depreciation). These assets include buildings, improvements other than buildings, land, machinery and equipment, park facilities, vehicles, and utility system infrastructure.



**Long-term Debt.** As of June 30, 2019, the City of Libby had total debt outstanding of \$11,681,925.00. The debt of the City represents bonds secured solely by specified revenue sources (i.e., revenue bonds, special assessments) and other long-term debt.

Additional information regarding the City of Libby's long-term debt can be found in the Notes To The Basic Financial Statements of this report.

### **Current Conditions**

Most of the projects in the past CIP plan have been or are in the works to be completed. The water distribution system is the most problematic issue facing the city. After purchasing the system in 1986 from PP&L, the city has been working on different elements of the system. A new water treatment plant was put online in 1996. The City completed the raw water main in 2014. Also finished in 2014, was the installation of 5 PRV zones and about 130 new meter pits. The Flower Creek Dam was completed in the spring of 2017. The fire hall roof was replaced in the spring of 2017. With these significant projects finished, the city plans on focusing more on the distribution lines.

Other items in the long term planning are to continue the resurfacing of the streets. The city has been paving between 20 and 30 blocks of streets a year over the past several years. The city has also implemented a sidewalk program that helps the local residents to buy into replacing the sidewalks in the front of their property with help from the city.

### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Audray J. McCollum  
City of Libby, Clerk/Treasurer  
PO Box 1428  
Libby, MT. 59923

# **BASIC FINANCIAL STATEMENTS**

City of Libby, Lincoln County, Montana  
Statement of Net Position  
June 30, 2019

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 2,434,819	\$ 642,081	\$ 3,076,900
Taxes and assessments receivable, net	142,170	-	142,170
Internal balances	238,800	(238,800)	-
Accounts receivable - net	-	141,922	141,922
Notes and loans receivable	66,122	-	66,122
Settlement receivable	250,000	-	250,000
Due from other governments	78	-	78
Inventories	-	106,632	106,632
Total current assets	\$ 3,131,989	\$ 651,835	\$ 3,783,824
<b>Noncurrent assets</b>			
Restricted cash and investments	\$ -	\$ 1,960,509	\$ 1,960,509
Long term portion of settlement receivable	250,000	-	250,000
Capital assets - land	765,789	59,929	825,718
Capital assets - construction in progress	-	29,378	29,378
Capital assets - depreciable, net	3,976,361	24,019,434	27,995,795
Total noncurrent assets	\$ 4,992,150	\$ 26,069,250	\$ 31,061,400
Total assets	\$ 8,124,139	\$ 26,721,085	\$ 34,845,224
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pensions	\$ 87,516	\$ 142,129	\$ 229,645
Total deferred outflows of resources	\$ 87,516	\$ 142,129	\$ 229,645
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 8,211,655</b>	<b>\$ 26,863,214</b>	<b>\$ 35,074,869</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Warrants payable	\$ 221,988	\$ -	\$ 221,988
Accounts payable	82,155	-	82,155
Due to other governments	763	-	763
Revenues collected in advance	-	16,266	16,266
Current portion of long-term capital liabilities	44,413	275,137	319,550
Current portion of compensated absences payable	62,305	65,079	127,384
Total current liabilities	\$ 411,624	\$ 356,482	\$ 768,106
<b>Noncurrent liabilities</b>			
Deposits payable	\$ -	\$ 10,950	\$ 10,950
Noncurrent portion of long-term liabilities	13,210	14,897	28,107
Noncurrent portion of long-term capital liabilities	171,656	10,006,932	10,178,588
Noncurrent portion of compensated absences	14,681	23,070	37,751
Net pension liability	416,414	574,131	990,545
Total noncurrent liabilities	\$ 615,961	\$ 10,629,980	\$ 11,245,941
Total liabilities	\$ 1,027,585	\$ 10,986,462	\$ 12,014,047
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pensions	\$ 64,705	\$ 153,052	\$ 217,757
Total deferred inflows of resources	\$ 64,705	\$ 153,052	\$ 217,757
<b>NET POSITION</b>			
Net investment in capital assets	\$ 4,526,081	\$ 13,826,672	\$ 18,352,753
Restricted for capital projects	-	994,038	994,038
Restricted for debt service	614	966,471	967,085
Restricted for special projects	1,797,088	-	1,797,088
Unrestricted	795,582	(63,481)	732,101
Total net position	\$ 7,119,365	\$ 15,723,700	\$ 22,843,065
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 8,211,655</b>	<b>\$ 26,863,214</b>	<b>\$ 35,074,869</b>

See accompanying Notes to the Financial Statements

City of Libby, Lincoln County, Montana  
Statement of Activities  
For the Fiscal Year Ended June 30, 2019

					Net (Expenses) Revenues and Changes in Net Position		
					Primary Government		
		Program Revenues					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 375,447	\$ 123,335	\$ -	\$ -	\$ (252,112)	\$ -	\$ (252,112)
Public safety	684,280	18,249	-	50,000	(616,031)	-	(616,031)
Public works	613,661	258,301	87,657	-	(267,703)	-	(267,703)
Public health	12,000	-	-	-	(12,000)	-	(12,000)
Culture and recreation	64,872	5,063	7,530	46,428	(5,851)	-	(5,851)
Housing and community development	49,138	-	-	-	(49,138)	-	(49,138)
Conservation of natural resources	71,634	-	49,020	-	(22,614)	-	(22,614)
Debt service - interest	8,647	-	-	-	(8,647)	-	(8,647)
Miscellaneous	27,782	-	-	-	(27,782)	-	(27,782)
Total governmental activities	\$ 1,907,461	\$ 404,948	\$ 144,207	\$ 96,428	\$ (1,261,878)	\$ -	\$ (1,261,878)
Business-type activities:							
Water	\$ 1,739,512	\$ 1,743,567	\$ -	\$ 15,000	\$ -	\$ 19,055	\$ 19,055
Sewer	713,390	588,185	-	-	-	(125,205)	(125,205)
Total business-type activities	\$ 2,452,902	\$ 2,331,752	\$ -	\$ 15,000	\$ -	\$ (106,150)	\$ (106,150)
Total primary government	\$ 4,360,363	\$ 2,736,700	\$ 144,207	\$ 111,428	\$ (1,261,878)	\$ (106,150)	\$ (1,368,028)
General Revenues:							
Property taxes for general purposes					\$ 399,623	\$ -	\$ 399,623
Licenses and permits					58,064	-	58,064
Video poker apportionment					22,950	-	22,950
Miscellaneous					71,051	821	71,872
Interest/investment earnings					73,811	19,754	93,565
Local option taxes					70,314	-	70,314
State entitlement					560,401	-	560,401
State Contributions to retirement					72,966	12,881	85,847
Total general revenues, special items and transfers					\$ 1,329,180	\$ 33,456	\$ 1,362,636
Change in net position					\$ 67,302	\$ (72,694)	\$ (5,392)
Net position - beginning					\$ 7,052,063	\$ 15,796,394	\$ 22,848,457
Net position - end					\$ 7,119,365	\$ 15,723,700	\$ 22,843,065

See accompanying Notes to the Financial Statements



City of Libby, Lincoln County, Montana  
Balance Sheet  
Governmental Funds  
June 30, 2019

	General	IP Settlement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 828,986	\$ 738,674	\$ 867,159	\$ 2,434,819
Taxes and assessments receivable, net	53,418	-	88,752	142,170
Notes and loans receivable	-	-	66,122	66,122
Settlement receivable	-	250,000	-	250,000
Due from other funds	91,507	-	-	91,507
Due from other governments	-	-	78	78
Total current assets	\$ 973,911	\$ 988,674	\$ 1,022,111	\$ 2,984,696
Noncurrent assets:				
Advances to other funds	\$ -	\$ -	\$ 199,997	\$ 199,997
Long term portion of settlement receivable	-	250,000	-	250,000
Total noncurrent assets	\$ -	\$ 250,000	\$ 199,997	\$ 449,997
<b>TOTAL ASSETS</b>	<b>\$ 973,911</b>	<b>\$ 1,238,674</b>	<b>\$ 1,222,108</b>	<b>\$ 3,434,693</b>
<b>LIABILITIES</b>				
Current liabilities:				
Warrants payable	\$ 221,988	\$ -	\$ -	\$ 221,988
Accounts payable	2,188	79,967	-	82,155
Due to other governments	763	-	-	763
Total current liabilities	\$ 224,939	\$ 79,967	\$ -	\$ 304,906
Noncurrent liabilities:				
Advances payable	\$ 35,713	\$ -	\$ 16,991	\$ 52,704
Total noncurrent liabilities	\$ 35,713	\$ -	\$ 16,991	\$ 52,704
Total liabilities	\$ 260,652	\$ 79,967	\$ 16,991	\$ 357,610
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - taxes	\$ 53,418	\$ -	\$ 88,752	\$ 142,170
Deferred inflows of resources - other	-	500,000	66,122	566,122
Total deferred inflows of resources	\$ 53,418	\$ 500,000	\$ 154,874	\$ 708,292
<b>FUND BALANCES</b>				
Restricted	\$ -	\$ 658,707	\$ 1,062,014	\$ 1,720,721
Unassigned fund balance	659,841	-	(11,771)	648,070
Total fund balance	\$ 659,841	\$ 658,707	\$ 1,050,243	\$ 2,368,791
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 973,911</b>	<b>\$ 1,238,674</b>	<b>\$ 1,222,108</b>	<b>\$ 3,434,693</b>

See accompanying Notes to the Financial Statements

City of Libby, Lincoln County, Montana  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	General	IP Settlement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes and assessments	\$ 442,313	\$ -	\$ 226,736	\$ 669,049
Licenses and permits	57,764	-	-	57,764
Intergovernmental	634,232	-	119,085	753,317
Charges for services	42,917	-	-	42,917
Fines and forfeitures	51,144	-	-	51,144
Miscellaneous	161,926	291,154	15,000	468,080
Investment earnings	5,301	61,410	7,100	73,811
Total revenues	<u>\$ 1,395,597</u>	<u>\$ 352,564</u>	<u>\$ 367,921</u>	<u>\$ 2,116,082</u>
<b>EXPENDITURES</b>				
General government	\$ 286,682	\$ -	\$ -	\$ 286,682
Public safety	594,979	-	-	594,979
Public works	191,285	58,232	200,145	449,662
Public health	12,000	-	-	12,000
Culture and recreation	56,474	-	-	56,474
Housing and community development	-	-	38,022	38,022
Conservation of natural resources	-	71,634	-	71,634
Debt service - principal	17,303	-	25,977	43,280
Debt service - interest	5,671	-	2,976	8,647
Miscellaneous	27,782	-	-	27,782
Capital outlay	185,030	78,916	137,735	401,681
Total expenditures	<u>\$ 1,377,206</u>	<u>\$ 208,782</u>	<u>\$ 404,855</u>	<u>\$ 1,990,843</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 18,391</u>	<u>\$ 143,782</u>	<u>\$ (36,934)</u>	<u>\$ 125,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of general long term debt	\$ 86,293	\$ -	\$ -	\$ 86,293
Net Change in Fund Balance	<u>\$ 104,684</u>	<u>\$ 143,782</u>	<u>\$ (36,934)</u>	<u>\$ 211,532</u>
Fund balances - beginning	\$ 555,157	\$ 514,925	\$ 1,087,177	\$ 2,157,259
Fund balance - ending	<u>\$ 659,841</u>	<u>\$ 658,707</u>	<u>\$ 1,050,243</u>	<u>\$ 2,368,791</u>

