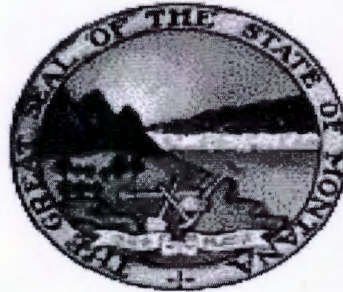


MONTANA DEPARTMENT OF ADMINISTRATION
State Financial Services Division
State Accounting Bureau
Local Government Services
Mitchell Building, Room 270, PO Box 200547, Helena, Montana 59620-0547

ENTITY # 022702

MONTANA
CITY OF Libby
ADDRESS
CITY, STATE ZIP

**ANNUAL FINANCIAL
REPORT**



FISCAL YEAR ENDING JUNE 30, 2018

FOR DEPARTMENT OF ADMINISTRATION USE ONLY

Entered into Database		Date:
Reviewed by System's Staff		

**ANNUAL FINANCIAL REPORT FILING FEE
FISCAL YEAR ENDING JUNE 30, 2018**

022702 CITY OF Libby ADDRESS CITY, STATE ZIP	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	\$550
\$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	1,856,446.00
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	2,042,007.00	0.00	Box #1
Non-Operating Revenues: (Do not include Gain on Sale of Capital Assets)			
Taxes/Assessments		0.00	
Licenses/Permits	1,652.00	0.00	
Intergovernmental Revenues	50,104.00	0.00	Filing Fee Owed 0
Interest Revenues	15,724.00	0.00	
Other Non-operating Revenues not included above			
Capital Contributions		0.00	1,300
Special and/or Extraordinary Items (Revenues only)		0.00	

ENTERPRISE FUNDS - PAGE 20 (STATEMENT OF CASH FLOWS)

Proceeds from Sale of Capital Assets	0.00
--------------------------------------	------

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
---	------

Total Revenues for Calculation of Filing Fee

\$0.00 3,965,943.00

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 (Subtract Debt used to Refinance Manually)

Add: Proceeds from Debt provided by a Federal agency, a State agency or another local government:		Box #2
Governmental Funds (from Statement of Revenues, Expenditures, and Changes in Fund Balances (Page 16) Proceeds from General Long-Term Debt)	0.00	
Proprietary Funds (from Statement of Revenues, Major & Non-Major Enterprise Funds (Page 20) Proceeds from Debt)	0.00	
Manually subtract debt proceeds received from non-governmental financial institutions (banks, savings & loans) included above (Enter as a negative)		
Subtotal - Proceeds received from Debt	0.00	
Manually subtract amount of proceeds received from governments used to refinance existing debt. (Enter as a negative)		
Total Adjusted Debt Proceeds	\$0.00	Audit Required? NO
Total Revenues + Total Adjusted Debt Proceeds	\$0.00	

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

CITY OF Libby
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY

SECTION

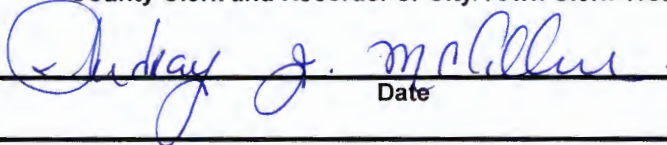
**CITY OF Libby
ELECTED OFFICIALS/OFFICERS**

		DATE TERM EXPIRES
OFFICE	NAME OF CITY/TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Brent Teske	2021
Councilperson(Council President)	Peggy Williams	2019
Councilperson	Brian Zimmerman	2019
Councilperson	Gary Beach	2021
Councilperson	Kristin Smith	2021
Councilperson	Hugh Taylor	2019
Councilperson	Robert Dufficy	2019
City manager	Jim Hammons	
Attorney	Dean Chisholm	
Chief of police	Scott Kessel	
Clerk/Treasurer	Audray McCollum	
City Judge	Lucille Briggs	
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, 2018

Respectfully submitted;