See accompanying Notes to the Financial Statements

**City of Libby, Lincoln County, Montana**  
**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, 2019**

Amounts reported for *governmental activities* in the statement of activities are different because:

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 211,532</b>
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
- Capital assets purchased	401,681
- Depreciation expense	(291,670)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
- Long-term receivables (deferred inflows of resources - notes, loans, and long-term receivables)	(241,329)
- Long-term receivables (deferred inflows of resources - taxes)	27,044
The change in compensated absences is shown as an expense in the Statement of Activities	(7,427)
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	43,280
Long term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position:	
- Proceeds from the sale of long-term debt	(86,293)
Termination benefits are shown as an expense in the Statement of Activities and not reported on the Statement of Revenues, Expenditures and Changes in Fund Balance:	
- Post-employment benefits other than retirement liability	(1,473)
Pension expense related to the net pension liability is shown as an expense on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	(108,808)
State aid revenue related to net pension liability is shown as a revenue on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	72,966
Current year contributions to retirement benefits are shown as deferred outflows of resources on the Statement of Net Position and shown as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance when paid.	47,799
<b>Change in net position - Statement of Activities</b>	<b>\$ <u>67,302</u></b>

See accompanying Notes to the Financial Statements

City of Libby, Lincoln County, Montana  
Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 642,073	\$ 8	\$ 642,081
Accounts receivable - net	105,690	36,232	141,922
Inventories	106,632	-	106,632
Total current assets	<u>\$ 854,395</u>	<u>\$ 36,240</u>	<u>\$ 890,635</u>
Noncurrent assets:			
Restricted cash and investments	\$ 1,461,482	\$ 499,027	\$ 1,960,509
Capital assets - land	59,929	-	59,929
Capital assets - construction in progress	14,489	14,889	29,378
Capital assets - depreciable, net	<u>20,490,454</u>	<u>3,528,980</u>	<u>24,019,434</u>
Total noncurrent assets	<u>\$ 22,026,354</u>	<u>\$ 4,042,896</u>	<u>\$ 26,069,250</u>
Total assets	<u>\$ 22,880,749</u>	<u>\$ 4,079,136</u>	<u>\$ 26,959,885</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pensions	\$ 92,354	\$ 49,775	\$ 142,129
Total deferred outflows of resources	<u>\$ 92,354</u>	<u>\$ 49,775</u>	<u>\$ 142,129</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 22,973,103</u>	<u>\$ 4,128,911</u>	<u>\$ 27,102,014</u>
<b>LIABILITIES</b>			
Current liabilities:			
Due to other funds	\$ -	\$ 91,507	\$ 91,507
Revenues collected in advance	16,266	-	16,266
Current portion of long-term capital liabilities	229,220	45,917	275,137
Current portion of compensated absences payable	<u>47,743</u>	<u>17,336</u>	<u>65,079</u>
Total current liabilities	<u>\$ 293,229</u>	<u>\$ 154,760</u>	<u>\$ 447,989</u>
Noncurrent liabilities:			
Deposits payable	\$ 10,950	\$ -	\$ 10,950
Advances payable	-	147,293	147,293
Noncurrent portion of long-term liabilities	9,815	5,082	14,897
Noncurrent portion of long-term capital liabilities	8,026,077	1,980,855	10,006,932
Noncurrent portion of compensated absences	19,031	4,039	23,070
Net pension liability	<u>373,066</u>	<u>201,065</u>	<u>574,131</u>
Total noncurrent liabilities	<u>\$ 8,438,939</u>	<u>\$ 2,338,334</u>	<u>\$ 10,777,273</u>
Total liabilities	<u>\$ 8,732,168</u>	<u>\$ 2,493,094</u>	<u>\$ 11,225,262</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pensions	\$ 99,452	\$ 53,600	\$ 153,052
Total deferred inflows of resources	<u>\$ 99,452</u>	<u>\$ 53,600</u>	<u>\$ 153,052</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 12,309,575	\$ 1,517,097	\$ 13,826,672
Restricted for capital projects	627,627	366,411	994,038
Restricted for debt service	833,855	132,616	966,471
Unrestricted	<u>370,426</u>	<u>(433,907)</u>	<u>(63,481)</u>
Total net position	<u>\$ 14,141,483</u>	<u>\$ 1,582,217</u>	<u>\$ 15,723,700</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 22,973,103</u>	<u>\$ 4,128,911</u>	<u>\$ 27,102,014</u>

See accompanying Notes to the Financial Statements



**City of Libby, Lincoln County, Montana**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,738,044	\$ 588,164	\$ 2,326,208
Miscellaneous revenues	6,225	-	6,225
Special assessments	119	21	140
Total operating revenues	<u>\$ 1,744,388</u>	<u>\$ 588,185</u>	<u>\$ 2,332,573</u>
<b>OPERATING EXPENSES</b>			
Personal services	\$ 514,313	\$ 284,493	\$ 798,806
Supplies	224,017	78,545	302,562
Purchased services	153,863	128,632	282,495
Fixed charges	26,636	26,636	53,272
Depreciation	604,715	140,689	745,404
Total operating expenses	<u>\$ 1,523,544</u>	<u>\$ 658,995</u>	<u>\$ 2,182,539</u>
Operating income (loss)	<u>\$ 220,844</u>	<u>\$ (70,810)</u>	<u>\$ 150,034</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	\$ 23,370	\$ 4,511	\$ 27,881
Interest revenue	15,105	4,649	19,754
Debt service interest expense	(215,968)	(54,395)	(270,363)
Total non-operating revenues (expenses)	<u>\$ (177,493)</u>	<u>\$ (45,235)</u>	<u>\$ (222,728)</u>
Change in net position	<u>\$ 43,351</u>	<u>\$ (116,045)</u>	<u>\$ (72,694)</u>
Net Position - Beginning of the year	\$ 14,098,132	\$ 1,698,262	\$ 15,796,394
Net Position - End of the year	<u>\$ 14,141,483</u>	<u>\$ 1,582,217</u>	<u>\$ 15,723,700</u>

See accompanying Notes to the Financial Statements

City of Libby, Lincoln County, Montana  
Combined Statement of Cash Flows  
All Proprietary Fund Types  
Fiscal Year Ended June 30, 2019

	Business - Type Activities		
	Water	Sewer	Totals
<b>Cash flows from operating activities:</b>			
Cash received from providing services	\$ 1,667,437	\$ 682,143	\$ 2,349,580
Cash received from miscellaneous sources	6,225	-	6,225
Cash payments to suppliers	(234,822)	(95,845)	(330,667)
Cash payments for professional services	(180,499)	(155,268)	(335,767)
Cash payments to employees	(545,069)	(301,962)	(847,031)
Net cash provided (used) by operating activities	\$ 713,272	\$ 129,068	\$ 842,340
<b>Cash flows from capital and related financing activities:</b>			
Principal paid on debt	\$ (229,197)	\$ (44,815)	\$ (274,012)
Interest paid on debt	(215,968)	(54,395)	(270,363)
Net cash provided (used) by capital and related financing activities	\$ (445,165)	\$ (99,210)	\$ (544,375)
<b>Cash flows from non-capital financing activities:</b>			
Cash received from other governments	\$ 23,370	\$ 4,511	\$ 27,881
Net cash provided (used) from non-capital financing activities	\$ 23,370	\$ 4,511	\$ 27,881
<b>Cash flows from investing activities:</b>			
Interest on investments	\$ 15,105	\$ 4,649	\$ 19,754
Net cash provided (used) by investing activities	\$ 15,105	\$ 4,649	\$ 19,754
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 306,582</b>	<b>\$ 39,018</b>	<b>\$ 345,600</b>
<b>Cash and cash equivalents at beginning</b>	<b>1,796,973</b>	<b>460,017</b>	<b>2,256,990</b>
<b>Cash and cash equivalents at end</b>	<b>\$ 2,103,555</b>	<b>\$ 499,035</b>	<b>\$ 2,602,590</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 220,844	\$ (70,810)	\$ 150,034
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	604,715	140,689	745,404
Changes in assets and liabilities:			
Accounts receivable	(42,674)	93,958	51,284
Revenues collected in advance	298	-	298
Deposits payable	(28,350)	-	(28,350)
Other post-employment benefits	1,094	567	1,661
Net pension liability	(132,952)	(68,725)	(201,677)
Accounts payable	(10,805)	(17,300)	(28,105)
Compensated absences	7,183	575	7,758
Deferred inflows/outflows of resources	93,919	50,114	144,033
Net cash provided (used) by operating activities	\$ 713,272	\$ 129,068	\$ 842,340

See accompanying notes to the financial statements

**City of Libby, Lincoln County, Montana**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

		<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and short-term investments	\$	3,253
Taxes receivable		<u>7,877</u>
Total assets	\$	<u><u>11,130</u></u>
<b>LIABILITIES</b>		
Due to others		<u>11,130</u>
Total liabilities	\$	<u><u>11,130</u></u>

UNAUDITED

See accompanying Notes to the Financial Statements

**City of Libby, Lincoln County, Montana**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**  
**June 30, 2019**

<b>Total fund balances - governmental funds</b>	<b>\$ 2,368,791</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,742,150
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	142,170
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(306,265)
Net pension liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(416,414)
The changes between actuarial assumptions, differences in expected vs actual pension experiences, changes in proportionate share allocation, and current year retirement contributions as they relate to the net pension liability are a deferred outflow of resources and are not payable in the current period, therefore are not reported in the funds.	87,516
The changes between actuarial assumptions, differences in projected vs actual investment earnings, and changes in proportionate share allocation as they relate to the net pension liability are a deferred inflow of resources and are not available to pay for current expenditures, therefore are not reported in the funds.	(64,705)
Future cash flows from the loans and long term receivables are recognized as deferred inflows of resources in the fund financial statements because the resources are not available to pay for current year expenditures	66,122
Future cash flows from the IP Settlement are recognized as deferred inflows of resources in the fund financial statements because the resources are not available to pay for current year expenditures	500,000
<b>Total net position - governmental activities</b>	<b>\$ <u>7,119,365</u></b>

See accompanying Notes to the Financial Statements

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**New Accounting Pronouncements**

GASB No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, is effective for years beginning after July 15, 2018. The objective of this Statement is to improve the information disclosed below related to the debt of the City, that includes direct borrowings and direct placements. For the purposes of disclosures in the following notes to the financial statements, debt is now defined as a liability that arises from contractual obligation to pay cash in one or more payments to settle amount that is fixed at the date of the contractual obligations. This excludes leases, except for contracts reported as financed purchased of an asset, or accounts payable. In addition, the Statement requires that the City disclose summarized information about unused lines of credit, assets pledged as collateral, and terms specified in debt agreements that are significant. The City has implemented this pronouncement current fiscal year and is related in the debt footnotes below if applicable.

**Financial Reporting Entity**

In determining the financial reporting entity, the City complies with the provisions of GASB statement No. 14, *The Financial Reporting Entity*, as amended by GASB statement No. 61, *The Financial Reporting Entity: Omnibus*, and includes all component units of which the City appointed a voting majority of the component units' board; the City is either able to impose its' will on the unit or a financial benefit or burden relationship exists. In addition, the City complies with GASB statement No. 39 *Determining Whether Certain Organizations Are Component Units* which relates to organizations that raise and hold economic resources for the direct benefit of the City.

*Primary Government*

The City is a political subdivision of the State of Montana governed by an elected Mayor and Council duly elected by the registered voters of the City. The City utilizes the manager form of government. The City is considered a primary government because it is a general purpose local government. Further, it meets the following criteria: (a) It has a separately elected governing body (b) It is legally separate and (c) It is fiscally independent from the State and other local governments.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Basis of Presentation, Measurement Focus and Basis of Accounting**

**Government-wide Financial Statements:**

*Basis of Presentation*

The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the City except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made in the consolidation of business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities for the City at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. The City does not charge indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

*Measurement Focus and Basis of Accounting*

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net assets are available.



CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Fund Financial Statements**

*Basis of Presentation*

Fund financial statements of the reporting City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the governmental funds statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

*Measurement Focus and Basis of Accounting*

***Governmental Funds***

**Modified Accrual**

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is collection within 60 days of the end of the current fiscal period with the exception of property taxes and other state grants that is upon receipt.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees, 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 fiscal 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

*Major Funds:*

The City reports the following major governmental funds:

*General Fund* – This is the City’s primary operating fund and it accounts for all financial resources of the City except those required to be accounted for in other funds.

*IP Settlement Fund* – Used to account for the proceeds from the International Paper Settlement relating to water contamination. Revenues of the fund are committed to water distribution projects.

*Proprietary Funds:*

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues for enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

*Major Funds:*

The City reports the following major proprietary funds:

*Water Fund* – An enterprise fund that accounts for the activities of the City's water distribution operations.

*Sewer Fund* – An enterprise fund that accounts for the activities of the City's sewer collection and treatment operations and includes the storm sewer system.

***Fiduciary Funds***

Fiduciary funds presented using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment healthcare plans). The required financial statements are a statement of fiduciary net position and a statement of changes in fiduciary net position. The fiduciary funds are:

*Agency Funds* – To report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). This fund primarily consist of assets held by the City as an agent for individuals, private organizations, other local governmental entities.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Cash Composition**

Composition of cash, deposits and investments at fair value on June 30, 2019, are as follows:

	<u>Primary Government</u>
<u>Cash on hand and deposits:</u>	
Cash on hand	
Petty Cash	\$ 625
Cash in banks:	
Demand deposits	52,850
Savings deposits	<u>4,987,187</u>
Total	<u>\$ 5,040,662</u>

**Cash equivalents**

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

For purposes of the statement of cash flows, the enterprise funds consider all funds (including restricted assets) held in the City's cash management pool to be cash equivalents.

**Fair Value Measurements**

Investments are reported at fair value, with the following limited exceptions: 1) investments in non-negotiable certificates of deposit are reported at cost and 2) money market investments, including U.S Treasury and Agency obligations, which 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 markets participates at the measurement date.

**Credit Risk**

As a means of limiting exposure to credit risk, the City is required to follow specific state statutes adding security to the deposits and investments. Below are the legal provisions provided in the state MCA:

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

Section 7-6-202, MCA, limits investments of public money of a local government in the following eligible securities:

(a) United States government treasury bills, notes and bonds and in the United States treasury obligations, such as state and local government series (SLGLS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

(b) United States treasury receipts in a form evidencing the holder's ownership of future interest or principal payments on specific United States treasury obligations that, in the absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book entry form with the federal reserve bank of New York; or

(c) Obligations of the following agencies of the United States, subject to the limitations in subsection 2 (not included):

- (i) federal home loan bank;
- (ii) federal national mortgage association;
- (iii) federal home mortgage corporation; and
- (iv) federal farm credit bank.

With the exception of the assets of a local government group self-insurance program, investments may not have a maturity date exceeding 5 years except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

Section 7-6-205 and Section 7-6-206, MCA, state that demand deposits may be placed only in banks and public money not necessary for immediate use by a county, city, or town that is not invested as authorize in Section 7-6-202 may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or place in repurchase agreements as authorized in Section 7-6-213.

The government has no investment policy that would further limit its investment choices.

The government has no investments that require credit risk disclosure.

**NOTE 3. CAPITAL ASSETS**

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

Buildings	20 – 50 years
Improvements	10 – 50 years
Machinery and Equipment	3 – 20 years
Source of Supply	50 years
Treatment Plant	5 – 50 years
Transmission and Distribution	5 – 50 years
Infrastructure	50 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure into the 2019 Basic Financial Statements.

A summary of changes in governmental capital assets was as follows:

Governmental activities:

	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 765,789	\$ -	\$ -	\$ 765,789
Total capital assets not being depreciated	<u>\$ 765,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765,789</u>
Other capital assets:				
Buildings	\$ 2,873,142	\$ 44,240	\$ -	\$ 2,917,382
Improvements other than buildings	437,127	47,853	-	484,980
Machinery and equipment	2,425,555	232,344	(44,908)	2,612,991
Infrastructure	2,153,137	77,244	-	2,230,381
Total other capital assets at historical cost	\$ 7,888,961	\$ 401,681	\$ (44,908)	\$ 8,245,734
Less: accumulated depreciation	<u>(4,022,611)</u>	<u>(291,670)</u>	<u>44,908</u>	<u>(4,269,373)</u>
Total	<u>\$ 4,632,139</u>	<u>\$ 110,011</u>	<u>\$ -</u>	<u>\$ 4,742,150</u>

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 51,858
Public safety	52,299
Public works	163,999
Culture and recreation	8,398
Housing and community development	<u>11,116</u>
Total governmental activities depreciation expense	<u>\$ 291,670</u>



CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

A summary of changes in business-type capital assets was as follows:

Business-type activities:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 59,929	\$ -	\$ -	\$ 59,929
Construction in progress	29,378	-	-	29,378
Total capital assets not being depreciated	<u>\$ 89,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,307</u>
Other capital assets:				
Buildings	\$ 75,342	\$ -	\$ -	\$ 75,342
Improvements other than buildings	20,174	-	-	20,174
Machinery and equipment	812,112	-	(80,233)	731,879
Infrastructure	10,500,910	-	-	10,500,910
Source of supply	6,505,137	-	-	6,505,137
Treatment plant	10,487,751	-	-	10,487,751
Transmission and Distribution	7,767,304	-	-	7,767,304
Total other capital assets at historical cost	<u>\$ 36,168,730</u>	<u>\$ -</u>	<u>\$ (80,233)</u>	<u>\$ 36,088,497</u>
Less: accumulated depreciation	<u>(11,403,892)</u>	<u>(745,404)</u>	<u>80,233</u>	<u>(12,069,063)</u>
Total	<u><u>\$ 24,854,145</u></u>	<u><u>\$ (745,404)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,108,741</u></u>

**NOTE 4. LONG TERM DEBT OBLIGATIONS**

In the governmental-wide, proprietary financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, are expensed at the date of sale.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Changes in Long-Term Debt Liabilities - During the year ended June 30, 2019, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Loans	\$ 86,293	\$ -	\$ (11,884)	\$ 74,409	\$ 12,137
Compensated absences	69,559	7,427	-	76,986	62,305
Intercap loans	57,347	-	(5,419)	51,928	5,555
Capital leases	115,709	-	(25,977)	89,732	26,721
Net pension liability*	470,603	-	(54,189)	416,414	-
Other post-employment benefits**	11,737	1,473	-	13,210	-
Total	<u><u>\$ 811,248</u></u>	<u><u>\$ 8,900</u></u>	<u><u>\$ (97,469)</u></u>	<u><u>\$ 722,679</u></u>	<u><u>\$ 106,718</u></u>

\*See Note 6

\*\*See Note 5

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

In prior years the general fund was used to liquidate compensated absences and claims and judgments.

Business-type Activities:

	Balance			Balance	Due Within
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>	<u>One Year</u>
Revenue bonds	\$ 10,439,158	\$ -	\$ (268,608)	\$ 10,170,550	\$ 275,137
Loans/Contracted debt	116,923	-	(5,404)	111,519	-
Compensated absences	80,391	7,758	-	88,149	65,079
Net pension liability*	775,808	-	(201,677)	574,131	-
Other post-employment benefits**	13,236	1,661	-	14,897	-
Total	<u>\$ 11,425,516</u>	<u>\$ 9,419</u>	<u>\$ (475,689)</u>	<u>\$ 10,959,246</u>	<u>\$ 340,216</u>

\*See Note 6

\*\*See Note 5

*Revenue Bonds* - The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year-end were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Maturity Date</u>	<u>Bonds Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2019</u>
USDA - DAM	Nov 2015	2.63%	40 yrs	Nov 2055	\$ 3,200,000	Varies	\$ 3,025,428
USDA - DAM	Nov 2015	2.63%	40 yrs	Nov 2055	490,000	Varies	463,236
DNRC - Coal Severance Tax Loan Program Series 2013C Revenue Bonds	Nov 2013	3.00%	20 yrs	Nov 2033	800,000	53,484	625,116
USDA Rural Development Series 2014 Revenue Bonds	July 2014	2.50%	40 yrs	July 2054	2,268,000	89,820	2,089,663
DNRC - Coal Severance Tax Loan Program Series 2013A Revenue Bonds	May 2013	3.00%	20 yrs	May 2033	253,177	16,926	192,335
DNRC Drinking Water State Revolving Loan Program, Series 2013B Revenue Refunding Bonds	July 2015	2.50%	22 yrs	July 2035	2,189,579	130,000	1,748,000
USDA Rural Development Series 2011 Revenue Bonds	Sept 2011	3.00%	40 yrs	Sept 2051	678,000	29,136	601,361
USDA Rural Development Series 2010 Revenue Bonds	Oct 2008	2.25%	40 yrs	Oct 2048	<u>1,745,000</u>	66,384	<u>1,425,411</u>
					<u>\$ 11,623,756</u>		<u>\$ 10,170,550</u>