County Clerk and Recorder or City/Town Clerk-Treasurer



 Date

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

City of Libby, Lincoln County, Montana
MD & A Comparisons
June 30, 2018

Table 1 - Net Position

	Governmental Activities			Business-type Activities		
	FY18	FY17	Change Inc (Dec)	FY18	FY17	Change Inc (Dec)
	Current and other assets	\$ 3,796,415	\$ 3,428,427	\$ 367,988	\$ 2,490,443	\$ 2,329,772
Capital assets	4,689,139	4,721,216	(32,077)	24,854,145	25,518,572	(664,427)
Total assets	\$ 8,485,554	\$ 8,149,643	\$ 335,911	\$ 27,344,588	\$ 27,848,344	\$ (503,756)
Long-term debt outstanding	\$ 254,352	90,065	\$ 164,287	\$ 10,649,708	\$ 10,911,039	\$ (261,331)
Other liabilities	548,458	534,666	13,792	898,486	790,341	108,145
Total liabilities	\$ 802,810	\$ 624,731	\$ 178,079	\$ 11,548,194	\$ 11,701,380	\$ (153,186)
Net position:						
Net investment in capital assets	\$ 4,516,083	\$ 4,706,468	\$ (190,385)	\$ 14,298,064	\$ 14,695,469	\$ (397,405)
Restricted	1,713,102	1,366,220	346,882	1,125,257	968,931	156,326
Unrestricted (deficit)	1,453,559	1,452,224	1,335	373,073	482,564	(109,491)
Total net position	\$ 7,682,744	\$ 7,524,912	\$ 157,832	\$ 15,796,394	\$ 16,146,964	\$ (350,570)

Table 2 - Changes in Net Position

	Governmental Activities			Business-type Activities		
	FY18	FY17	Change Inc (Dec)	FY18	FY17	Change Inc (Dec)
	Revenues					
<i>Program revenues (by major source):</i>						
Charges for services	\$ 421,078	\$ 430,876	\$ (9,798)	\$ 2,041,881	\$ 1,955,939	\$ 85,942
Operating grants and contributions	79,757	77,623	2,134	38,408	-	38,408
Capital grants and contributions	50,000	60,000	(10,000)	-	38,151	(38,151)
<i>General revenues (by major source):</i>						
Property taxes for general purposes	516,388	445,134	71,254	-	-	-
Licenses and permits	45,426	56,903	(11,477)	1,652	-	1,652
Video poker apportionment	23,075	29,625	(6,550)	-	-	-
Miscellaneous	58,462	12,684	45,778	126	210	(84)
Interest/investment earnings	10,183	6,792	3,391	15,735	12,470	3,265
Local option taxes	65,077	62,650	2,427	-	-	-
Unrestricted federal/state shared revenues	783	150	633	-	12,390	(12,390)
Montana oil and gas production tax	-	733	(733)	-	-	-
State entitlement	552,147	549,881	2,266	11,696	-	11,696
State contributions to retirement	68,269	-	68,269	-	-	-
Total revenues	\$ 1,890,645	\$ 1,733,051	\$ 157,594	\$ 2,109,498	\$ 2,019,160	\$ 90,338
Program expenses						
General government	\$ 327,837	\$ 341,898	\$ (14,061)	\$ -	\$ -	\$ -
Public safety	700,444	709,845	(9,401)	-	-	-
Public works	569,162	523,377	45,785	-	-	-
Public health	10,800	10,800	-	-	-	-
Social and economic services	-	-	-	-	-	-
Culture and recreation	66,969	52,658	14,311	-	-	-
Housing and community development	6,511	11,736	(5,225)	-	-	-
Debt service - interest	3,899	2,233	1,666	-	-	-
Miscellaneous	45,769	32,477	13,292	-	-	-
Water	-	-	-	1,774,633	1,662,544	112,089
Sewer	-	-	-	687,732	641,064	46,668
Total expenses	\$ 1,731,391	\$ 1,685,024	\$ 46,367	\$ 2,462,365	\$ 2,303,608	\$ 158,757
Excess (deficiency) before special items and transfers	159,254	48,027	111,227	(352,867)	(284,448)	(68,419)
Increase (decrease) in net position	\$ 159,254	\$ 48,027	\$ 111,227	\$ (352,867)	\$ (284,448)	\$ (68,419)

City of Libby
Management's Discussion and Analysis
June 30, 2018

As 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, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

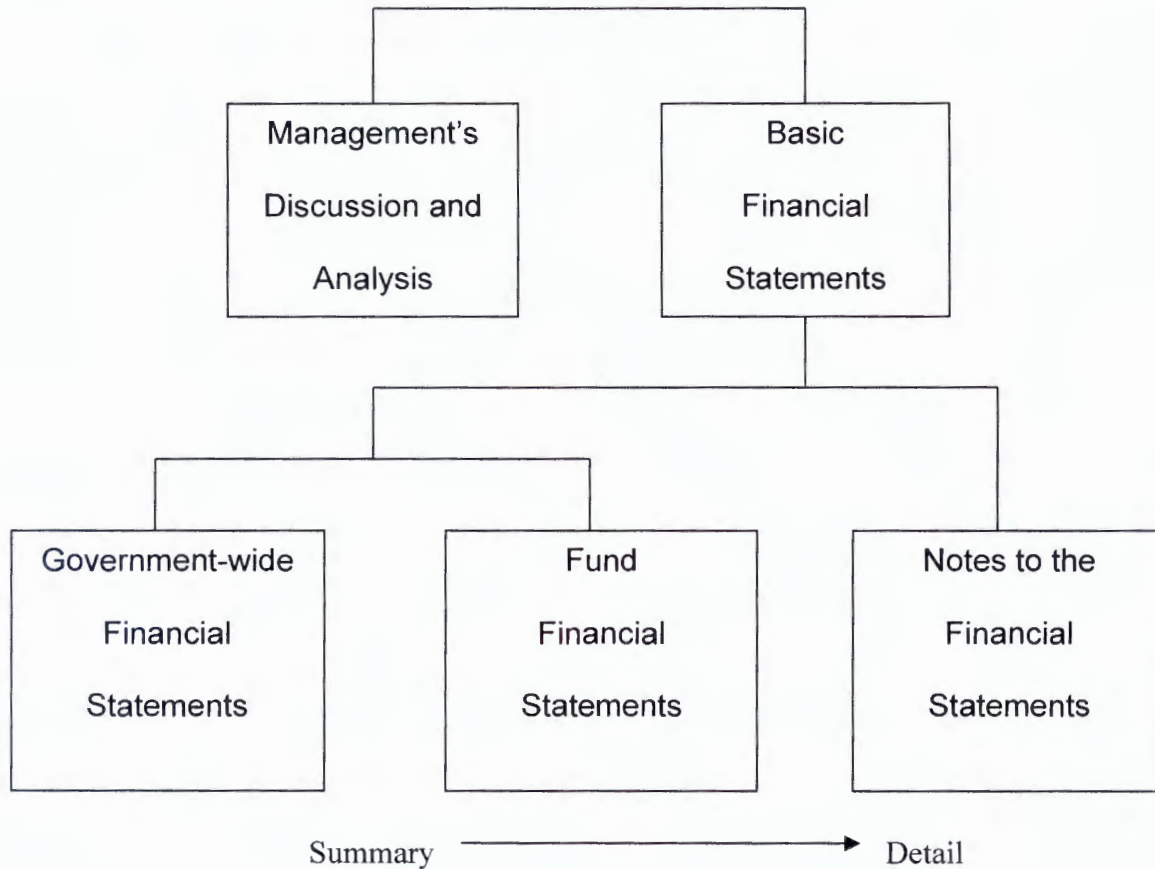
- The assets of the City of Libby exceeded its liabilities at the close of the fiscal year by \$23,479,138.00.
- The government's total net position decreased by \$192,738.00.
- At the close of the current fiscal year, the City of Libby's governmental funds reported combined ending fund balances of \$2,157,260.00 an increase of \$393,670.00 in comparison with the prior year decrease of \$233,571.00. At the end of the current fiscal year, fund balance for the General Fund was \$555,157.00 or 41 percent of total general fund expenditures for the fiscal year.
- The City's total debt increased by \$158,308.00 during the current fiscal year. This was partially due to a new fire hall roof, which was replaced and a new Volvo loader.