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 275,137	\$ 260,007
2021	282,361	252,595
2022	289,535	245,184
2023	296,848	237,583
2024	305,303	229,778
2025	312,909	221,761
2026	321,664	213,542
2027	329,576	205,094
2028	338,648	196,421
2029	347,882	187,524
2030	356,288	178,381
2031	365,866	169,003
2032	375,621	159,386
2033	385,560	149,496
2034	351,896	139,482
2035	333,746	130,789
2036	277,080	122,292
2037	218,555	116,017
2038	224,168	110,404
2039	229,928	104,644
2040	235,837	98,735
2041	241,897	92,675
2042	248,115	86,457
2043	254,493	80,079
2044	261,038	73,534
2045	267,750	66,822
2046	274,636	59,936
2047	281,702	52,870
2048	288,951	45,621
2049	253,548	38,456
2050	235,968	32,220
2051	242,247	25,941
2052	225,799	19,732
2053	225,077	13,975
2054	221,091	8,105
2055	145,874	3,358
2056	47,956	261
Total	\$ <u>10,170,550</u>	\$ <u>4,428,160</u>

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Loans/Contracted Debt**

Loans/contracted debts outstanding as of June 30, 2019 were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Balance June 30, 2019</u>
(3) 2019 Ford Explorer Policy Wagons (1)	11/1/18	3.85%	6 yrs	12/1/24	\$ 86,293	\$ 74,409
Flathead Electric -Loan PRV Hydro Turbine (2)*	6/1/17	3.50%	20 yrs	6/1/37	<u>122,125</u>	<u>111,519</u>
Total					<u>\$ 208,418</u>	<u>\$ 185,928</u>

(1) Reported in the governmental activities.

(2) Reported in business-type activities.

\* During fiscal year 2017, the City entered into an agreement with Flathead Electric Cooperative. The Cooperative gave the City ownership of a PRF Hydro Turbine to produce energy for the City. The City reported the value of the turbine as a long-term liability. This liability is reduced each year by the value of the power produced by the turbine that is given back to the Cooperative until the liability is reduced to zero. Once the liability is eliminated, the City can use the power as they see fit to run City operations.

There is no amortization schedule included for this liability as this is not a typical loan arrangement where principal and interest payments are made for a set amount each month, and the value of the power produced by the turbine will vary from one year to the next. Therefore, the following amortization schedule excludes this liability.

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 12,137	\$ 2,757
2021	12,609	2,285
2022	13,099	1,795
2023	13,608	1,286
2024	14,137	757
2025	<u>8,819</u>	<u>340</u>
Total	<u>\$ 74,409</u>	<u>\$ 9,220</u>

**InterCap Loans**

InterCap loans have variable interest rates. Interest rates are subject to change annually. Interest rates to the borrower are adjusted on February 16<sup>th</sup> of each year and are based on a spread over the interest paid on one-year term, tax-exempt bonds which are sold to fund the loans.

InterCap loans outstanding as of June 30, 2019 were as follows:

Annual requirement to amortize debt:

## Capital Leases

The City has entered into a lease which meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee when all terms of the lease agreements are met. Capital lease obligations outstanding as of June 30, 2019 were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest rate</u>	<u>Term of Bond</u>	<u>Maturity Date</u>	<u>Annual Payment</u>	<u>Balance as of June 30, 2019</u>
2017 Volvo L90H Wheel Loader (1)	9/27/17	2.87%	5 yrs	9/27/22	\$ <u>134,705</u>	\$ <u>89,732</u>
(1) Reported in the governmental activities.						

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2020	\$ 26,721	\$ 2,231
2021	27,504	1,448
2022	28,304	648
2023	7,203	37
Total	<u>\$ 89,732</u>	<u>\$ 4,364</u>

**Compensated Absences**

Compensated absences are absences for which employees will be paid for time off earned for time during employment, such as earned vacation and sick leave. It is the City's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from City service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation, but no more than 90 days into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability associated with governmental fund-type employees is reported in the governmental activities, while the liability associated with proprietary fund-type employees is recorded in the business-type activities/respective proprietary fund.

**NOTE 5. POSTEMPLOYMENT HEALTHCARE PLAN**

*Plan Description.* The healthcare plan provides for, and Montana State Law (2-18-704) requires local governments to allow employees with at least 5 years of service and who are at least age 50 along with surviving spouses and dependents to stay on the government's health care plan as long as they pay the same premium. This creates a defined benefit Other Post-Employment Benefits Plan (OPEB), since retirees are usually older than the average age of the plan participants, they receive a benefit of lower insurance rates. The OPEB plan is a single-employer defined benefit plan administered by the City. The government has not created a trust to accumulate assets to assist in covering the defined benefit plan costs, and covers these when they come due. The government has less than 100 plan members and thus qualifies to use the "Alternative Measurement Method" for calculating the liability. The above described OPEB plan does not provide a stand-alone financial report.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

*Benefits Provided.* The government provides healthcare insurance benefits for retirees and their dependents upon reaching the age and service years defined in MCA 2-18-704. The benefit terms require that eligible retirees cover 100 percent of the health insurance premiums, but may pay the same premiums as the other members in the group health plan.

*Employees covered by benefit terms.* At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	-
Active employees	<u>25</u>
Total employees	<u><u>25</u></u>

Total OPEB Liability

The City's total OPEB liability of \$28,107 at June 30, 2019, and was determined by using the alternative measurement method as of June 30, 2018.

*Actuarial assumptions and other input.* The total OPEB liability in the June 30, 2019 alternative measurement method was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Average age of retirement (based on historical data)	62
Discount rate (average anticipated rate)	3.96%
Average salary increase (Consumer Price Index)	3.20%
<u>Health care cost rate trend (Federal Office of the Actuary)</u>	

<u>Year</u>	<u>% Increase</u>
2018	3.7%
2019	5.2%
2020	6.1%
2021	5.9%
2022	5.8%
2023	5.9%
2024	5.9%
2025	5.7%
2026	6.5%
2027	6.5%
2028 and thereafter	6.5%



CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

The discount rate was based on the 20-year General obligation (GO) bond index.

Life expectancy of employees was based on the United States Life Tables, 2014 for Males: Table 2 and Females: Table 3 as published in the National Vital Statistics Reports, Vol. 66, No. 4, August 14, 2017.

The turnover rates were determined from the periodic experience studies of the Montana public retirement systems for the covered groups as documented in the GASB 68 actuarial valuations.

Changes in the Total OPEB Liability

Balance at 6/30/2018	\$ 24,973
Changes for the year:	
Expense	\$ 3,134
Net Changes	\$ 3,134
Balance at 6/30/2019	\$ 28,107

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following summarizes the total OPEB liability reported, and how that liability would change if the discount rate used to calculate the OPEB liability were to decrease or increase 1%:

	1% Decrease (2.96%)	Discount Rate (3.96%)	1% Increase (4.96%)
Total OPEB Liability \$	28,428	\$ 24,973	\$ 22,087

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following summarizes the total OPEB liability reported, and how that liability would change if the healthcare trend rates used in projecting the benefit payments were to decrease or increase 1%:

	1% Decrease	Healthcare Cost Trends*	1% Increase
Total OPEB Liability \$	21,396	\$ 24,973	\$ 29,309

*\*Reference the assumptions footnotes to determine the healthcare cost trends used to calculate the OPEB liability.*

In fiscal year ending June 30, 2019, the above sensitivity analysis does not reflect the change to the total OPEB liability. The total OPEB liability in the analysis is based on the June 30, 2018 calculated liability per valuation completed on July 1, 2017.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2019, the City recognized an OPEB expense of \$3,134. The City does not report any deferred outflows of resources and deferred inflows of resources related to OPEB as there were no differences between expected and actual experience or changes in assumptions performed in the alternative measurement method. In addition, since City records costs as they come due there are no deferred outflows of resources for contributions to the OPEB plan trust.

**NOTE 6. NET PENSION LIABILITY**

**Summary of Significant Accounting Policies**

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

**Plan Descriptions**

**PERS**

The PERS-Defined Benefit Retirement Plan (PERS) 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, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, local governments, certain employees of the Montana University System, and school districts.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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 contribution* and *defined benefit* retirement plans. For members that choose to join the PERS-DCRP, a percentage of the employer contributions will be used to pay down the liability of the PERS-DBRP. All new members from the universities also have 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.

**MPORS**

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1974 and governed by Title 19, chapters 2 & 9, MCA. This plan provides retirement benefits to all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries.

*Deferred Retirement Option Plan (DROP):* Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may only participate in the DROP once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Summary of Benefits**

**PERS**

**Service retirement:**

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

**Early Retirement (actuarially reduced):**

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

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

1) Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:

- a. A refund of member's contributions plus return interest (currently .77% effective July 1, 2017).
- b. No service credit for second employment;
- c. Start the same benefit amount the month following termination; and
- d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

2) Retire before January 1, 2016 and accumulate at least 2 years of additional service credit:

- a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
- b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.

3) Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:

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

**Vesting**

- 5 years of membership service

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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

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

**Compensation Cap**

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

**Monthly benefit formula**

Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 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.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  - 1.5% for each year PERS is funded at or above 90%;
  - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - 0% whenever the amortization period for PERS is 40 years or more.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**MPORS**

**Service Retirement**

- 20 years of membership service, regardless of age.
- Age 50 with 5 years of membership service.
- 2.5% of FAC x years of service credit.

**Second Retirement**

(applies to members re-employed in a MPORS position after July 1, 2017):

- 1) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
  - a. Is not awarded service credit for the period of reemployment;
  - b. Is refunded the accumulated contributions associated with the period of reemployment;
  - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 2) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
  - a. Is awarded service credit for the period of reemployment;
  - b. Starting the first month following termination of service, receives:
    - i. The same retirement benefit previously paid to the member, and
    - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
  - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - i. On the initial retirement benefit in January immediately following second retirement, and
    - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 3) A member who returns to covered service is not eligible for a disability benefit.

**Vesting**

5 years of membership service

**Member's Final Average Compensation (FAC)**

- Hired prior to July 1, 1977 - average monthly compensation of final year of service;
- Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Compensation Cap**

- Hired on or after July 1, 2013: 110% annual cap on compensation considered as a part of a member's FAC.

**Guaranteed Annual Benefit Adjustment (GABA)**

Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.

**Minimum benefit adjustment (non-GABA)**

If hired before July 1, 1997 and member did not elect GABA, the minimum benefit adjustment provided is equal to 50% of the current base compensation of a newly confirmed police officer of the employer that last employed the member as a police officer.

**Overview of Contributions**

**PERS**

1. Rates are specified by state law and are a percentage of the member's compensation.
  - a. Contributions are deducted from each member's salary and remitted by participating employers;
  - b. The State legislature has the authority to establish and amend contribution rates to the plan.
2. Member contributions to the system:
  - a. Plan members are required to contribute 7.90% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.
  - b. The 7.90% member contributions is 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.
3. Employer contributions to the system:
  - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
  - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

4. 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.
- iii. The State contributed a statutory appropriation from its General Fund of \$33,454,182.

MPORS

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.

Fiscal Year	Member				Employer	State
	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired>6/30/97 GABA		
2000-2019	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998-1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%

Stand-Alone Statements

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

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System(PERS), and Municipal Police Officers' Retirement System (MPORS) Statement 68 became effective June 30, 2016 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS and MPORS that are used to provide pension benefits to the retired members. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.



CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2018 and June 30, 2019 (reporting dates).

	PERS NPL as of 6/30/2018	PERS NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2019	MPORS NPL as of 6/30/2018	MPORS NPL as of 6/30/2019	Percent of Collective NPL as of 6/30/2019	Total Collective NPL as of 6/30/2019	Percent Totals as of 6/30/2019
Employer Proportionate Share	\$ 982,490	\$ 745,237	0.0357%	\$ 263,921	\$ 245,308	0.1432%	\$ 990,545	0.1789%
State of Montana Proportionate Share associated with Employer	14,207	250,522	0.0482%	537,911	501,456	0.4362%	\$ 751,978	0.4844%
Total	<u>\$ 996,697</u>	<u>\$ 995,759</u>	<u>0.0839%</u>	<u>\$ 801,832</u>	<u>\$ 746,764</u>	<u>0.5794%</u>	<u>\$ 1,742,523</u>	<u>0.6633%</u>

At June 30, 2019, the employer recorded a liability of \$990,545 for its proportionate share of the net pension liability of 0.1789 percent. The net pension liability of PERS, and MPORS was measured as of June 30, 2017 and applying roll forward procedures. The employer's proportion of the net pension liability was based on the employer's contributions received by PERS and MPORS during the measurement period July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERS and MPORS participating employers.

*Changes in actuarial assumptions and methods:*

**PERS and MPORS**

There were no changes in assumptions or other inputs that affected the measurement of the total pension liability.

*Changes in benefit terms:*

**PERS and MPORS**

There were 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

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Pension Expense as of 6/30/19**

	PERS	MPORS	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Employer Proportionate Share	\$ (180)	\$ 19,086	\$ 18,906
State of Montana Proportionate Share associated with the Employer	16,720	69,127	85,847
Total	<u>\$ 16,540</u>	<u>\$ 88,213</u>	<u>\$ 104,753</u>

At June 30, 2019, the employer recognized a Pension Expense of \$18,906 for its proportionate share of the pension expense. The employer also recognized grant revenue of \$85,847 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

**Recognition of Beginning Deferred Outflow**

At June 30, 2019, the employer recognized a beginning deferred outflow of resources for the employers fiscal year 2018 contributions of \$92,493.

**Deferred Inflows and Outflows**

At June 30, 2019, the employer reported its proportionate share of PERS and MPORS, deferred outflows of resources and deferred inflows of resources related to PERS and MPORS from the following sources:

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

	PERS Deferred Outflows of Resources	PERS Deferred Inflows of Resources	MPORS Deferred Outflows of Resources	MPORS Deferred Inflows of Resources	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 56,670	\$ -	\$ 688	\$ 4,893	\$ 57,358	\$ 4,893
Actual vs. Expected Investment Earnings	-	11,574	-	1,860	-	13,434
Changes in Assumptions	63,371	-	11,468	-	74,839	-
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	187,091	-	12,339	-	199,430
Employer contributions subsequent to the measurement date - FY19	64,446	-	33,002	-	97,448	-
Total	<u>\$ 184,487</u>	<u>\$ 198,665</u>	<u>\$ 45,158</u>	<u>\$ 19,092</u>	<u>\$ 229,645</u>	<u>\$ 217,757</u>

\*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 net pension liability in the year ended June 30, 2019.

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

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**Deferred Inflows and Outflows**

PERS: Year ended June 30,	Amount of Deferred Outflows and Deferred Inflows recognized in future years as an increase or (decrease) to Pension Expense
2020	\$ (1,447)
2021	\$ (7,294)
2022	\$ (65,127)
2023	\$ (4,755)
2024	\$ -
Thereafter	\$ -

MPORS: Year ended June 30,	Amount of Deferred Outflows and Deferred Inflows recognized in future years as an increase or (decrease) to Pension Expense
2020	\$ 580
2021	\$ 388
2022	\$ (6,811)
2023	\$ (1,094)
2024	\$ -
Thereafter	\$ -

**Actuarial Assumptions**

**PERS**

The TPL used to calculate the NPL was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2018. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of the last actuarial experience study, dated May 2017, for the six year period July 1, 2010 to June 30, 2016. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.65%
- Admin Expense as % of Payroll 0.26%
- General Wage Growth\* 3.50%

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

- \*includes Inflation at 2.75%
- Merit Increases 0% to 6.3%
- Postretirement Benefit Increase Below:

**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 member's benefit.

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2014
- Member hired on or after July 1, 2013:
  - 1.5% for each year PERS is funded at or above 90%;
  - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality assumptions among contributing members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among Disabled members are based on RP 2000 Combined Mortality Tables with no projections.

**MPORS**

The TPL used to calculate the NPL was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2018. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of the last actuarial experience study, dated May 2017, for the six-year period July 1, 2010 to June 30, 2016. Among those assumptions were the following:

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.24%
General Wage Growth*	3.50%
*includes Inflation at	2.75%
Merit Increases	0% to 6.60%

- Postretirement Benefit Increases

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

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit.

**ii. Minimum benefit adjustment (non-GABA)**

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer in the city that the member was last employed.

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale Bb, set back one year for males.
- Mortality assumptions among Disabled Retirees were based on RP 2000 Combined Mortality Tables.

**Discount Rate**

PERS and MPORS

The discount rate used to measure the Total Pension Liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated.

For PERS the State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the state contributed coal severance tax and interest money from the general fund. The interest was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

For MPORS the State contributes 29.37% of salaries paid by employers. 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 2124. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

**Target Allocations**

PERS and MPORS

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return Arithmetic Basis</u>
Cash Equivalents	2.60%	4.00%
Domestic Equity	36.00%	4.55%
Foreign Equity	18.00%	6.35%
Fixed Income	23.40%	1.00%
Private Equity	12.00%	7.75%
Real Estate	<u>8.00%</u>	4.00%
Total	<u>100.00%</u>	

CITY OF LIBBY  
LINCOLN COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

The long-term expected return on pension plan assets was reviewed as part of the regular experience study prepared for the Plan. The most recent analysis, performed for the period of July 1, 2010 to June 30, 2016, is outlined in a report dated May 2017 and can be located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The above table outlines the best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018.

**Sensitivity Analysis**

	1.0%	Current	1.0%
	Decrease	Discount Rate	Increase
PERS	\$ 1,077,785	\$ 745,237	\$ 472,162
MPORS	\$ 372,539	\$ 245,308	\$ 143,557

**PERS and MPORS**

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.65%) or 1.00% higher (8.65%) than the current rate.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



City of Libby, Lincoln County, Montana  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

General				
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>RESOURCES (INFLOWS):</b>				
Taxes and assessments	\$ 427,386	\$ 427,386	\$ 442,313	\$ 14,927
Licenses and permits	37,600	37,600	57,764	20,164
Intergovernmental	630,251	630,251	634,232	3,981
Charges for services	33,758	33,758	42,917	9,159
Fines and forfeitures	35,000	35,000	51,144	16,144
Miscellaneous	172,377	189,212	161,926	(27,286)
Investment earnings	2,079	2,079	5,301	3,222
Amounts available for appropriation	\$ 1,338,451	\$ 1,355,286	\$ 1,395,597	\$ 40,311
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General government	\$ 303,785	\$ 303,703	286,682	\$ 17,021
Public safety	574,804	592,333	594,979	(2,646)
Public works	223,637	223,637	191,285	32,352
Public health	12,000	12,000	12,000	-
Culture and recreation	79,061	79,061	56,474	22,587
Debt service - principal	23,816	23,816	17,303	6,513
Debt service - interest	5,889	5,889	5,671	218
Miscellaneous	41,000	41,000	27,782	13,218
Capital outlay	198,912	198,912	185,030	13,882
Total charges to appropriations	\$ 1,462,822	\$ 1,480,351	\$ 1,377,206	\$ 103,145
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of general long term debt	\$ 86,000	\$ 86,000	\$ 86,293	\$ 293
Transfers in	10,000	10,000	-	(10,000)
Total other financing sources (uses)	\$ 96,000	\$ 96,000	\$ 86,293	\$ (9,707)
Net change in fund balance			\$ 104,684	
Fund balance - beginning of the year			\$ 555,157	
Fund balance - end of the year			\$ 659,841	

City of Libby, Lincoln County, Montana  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2019

IP Settlement				
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>RESOURCES (INFLOWS):</b>				
Miscellaneous	\$ -	\$ -	\$ 291,154	\$ 291,154
Investment earnings	1,600	1,600	61,410	59,810
Amounts available for appropriation	<u>1,600</u>	<u>1,600</u>	<u>352,564</u>	<u>350,964</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
General government	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Public works	-	-	58,232	(58,232)
Conservation of natural resources	-	-	71,634	(71,634)
Capital outlay	100,000	100,000	78,916	21,084
Total charges to appropriations	<u>115,000</u>	<u>115,000</u>	<u>208,782</u>	<u>(93,782)</u>
Net change in fund balance			<u>143,782</u>	
Fund balance - beginning of the year			\$ 514,925	
Fund balance - end of the year			<u><u>658,707</u></u>	

**City of Libby, Lincoln County, Montana**  
**Budgetary Comparison Schedule**  
**Budget-to-GAAP Reconciliation**

**Note A - Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures**

	<u>General</u>	<u>IP Settlement</u>
<b>Sources/Inflows of resources</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,395,597	\$ 352,564
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds.	\$ 1,395,597	\$ 352,564
Actual amounts (Budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	1,377,206	\$ 208,782
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 1,377,206	\$ 208,782

**Note B**

**The IP Settlement Fund exceeded it's original budget authority due to unanticipated legal and capital outlay expenditures**

City of Libby, Lincoln County, Montana  
GASB 68 RSI

**Schedule of Proportionate Share of the Net Pension Liability Table**

	<b>PERS 2019</b>	<b>PERS 2018</b>	<b>PERS 2017</b>	<b>PERS 2016</b>	<b>PERS 2015</b>
Employer's proportion of the net pension liability	0.0036%	0.0504%	0.0503%	0.0520%	0.0601%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 745,237	\$ 982,490	\$ 856,005	\$ 726,546	\$ 749,375
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 250,522	\$ 14,207	\$ 10,459	\$ 8,924	\$ 9,151
Total	<del>\$ 995,759</del>	<del>\$ 996,697</del>	\$ 866,464	\$ 735,470	\$ 758,526
Employer's covered payroll	\$ 590,755	\$ 625,788	\$ 601,959	\$ 606,560	\$ 687,703
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	126.15%	157.00%	142.20%	119.78%	111.22%
Plan fiduciary net position as a percentage of the total pension liability	73.47%	73.75%	74.71%	78.40%	79.87%