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 16 and 17) 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 18 through 25) 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 funds 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 provide 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 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 16 and 17 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 26 to 55 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 \$23,479,138,00 as of June 30, 2018. The City's net position decreased by \$192,738,00 for the fiscal year ended June 30, 2018. 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, \$2,838,359.00 represents resources that are subject to external restrictions on how they may be used. Of the total restricted net position, \$1,713,102.00 represents restrictions for Governmental Activities. The remaining restricted net position of \$1,125,257.00 represents restrictions for Business-type Activities.

Governmental activities: Governmental activities increased the City's net position by \$157,832.00.

Business-type activities: Business-type activities increased the City of Libby's net position by \$350,570.00.

- Increase for the Volvo Loader.
- Increase for the Fire Hall Roof.

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, total fund balance of the General Fund was \$555,157.00. 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 41% percent of total General Fund expenditures.

At June 30, 2018, the governmental funds of the City of Libby reported a combined fund balance of \$2,157,260.00, a 22 percent increase over last year.

Governmental Fund Budgetary Highlights: Capital assets in FY 17 were \$2,329,772.00 and in FY 18 they were \$ 2,490,443.00 an increase of \$ 160,670.00 or 93%.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer at the end of the fiscal year amounted to \$373,073.00.

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, 2018, totals \$29,543,284.00 (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, 2018, the City of Libby had total debt outstanding of \$10,904,060.00. 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 finished in the spring of 2017. The fire hall roof was replaced in the spring of 2017. With these major 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 an 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, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,885,048	\$ 1,147,817	\$ 3,032,865
Taxes and assessments receivable, net	268,306	-	268,306
Internal balances	159,114	(159,114)	-
Accounts receivable - net	400,000	113,519	513,519
Notes and loans receivable	827,951	-	827,951
Due from other governments	159,384	-	159,384
Inventories	-	106,632	106,632
Total current assets	<u>\$ 3,699,803</u>	<u>\$ 1,208,854</u>	<u>\$ 4,908,657</u>
Noncurrent assets			
Restricted cash and investments	\$ -	\$ 1,109,173	\$ 1,109,173
Capital assets - land	765,789	59,929	825,718
Capital assets - construction in progress	-	29,378	29,378
Capital assets - depreciable, net	3,923,350	24,764,838	28,688,188
Total noncurrent assets	<u>\$ 4,689,139</u>	<u>\$ 25,963,318</u>	<u>\$ 30,652,457</u>
Total assets	<u>\$ 8,388,942</u>	<u>\$ 27,172,172</u>	<u>\$ 35,561,114</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	\$ 96,612	\$ 172,416	\$ 269,028
Total deferred outflows of resources	<u>\$ 96,612</u>	<u>\$ 172,416</u>	<u>\$ 269,028</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 8,485,554</u>	<u>\$ 27,344,588</u>	<u>\$ 35,830,142</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 46,286	\$ 28,104	\$ 74,390
Revenues collected in advance	-	15,968	15,968
Current portion of long-term capital liabilities	31,390	299,580	330,970
Current portion of compensated absences payable	53,622	58,754	112,376
Total current liabilities	<u>\$ 131,298</u>	<u>\$ 402,406</u>	<u>\$ 533,704</u>
Noncurrent liabilities			
Deposits payable	\$ -	\$ 39,300	\$ 39,300
Noncurrent portion of long-term liabilities	11,737	13,236	24,973
Noncurrent portion of long-term capital liabilities	141,666	10,256,501	10,398,167
Noncurrent portion of compensated absences	15,937	21,637	37,574
Net pension liability	470,603	775,808	1,246,411
Total noncurrent liabilities	<u>\$ 639,943</u>	<u>\$ 11,106,482</u>	<u>\$ 11,746,425</u>
Total liabilities	<u>\$ 771,241</u>	<u>\$ 11,508,888</u>	<u>\$ 12,280,129</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	\$ 31,569	\$ 39,306	\$ 70,875
Total Deferred Inflows of resources	<u>\$ 31,569</u>	<u>\$ 39,306</u>	<u>\$ 70,875</u>
NET POSITION			
Net investment in capital assets	\$ 4,516,083	\$ 14,298,064	\$ 18,814,147
Restricted for capital projects	-	281,097	281,097
Restricted for debt service	656	804,560	805,216
Restricted for special projects	1,712,446	-	1,712,446
Restricted for other purposes	-	39,600	39,600
Unrestricted	1,453,559	373,073	1,826,632
Total net position	<u>\$ 7,682,744</u>	<u>\$ 15,796,394</u>	<u>\$ 23,479,138</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 8,485,554</u>	<u>\$ 27,344,588</u>	<u>\$ 35,830,142</u>

UNAUDITED

See accompanying Notes to the Financial Statements

City of Libby, Lincoln County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 327,837	\$ 359,358	\$ -	\$ -	\$ 31,521	\$ -	\$ 31,521
Public safety	700,444	25,927	15,000	50,000	(609,517)	-	(609,517)
Public works	569,162	29,825	64,007	-	(475,330)	-	(475,330)
Public health	10,800	-	-	-	(10,800)	-	(10,800)
Culture and recreation	66,969	5,968	750	-	(60,251)	-	(60,251)
Housing and community development	6,511	-	-	-	(6,511)	-	(6,511)
Debt service - interest	3,899	-	-	-	(3,899)	-	(3,899)
Miscellaneous	45,769	-	-	-	(45,769)	-	(45,769)
Total governmental activities	\$ 1,731,391	\$ 421,078	\$ 79,757	\$ 50,000	\$ (1,180,556)	\$ -	\$ (1,180,556)
Business-type activities:							
Water	\$ 1,774,633	\$ 1,457,091	\$ 38,408	\$ -	\$ -	\$ (279,134)	\$ (279,134)
Sewer	687,732	584,790	-	-	-	(102,942)	(102,942)
Total business-type activities	\$ 2,462,365	\$ 2,041,881	\$ 38,408	\$ -	\$ -	\$ (382,076)	\$ (382,076)
Total primary government	\$ 4,193,756	\$ 2,462,959	\$ 118,165	\$ 50,000	\$ (1,180,556)	\$ (382,076)	\$ (1,562,632)
General Revenues:							
Property taxes for general purposes					\$ 516,388	\$ -	\$ 516,388
Licenses and permits					45,426	1,652	47,078
Video poker apportionment					23,075	-	23,075
Miscellaneous					58,462	126	58,588
Interest/investment earnings					10,183	15,735	25,918
Local option taxes					65,077	-	65,077
Unrestricted federal/state shared revenues					783	-	783
State entitlement					552,147	11,696	563,843
State contributions to retirement					68,269	-	68,269
Total general revenues, special items and transfers					\$ 1,339,810	\$ 29,209	\$ 1,369,019
Change in net position					\$ 159,254	\$ (352,867)	\$ (193,613)
Net position - beginning					\$ 7,524,912	\$ 16,146,964	\$ 23,671,876
Restatements					(1,422)	2,297	875
Net position - beginning - restated					\$ 7,523,490	\$ 16,149,261	\$ 23,672,751
Net position - end					\$ 7,682,744	\$ 15,796,394	\$ 23,479,138

City of Libby, Lincoln County, Montana
 Balance Sheet
 Governmental Funds
 June 30, 2018