**Schedule of Contributions**

	<b>PERS 2019</b>	<b>PERS 2018</b>	<b>PERS 2017</b>	<b>PERS 2016</b>	<b>PERS 2015</b>
Contractually required contributions	\$ 64,445	\$ 49,736	\$ 52,379	\$ 53,195	\$ 54,627
Contributions in relation to the contractually required contributions	\$ 64,445	\$ 49,736	\$ 52,379	\$ 53,195	\$ 54,627
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 743,310	\$ 590,755	\$ 625,788	\$ 601,959	\$ 606,560
Contributions as a percentage of covered payroll	8.67%	8.42%	8.37%	8.84%	9.01%

City of Libby, Lincoln County, Montana  
GASB 68 RSI

**Schedule of Proportionate Share of the Net Pension Liability Table**

	<b>MPORS 2019</b>	<b>MPORS 2018</b>	<b>MPORS 2017</b>	<b>MPORS 2016</b>	<b>MPORS 2015</b>
Employer's proportion of the net pension liability	0.1432%	0.1483%	0.1533%	0.1568%	1.1629%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 245,308	\$ 263,921	\$ 276,000	\$ 259,335	\$ 255,911
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 501,456	\$ 537,911	\$ 547,872	\$ 525,438	\$ 516,970
Total	\$ 746,764	\$ 801,832	\$ 823,872	\$ 784,773	\$ 772,881
Employer's covered payroll	\$ 226,092	\$ 221,991	\$ 216,440	\$ 216,977	\$ 218,515
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	108.50%	118.89%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percentage of the total pension liability	70.95%	68.34%	65.62%	66.90%	67.01%

UNAUDITED

**Schedule of Contributions**

	<b>MPORS 2019</b>	<b>MPORS 2018</b>	<b>MPORS 2017</b>	<b>MPORS 2016</b>	<b>MPORS 2015</b>
Contractually required contributions	\$ 33,002	\$ 33,816	\$ 31,966	\$ 31,706	\$ 31,453
Contributions in relation to the contractually required contributions	\$ 33,002	\$ 33,816	\$ 31,966	\$ 31,706	\$ 31,453
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 229,022	\$ 226,092	\$ 221,991	\$ 216,440	\$ 216,977
Contributions as a percentage of covered payroll	14.41%	14.96%	14.40%	14.65%	14.50%

**City of Libby, Lincoln County, Montana**  
**Schedules of Required Supplementary Information**  
**Schedule of Changes in the**  
**Total OPEB Liability and Related Ratios**  
**For The Year Ended June 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB liability</b>				
Service Cost	\$ 3,134	\$ 3,134	\$ -	\$ 3,645
Net change in total OPEB liability	3,134	3,134	-	3,645
Total OPEB Liability - beginning	24,973	26,049	26,049	-
Restatement	-	(4,209)	-	22,403
Total OPEB Liability - ending	\$ <u>28,107</u>	\$ <u>24,973</u>	\$ <u>26,049</u>	\$ <u>26,049</u>
Covered-employee payroll	\$ 1,450,973	\$ 1,450,973	\$ 887,848	\$ 880,824
Total OPEB liability as a percentage of covered -employee payroll	2%	2%	3%	3%

*\*The above schedule is presented by combining the required schedules from GASB 75 paragraphs 170a and 170b. The GASB requires that 10 years of information related to the OPEB liability be presented, additional data will be reported as it becomes available.*

**OTHER  
SUPPLEMENTARY  
INFORMATION**

47. COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

	2410 Lighting Maint.	2510 STREET MAINTENANCE	2820 Gas Tax	2821 GAS TAX HB 473
ASSETS				
Cash and cash equivalents	83,422.35	277,749.95	59,230.96	0.00
Taxes receivable:				
Special assessments	23,487.40	52,879.13	0.00	0.00
Other receivables	0.00	0.00	0.00	0.00
Advances to other funds	0.00	0.00	0.00	0.00
<b>TOTAL ASSETS</b>	<b>106,909.75</b>	<b>330,629.08</b>	<b>59,230.96</b>	<b>0.00</b>
Deferred Outflows of Resources				
LIABILITIES				
Deferred Inflows of Resources				
Deferred Inflows of Tax Revenues	23,487.40	52,879.13	0.00	0.00
Deferred Inflows of Resources other	0.00	0.00	0.00	0.00
<b>Total Deferred Inflows of Resources</b>	<b>23,487.40</b>	<b>52,879.13</b>	<b>0.00</b>	<b>0.00</b>
FUND BALANCES				
Unassigned (negative balance only)	83,422.35	277,749.95	59,230.96	0.00
<b>Total Fund Balances</b>	<b>83,422.35</b>	<b>277,749.95</b>	<b>59,230.96</b>	<b>0.00</b>
<b>Total Liabilities, Deferred inflows of resources and Fund Balances</b>	<b>106,909.75</b>	<b>330,629.08</b>	<b>59,230.96</b>	<b>0.00</b>



47. COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

	2959 Community Developm	Total Nonmajor Spec. Rev. Funds
-----		
ASSETS		
Cash and cash equivalents	441,613.87	862,017.13
Taxes receivable:		
Special assessments	0.00	76,366.53
Other receivables	66,122.37	66,122.37
Advances to other funds	199,996.61	199,996.61
-----		
TOTAL ASSETS	707,732.85	1,204,502.64
-----		
Deferred Outflows of Resources		
-----		
LIABILITIES		
-----		
Deferred Inflows of Resources		
Deferred Inflows of Tax Revenues	0.00	76,366.53
Deferred Inflows of Resources other	66,122.24	66,122.24
-----		
Total Deferred Inflows of Resources	66,122.24	142,488.77
-----		
FUND BALANCES		
Unassigned (negative balance only)	641,610.61	1,062,013.87
-----		
Total Fund Balances	641,610.61	1,062,013.87
Total Liabilities, Deferred	707,732.85	1,204,502.64
inflows of resources and Fund Balances		
=====		

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

2410 Lighting Maint.

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Special assessments	65,506.00	65,506.00	67,872.91	2,366.91
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	0.00	0.00	0.00	0.00
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Miscellaneous	0.00	0.00	0.00	0.00
Investment and royalty earnings	136.00	136.00	391.03	255.03
Total revenues	65,642.00	65,642.00	68,263.94	2,621.94
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	59,000.00	59,000.00	44,465.97	14,534.03
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Conservation of Natural Resources				
Capital expenditures	0.00	0.00	0.00	0.00
Debt Service				
Total expenditures	59,000.00	59,000.00	44,465.97	14,534.03
Excess of revenues over (under) expenditures	6,642.00	6,642.00	23,797.97	17,155.97
OTHER FINANCING SOURCES (USES)				
Transfers in	0.00	0.00	0.00	0.00
Total other financing sources (uses)	0.00	0.00	0.00	0.00
Net change in fund balance	6,642.00	6,642.00	23,797.97	17,155.97
Fund balance - July 1, 2018 -				

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

2410 Lighting Maint.

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
	-----	-----	-----	-----
-As previously reported	59,624.38	59,624.38	59,624.38	0.00
Fund balance - July 1, 2018 - As restated	59,624.38	59,624.38	59,624.38	0.00
Fund balance - June 30, 2019	66,266.38	66,266.38	83,422.35	17,155.97
	=====	=====	=====	=====

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

## 2510 STREET MAINTENANCE

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-----				
REVENUES				
Taxes				
Special assessments	148,307.00	148,307.00	156,402.50	8,095.50
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	0.00	0.00	0.00	0.00
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Miscellaneous	0.00	0.00	0.00	0.00
Investment and royalty earnings	800.00	800.00	1,522.60	722.60
-----				
Total revenues	149,107.00	149,107.00	157,925.10	8,818.10
-----				
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Personal services	104,362.00	104,362.00	102,066.35	2,295.65
Supplies/services/materials, etc	38,953.00	38,953.00	30,056.40	8,896.60
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Conservation of Natural Resources				
Capital expenditures	140,000.00	140,000.00	21,824.79	118,175.21
Debt Service				
-----				
Total expenditures	283,315.00	283,315.00	153,947.54	129,367.46
-----				
Excess of revenues over (under) expenditures	( 134,208.00)	( 134,208.00)	3,977.56	138,185.56
-----				
OTHER FINANCING SOURCES (USES)				
Transfers in	0.00	0.00	0.00	0.00
-----				
Total other financing sources (uses)	0.00	0.00	0.00	0.00
-----				
Net change in fund balance	( 134,208.00)	( 134,208.00)	3,977.56	138,185.56
Fund balance - July 1, 2018 -				

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

## 2510 STREET MAINTENANCE

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	273,772.39	273,772.39	273,772.39	0.00
Fund balance - July 1, 2018 - As restated	273,772.39	273,772.39	273,772.39	0.00
Fund balance - June 30, 2019	139,564.39	139,564.39	277,749.95	138,185.56

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

2820 Gas Tax

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-----				
REVENUES				
Taxes				
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	0.00	0.00	0.00	0.00
State shared revenues	64,006.00	64,006.00	63,839.49	( 166.51)
Charges for services				
Fines and forfeitures				
Miscellaneous	0.00	0.00	0.00	0.00
Investment and royalty earnings	50.00	50.00	319.38	269.38
-----				
Total revenues	64,056.00	64,056.00	64,158.87	102.87
-----				
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Personal services	53,975.00	53,975.00	52,508.81	1,466.19
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				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Conservation of Natural Resources				
Capital expenditures	0.00	0.00	0.00	0.00
Debt Service				
-----				
Total expenditures	53,975.00	53,975.00	52,508.81	1,466.19
-----				
Excess of revenues over (under) expenditures	10,081.00	10,081.00	11,650.06	1,569.06
-----				
OTHER FINANCING SOURCES (USES)				
Transfers in	0.00	0.00	0.00	0.00
-----				
Total other financing sources (uses)	0.00	0.00	0.00	0.00
-----				
Net change in fund balance	10,081.00	10,081.00	11,650.06	1,569.06
Fund balance - July 1, 2018 -				

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

## 2820 Gas Tax

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
	-----	-----	-----	-----
-As previously reported	47,580.90	47,580.90	47,580.90	0.00
	-----	-----	-----	-----
Fund balance - July 1, 2018 - As restated	47,580.90	47,580.90	47,580.90	0.00
	-----	-----	-----	-----
Fund balance - June 30, 2019	57,661.90	57,661.90	59,230.96	1,569.06
	=====	=====	=====	=====

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

2821 GAS TAX HB 473

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<hr/>				
REVENUES				
Taxes				
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	0.00	0.00	0.00	0.00
State shared revenues	98,160.00	98,160.00	23,816.68	( 74,343.32)
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
<hr/>				
Total revenues	98,160.00	98,160.00	23,816.68	( 74,343.32)
<hr/>				
EXPENDITURES				
Current:				
General Government				
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				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Conservation of Natural Resources				
Capital expenditures	98,160.00	98,160.00	23,816.68	74,343.32
Debt Service				
<hr/>				
Total expenditures	98,160.00	98,160.00	23,816.68	74,343.32
<hr/>				
Excess of revenues over (under) expenditures	0.00	0.00	0.00	0.00
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers in	4,912.00	4,912.00	0.00	( 4,912.00)
<hr/>				
Total other financing sources (uses)	4,912.00	4,912.00	0.00	( 4,912.00)
<hr/>				
Net change in fund balance	4,912.00	4,912.00	0.00	( 4,912.00)
Fund balance - July 1, 2018 -				



49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

2821 GAS TAX HB 473

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	0.00	0.00	0.00	0.00
Fund balance - July 1, 2018 - As restated	0.00	0.00	0.00	0.00
Fund balance - June 30, 2019	4,912.00	4,912.00	0.00	( 4,912.00)

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

## 2959 Community Development Fund

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<hr/>				
REVENUES				
Taxes				
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	85,355.00	31,428.34	31,428.34	0.00
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Miscellaneous	15,000.00	15,000.00	15,000.00	0.00
Investment and royalty earnings	25,767.00	25,767.00	4,866.62	( 20,900.38)
	<hr/>			
Total revenues	126,122.00	72,195.34	51,294.96	( 20,900.38)
	<hr/>			
EXPENDITURES				
Current:				
General Government				
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				
Supplies/services/materials, etc	37,870.00	37,870.00	34,022.50	( 152.50)
Conservation of Natural Resources				
Capital expenditures	183,595.00	183,595.00	92,093.20	91,501.80
Debt Service				
	<hr/>			
Total expenditures	221,465.00	221,465.00	130,115.70	91,349.30
	<hr/>			
Excess of revenues over (under) expenditures	( 95,343.00)	( 149,269.66)	( 78,820.74)	70,448.92
	<hr/>			
OTHER FINANCING SOURCES (USES)				
Transfers in	0.00	0.00	0.00	0.00
	<hr/>			
Total other financing sources (uses)	0.00	0.00	0.00	0.00
	<hr/>			
Net change in fund balance	( 95,343.00)	( 149,269.66)	( 78,820.74)	70,448.92
Fund balance - July 1, 2018 -				

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

## 2959 Community Development Fund

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	720,431.35	720,431.35	720,431.35	0.00
Fund balance - July 1, 2018 - As restated	720,431.35	720,431.35	720,431.35	0.00
Fund balance - June 30, 2019	625,088.35	571,161.69	641,610.61	70,448.92

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<hr/>				
REVENUES				
Taxes				
Special assessments	213,813.00	213,813.00	224,275.41	10,462.41
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State grants	85,355.00	31,428.34	31,428.34	0.00
State shared revenues	162,166.00	162,166.00	87,656.17	( 74,509.83)
Charges for services				
Fines and forfeitures				
Miscellaneous	15,000.00	15,000.00	15,000.00	0.00
Investment and royalty earnings	26,753.00	26,753.00	7,099.63	( 19,653.37)
	<hr/>			
Total revenues	503,087.00	449,160.34	365,459.55	( 83,700.79)
	<hr/>			
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Personal services	158,337.00	158,337.00	154,575.16	3,761.84
Supplies/services/materials, etc	97,953.00	97,953.00	74,522.37	23,430.63
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Supplies/services/materials, etc	37,870.00	37,870.00	38,022.50	( 152.50)
Conservation of Natural Resources				
Capital expenditures	421,755.00	421,755.00	137,734.67	284,020.33
Debt Service				
	<hr/>			
Total expenditures	715,915.00	715,915.00	404,854.70	311,060.30
	<hr/>			
Excess of revenues over (under) expenditures	( 212,828.00)	( 266,754.66)	( 39,395.15)	227,359.51
	<hr/>			
OTHER FINANCING SOURCES (USES)				
Transfers in	4,912.00	4,912.00	0.00	( 4,912.00)
	<hr/>			
Total other financing sources (uses)	4,912.00	4,912.00	0.00	( 4,912.00)
	<hr/>			
Net change in fund balance	( 207,916.00)	( 361,842.66)	( 39,395.15)	222,447.51
Fund balance - July 1, 2018 -				

49. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR SPECIAL REVENUE FUNDS  
For the year ending June 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	1,101,409.02	1,101,409.02	1,101,409.02	0.00
Fund balance - July 1, 2018 - As restated	1,101,409.02	1,101,409.02	1,101,409.02	0.00
Fund balance - June 30, 2019	893,493.02	839,566.36	1,062,013.87	222,447.51

51. COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUNDS  
For the year ending June 30, 2019

	3200	Total Nonmajor
	MINERAL AVE. SID P	Debt Service Funds
ASSETS		
Cash and cash equivalents	5,142.18	5,142.18
Taxes receivable:		
Special assessments	12,384.64	12,384.64
Due from other governments	78.00	78.00
TOTAL ASSETS	17,604.82	17,604.82
Deferred Outflows of Resources		
LIABILITIES		
Advances from other funds	16,991.64	16,991.64
TOTAL LIABILITIES	16,991.64	16,991.64
Deferred Inflows of Resources		
Deferred Inflows of Tax Revenues	12,384.64	12,384.64
Total Deferred Inflows of Resources	12,384.64	12,384.64
FUND BALANCES		
Unassigned (negative balance only)	( 11,771.46)	( 11,771.46)
Total Fund Balances	( 11,771.46)	( 11,771.46)
Total Liabilities, Deferred inflows of resources and Fund Balances	17,604.82	17,604.82

53. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - NONMAJOR DEBT SERVICE FUNDS  
For the year ending June 30, 2019

3200 MINERAL AVE. SID PROJECT

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-----	-----	-----	-----	-----
REVENUES				
Taxes				
Special assessments	2,146.00	2,146.00	2,460.49	314.49
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
Charges for services				
Fines and forfeitures				
-----	-----	-----	-----	-----
Total revenues	2,146.00	2,146.00	2,460.49	314.49
-----	-----	-----	-----	-----
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
Principal	1,324.00	1,324.00	0.00	1,324.00
Interest	822.00	822.00	0.00	822.00
-----	-----	-----	-----	-----
Total expenditures	2,146.00	2,146.00	0.00	2,146.00
-----	-----	-----	-----	-----
Excess of revenues over (under) expenditures	0.00	0.00	2,460.49	2,460.49
-----	-----	-----	-----	-----
OTHER FINANCING SOURCES (USES)				
-----	-----	-----	-----	-----
Net change in fund balance	0.00	0.00	2,460.49	2,460.49
Fund balance - July 1, 2018 - -As previously reported	( 14,231.95)	( 14,231.95)	( 14,231.95)	0.00
-----	-----	-----	-----	-----
Fund balance - July 1, 2018 - As restated	( 14,231.95)	( 14,231.95)	( 14,231.95)	0.00
-----	-----	-----	-----	-----
Fund balance - June 30, 2019	( 14,231.95)	( 14,231.95)	( 11,771.46)	2,460.49
=====	=====	=====	=====	=====

53. COMBINING STMT OF REV, EXPEND, & CHANGES IN FUND BALANCES - BUDGET & ACTUAL - TOTAL NONMAJOR DEBT SERVICE FUNDS  
For the year ending June 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Special assessments	2,146.00	2,146.00	2,460.49	314.49
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
Charges for services				
Fines and forfeitures				
Total revenues	2,146.00	2,146.00	2,460.49	314.49
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Debt Service				
Principal	1,324.00	1,324.00	0.00	1,324.00
Interest	822.00	822.00	0.00	822.00
Total expenditures	2,146.00	2,146.00	0.00	2,146.00
Excess of revenues over (under) expenditures	0.00	0.00	2,460.49	2,460.49
OTHER FINANCING SOURCES (USES):				
Net change in fund balance	0.00	0.00	2,460.49	2,460.49
Fund balance - July 1, 2018 - -As previously reported	( 14,231.95)	( 14,231.95)	( 14,231.95)	0.00
Fund balance - July 1, 2018 - As restated	( 14,231.95)	( 14,231.95)	( 14,231.95)	0.00
Fund balance - June 30, 2019	( 14,231.95)	( 14,231.95)	( 11,771.46)	2,460.49



12/05/19  
12:03:22

CITY OF LIBBY  
Detail Ledger Query with Account Balances  
For the Accounting Periods: 7/18 - 13/19

Page: 1 of 6  
Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
1000 GENERAL						
331071 RD Grant Cop CARS						
RV 23792 5	RURAL DEVEL COP CARS		12/18		43,697.20	
RV 23805 4	RD 2 DRAW COP CARS		2/19		6,302.80	
Account Total:					50,000.00	50,000.00 CR
335030 Motor Vehicle Tax - Ad Valorem						
TV 10292 3	Jan Tax 2019		3/19		581.16	
Account Total:					581.16	581.16 CR
335110 Live Card Game Table Permit						
RV 23801 3	1ST QTR LIVE CARD		11/18		300.00	
Account Total:					300.00	300.00 CR
335120 Video Gaming Machine Permits						
RV 23776 3	GAMBLING PERMIT FEES		8/18		75.00	
RV 23801 1	1ST QTR VGM		11/18		21,400.00	
RV 23805 1	FY 19 VGM PERMIT DIST		2/19		375.00	
RV 23815 3	3RD QRTR GAMBLING		5/19		1,100.00	
Account Total:					22,950.00	22,950.00 CR
335230 HB 124						
RV 23781 3	1ST QTR HB 124		9/18		140,100.20	
RV 23802 3	HB 124		12/18		140,100.20	
RV 23806 1	3RD QTR ENTILEMENT SHARE		3/19		140,100.20	
RV 23821 2	HB 124 4TH QTR		6/19		140,100.20	
Account Total:					560,400.80	560,400.80 CR
Fund Total:				0.00	634,231.96	

12/05/19  
12:03:23

CITY OF LIBBY  
Detail Ledger Query with Account Balances  
For the Accounting Periods: 7/18 - 13/19

Page: 2 of 6  
Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
2820 Gas Tax						
335040 Gasoline Tax Apportionment						
RV 23771 3	FUEL TAX		7/18		5,319.96	
RV 23776 4	FUEL TAX		8/18		5,319.96	
RV 23781 2	GAS TAX		9/18		5,319.96	
RV 23797 5	GAS TAX		10/18		5,319.96	
RV 23801 2	ST FUEL TAX		11/18		5,319.96	
RV 23802 2	Transptation		12/18		5,319.96	
RV 23829 2	ST FUEL TX		1/19		5,319.96	
RV 23805 3	DEPT OF TRANSP		2/19		5,319.96	
RV 23806 2	MT FUEL TAX		3/19		5,319.96	
RV 23809 3	ST FUEL TAX		4/19		5,319.96	
RV 23815 2	HWY TAX		5/19		5,319.96	
RV 23821 1	FUEL TAX		6/19		5,319.93	
Account Total:					63,839.49	63,839.49 CR
Fund Total:				0.00	63,839.49	

12/05/19  
12:03:23

CITY OF LIBBY  
Detail Ledger Query with Account Balances  
For the Accounting Periods: 7/18 - 13/19

Page: 3 of 6  
Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
2821	GAS TAX HB 473					
335041	HB 473 Gas tax					
RV 23781 4	HB 473		9/18		23,816.68	
	Account Total:				23,816.68	23,816.68 CR
	Fund Total:			0.00	23,816.68	

12/05/19  
12:03:23

CITY OF LIBBY  
Detail Ledger Query with Account Balances  
For the Accounting Periods: 7/18 - 13/19

Page: 4 of 6  
Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
2959 Community Development Fund						
334075 WAY FINDING SIGNS TOURISM GRANT						
RV 23797 2	WAY FINDING DRAW 1		10/18		31,428.34	
Account Total:					31,428.34	31,428.34 CR
Fund Total:				0.00	31,428.34	

12/05/19  
12:03:23

CITY OF LIBBY  
Detail Ledger Query with Account Balances  
For the Accounting Periods: 7/18 - 13/19

Page: 5 of 6  
Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
5210 WATER UTILITY						
334080 State Aid						
JV 22790 4	WATER		13/19		8,370.00	
	Account Total:				8,370.00	8,370.00 CR
334120 TSEP Grant Revenue						
RV 23802 1	State Grant		12/18		15,000.00	
	Account Total:				15,000.00	15,000.00 CR
	Fund Total:			0.00	23,370.00	

12/05/19  
12:03:23

CITY OF LIBBY  
Detail Ledger Query with Account Balances  
For the Accounting Periods: 7/18 - 13/19

Page: 6 of 6  
Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
5310 SEWER UTILITY						
334080 State Aid						
JV 22790 9 SEWER			13/19		4,511.00	
	Account Total:				4,511.00	4,511.00 CR
	Fund Total:			0.00	4,511.00	
	Grand Total:			0.00	781,197.47	

12/05/19  
11:58:50

CITY OF LIBBY  
Schedule of Cash Receipts & Disbursements  
For the Year 2018-2019

Page: 1 of 2  
Report ID: L1602

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
1000 GENERAL						
101000 Cash - Operating	517,511.62	1,517,787.68	3,541.35	106,109.54	1,344,629.53	588,101.58
101001 CASH WHEN NEEDED	15,719.91	0.00	0.00	0.00	0.00	15,719.91
103000 PETTY CASH	225.00	0.00	0.00	0.00	0.00	225.00
Total Fund	533,456.53	1,517,787.68	3,541.35	106,109.54	1,344,629.53	604,046.49
Total 1000 GENERAL	533,456.53	1,517,787.68	3,541.35	106,109.54	1,344,629.53	604,046.49
2386 IP SETTLEMENT						
101000 Cash - Operating	514,924.50	294,332.95	0.00	58,238.80	12,345.00	738,673.65
2410 Lighting Maint.						
101000 Cash - Operating	47,065.88	84,451.75	0.00	0.00	48,095.28	83,422.35
2510 STREET MAINTENANCE						
101000 Cash - Operating	237,236.58	194,460.91	0.00	0.00	153,947.54	277,749.95
2820 Gas Tax						
101000 Cash - Operating	47,580.90	64,158.87	0.00	0.00	52,508.81	59,230.96
2821 GAS TAX HB 473						
101000 Cash - Operating	0.00	23,816.68	0.00	0.00	23,816.68	0.00
2959 Community Development Fund						
101000 Cash - Operating	502,099.58	69,629.99	0.00	0.00	130,115.70	441,613.87
Total 2000	1,348,907.44	730,851.15	0.00	58,238.80	420,829.01	1,600,690.78
3200 MINERAL AVE. SID PROJECT						
101000 Cash - Operating	2,681.69	2,460.49	0.00	0.00	0.00	5,142.18
Total 3000	2,681.69	2,460.49	0.00	0.00	0.00	5,142.18
5210 WATER UTILITY						
101000 Cash - Operating	554,082.26	1,870,101.74	26,209.41	866,028.34	987,592.47	596,772.60
102200 Cash - Customer Water	42,900.00	15,000.00	0.00	0.00	12,600.00	45,300.00
102220 Water Operating Reserve	462,099.00	165,528.00	0.00	0.00	0.00	627,627.00
102250 \$800K-CURRENT RESERVE	26,741.68	0.00	0.00	0.00	0.00	26,741.68
102251 \$800K-FUTURE RESERVE	53,484.00	0.00	0.00	0.00	0.00	53,484.00
102252 \$490K & 3,200K DAM-CURRENT	12,436.00	0.00	0.00	0.00	0.00	12,436.00
102253 \$490K & 3,200K DAM-FUTURE	38,208.00	14,328.00	0.00	0.00	0.00	52,536.00
102254 \$2,268K-CURRENT RESERVE	7,485.00	0.00	0.00	0.00	0.00	7,485.00
102255 \$2,268K FUTURE RESERVE	26,215.00	8,988.00	0.00	0.00	0.00	35,203.00
102256 \$253K & \$2,198K CURREBT	73,425.48	0.00	0.00	112.50	0.00	73,312.98
102257 \$253K & 2,198K COAL	8,463.00	0.00	0.00	0.00	0.00	8,463.00
102258 \$253K & \$2,198K GENERAL	130,425.00	0.00	0.00	0.00	0.00	130,425.00
102259 \$253K & \$2,198K RD BOND	361,008.61	72,759.86	0.00	0.00	0.00	433,768.47
Total Fund	1,796,973.03	2,146,705.60	26,209.41	866,140.84	1,000,192.47	2,103,554.73
5310 SEWER UTILITY						
101000 Cash - Operating	40,069.84	673,703.77	26,578.55	190,418.06	549,925.88	8.22
102230 Cash - Res-Cab.Heights RD	5,532.00	0.00	0.00	0.00	0.00	5,532.00
102231 Cash - RESERVE RD BONDS	29,736.00	0.00	0.00	600.00	0.00	29,136.00
102240 short lived assets rep.-	66,384.00	0.00	0.00	0.00	0.00	66,384.00
102241 Short lived assets rep. -	286,731.00	79,680.00	0.00	0.00	0.00	366,411.00
102243 RD BOND-FUTURE RESERVE	29,136.00	0.00	0.00	0.00	0.00	29,136.00
102244 RD BOND	2,428.00	0.00	0.00	0.00	0.00	2,428.00
Total Fund	460,016.84	753,383.77	26,578.55	191,018.06	549,925.88	499,035.22
Total 5000	2,256,989.87	2,900,089.37	52,787.96	1,057,158.90	1,550,118.35	2,602,589.95

12/05/19  
11:58:50

CITY OF LIBBY  
Schedule of Cash Receipts & Disbursements  
For the Year 2018-2019

Page: 2 of 2  
Report ID: L1602

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
7120 FIRE RELIEF AGENCY FUND						

101000 Cash - Operating	3,250.08	0.00	0.00	0.00	0.00	3,250.08
7458 TECHNOLOGY SURCHARGE/TO COUNTY FOR STATE						
101000 Cash - Operating	130.00	1,300.00	0.00	0.00	1,430.00	0.00
7467 LAW ENFORCEMENT SURCHARGE/TO COUNTY FOR STATE						
101000 Cash - Operating	187.00	1,447.00	0.00	0.00	1,634.00	0.00
7471 PUBLIC DEFENDER FEES						
101000 Cash - Operating	0.00	250.00	0.00	0.00	250.00	0.00
7910 PAYROLL FUND						
101000 Cash - Operating	36,832.70	36.52	1,569,080.63	1,293,943.09	270,804.00	41,202.76
7930 CLAIMS FUND						
101000 Cash - Operating	153,140.98	0.00	1,764,098.11	1,733,502.88	0.00	183,736.21
Total 7000	193,540.76	73,307.68	3,333,178.74	3,027,445.97	344,389.16	228,192.05
Totals	4,335,576.29	5,224,496.37	3,389,508.05	4,248,953.21	3,659,966.05	5,040,661.45



City of Libby, Lincoln County, Montana  
FY 2019

Cash Reconciliation

	Range of Interest Rates	Maturity Date	Balance Per Bank Statement 6/30/2019	Deposits in Transit	Outstanding checks/ACH	Other/ Transfers	Miscellaneous	Book Balance 6/30/2019
<b>Cash on Hand:</b>								
Petty cash			\$ 625					\$ -
<i>Total</i>			\$ 625				\$ -	\$ 625
<b>Demand Deposits:</b>								
First Montana Bank #8485			\$ 100					\$ 100
City Bond Trust account			\$ 3,250					\$ 3,250
First MT Bank #9970			\$ 49,500					\$ 49,500
<i>Total</i>			\$ 52,850	\$ -	\$ -	\$ -	\$ -	\$ 52,850
<b>Savings, NOW, Money Market Deposits:</b>								
<b>NOW accounts:</b>								
First MT Bank #0825	0.010%		\$ 558,165					\$ 558,165
First MT Bank #2092	0.050%		\$ 4,279,003	\$ 6,643	\$ (37,385)			\$ 4,248,261
LCU #4000	0.300%		\$ 74,167					\$ 74,167
LCU #3000	0.300%		\$ 106,594					\$ 106,594
<i>Total</i>			\$ 5,017,929	\$ 6,643	\$ (37,385)	\$ -	\$ -	\$ 4,987,187
<b>Total Cash and Deposits</b>			\$ 5,071,404	\$ 6,643	\$ (37,385)	\$ -	\$ -	\$ 5,040,662

**OTHER  
SUPPLEMENTARY  
INFORMATION**

<b>GENERAL INFORMATION</b> (Complete all portions applicable to entity)
--

1. Class of county/city	Third Class
2. Date of incorporation	1909
3. County seat	Libby
4. Form of government	Charter
5. Population (most recent estimate)	2,612
6. Land area	3.097 SQ.Miles
7. Miles of roads/streets/alleys	36.07
8. Taxable valuation	2,753,499
9. Road taxable valuation (county)	
10. Number of water consumers	
11. Average daily water consumption	
12. Miles of water main	
13. Miles of sanitary and storm sewers	
14. Number of building permits issued	
15. Number of full-time employees	

B. PROPERTY TAX MILL LEVIES - County/City/Town funds only (For fiscal year being reported)	
1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
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77	78
79	80
81	82
83	84
85	86
87	88
89	90
91	92
93	94
95	96
97	98
99	100

Fund/activity	Mills
General	134.75
Fire Relief	19.56
TOTAL	0.00 154.31