	General	IP Settlement	Street Maintenance	Community Development	Other Governmental Funds	Total Governmental Funds
ASSETS						
Current assets:						
Cash and investments	\$ 533,457	\$ 514,925	\$ 237,237	\$ 502,100	\$ 97,329	\$ 1,885,048
Taxes and assessments receivable, net	157,307	-	64,784	-	46,215	268,306
Accounts receivable - net	-	400,000	-	-	-	400,000
Notes and loans receivable	-	-	-	827,951	-	827,951
Due from other governments	106,582	-	36,536	-	16,266	159,384
Total current assets	<u>\$ 797,346</u>	<u>\$ 914,925</u>	<u>\$ 338,557</u>	<u>\$ 1,330,051</u>	<u>\$ 159,810</u>	<u>\$ 3,540,689</u>
Noncurrent assets:						
Advances to other funds	-	-	-	218,332	-	218,332
Total noncurrent assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,332</u>	<u>\$ -</u>	<u>\$ 218,332</u>
TOTAL ASSETS	<u><u>\$ 797,346</u></u>	<u><u>\$ 914,925</u></u>	<u><u>\$ 338,557</u></u>	<u><u>\$ 1,548,383</u></u>	<u><u>\$ 159,810</u></u>	<u><u>\$ 3,759,021</u></u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 42,656	\$ -	\$ -	\$ -	\$ 3,630	\$ 46,286
Total current liabilities	<u>\$ 42,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,630</u>	<u>\$ 46,286</u>
Noncurrent liabilities:						
Advances payable	\$ 42,226	\$ -	\$ -	\$ -	\$ 16,992	\$ 59,218
Total noncurrent liabilities	<u>\$ 42,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,992</u>	<u>\$ 59,218</u>
Total liabilities	<u>\$ 84,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,622</u>	<u>\$ 105,504</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - taxes and assessments	\$ 157,307	\$ -	\$ 64,784	\$ -	\$ 46,215	\$ 268,306
Deferred inflows of resources - other	-	400,000	-	827,951	-	1,227,951
Total deferred inflows of resources	<u>\$ 157,307</u>	<u>\$ 400,000</u>	<u>\$ 64,784</u>	<u>\$ 827,951</u>	<u>\$ 46,215</u>	<u>\$ 1,496,257</u>
FUND BALANCES						
Restricted	\$ -	\$ 514,925	\$ 273,773	\$ 720,432	\$ 107,205	\$ 1,616,335
Unassigned fund balance	555,157	-	-	-	(14,232)	540,925
Total fund balance	<u>\$ 555,157</u>	<u>\$ 514,925</u>	<u>\$ 273,773</u>	<u>\$ 720,432</u>	<u>\$ 92,973</u>	<u>\$ 2,157,260</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u><u>\$ 797,346</u></u>	<u><u>\$ 914,925</u></u>	<u><u>\$ 338,557</u></u>	<u><u>\$ 1,548,383</u></u>	<u><u>\$ 159,810</u></u>	<u><u>\$ 3,759,021</u></u>

City of Libby, Lincoln County, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2018

Total fund balances - governmental funds	\$ 2,157,260
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,689,139
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.	268,306
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(254,352)
Proportionate share of ending collective net pension liability	(470,603)
Deferred outflows related to net pension liability	95,612
Deferred inflows related to net pension liability	(31,569)
Loan receivables are recognized as deferred inflows in the fund financial statements	827,951
Future cash flows from the IP Settlement as recognized as deferred inflows in the fund financial statements	400,000
Total net position - governmental activities	\$ <u><u>7,682,744</u></u>

City of Libby, Lincoln County, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	IP Settlement	Street Maintenance	Community Development	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and assessments	\$ 432,197	\$ -	\$ 151,890	\$ -	\$ 70,045	\$ 654,132
Licenses and permits	45,425	-	-	-	-	45,425
Intergovernmental	626,005	-	-	-	64,007	690,012
Charges for services	69,829	-	-	-	-	69,829
Fines and forfeitures	40,459	-	-	-	-	40,459
Miscellaneous	119,825	226,580	-	-	-	346,405
Investment earnings	4,173	3,199	1,593	663	556	10,184
Total revenues	<u>\$ 1,337,913</u>	<u>\$ 229,779</u>	<u>\$ 153,483</u>	<u>\$ 663</u>	<u>\$ 134,608</u>	<u>\$ 1,856,446</u>
EXPENDITURES						
General government	\$ 266,790	\$ -	\$ -	\$ -	\$ -	\$ 266,790
Public safety	591,097	-	-	-	513	591,610
Public works	217,517	-	90,067	-	95,016	402,600
Public health	10,800	-	-	-	-	10,800
Culture and recreation	58,571	-	-	-	-	58,571
Debt service - principal	17,401	-	18,996	-	-	36,397
Debt service - interest	1,180	-	2,719	-	-	3,899
Miscellaneous	45,769	-	-	-	-	45,769
Capital outlay	118,667	-	134,705	-	-	253,372
Total expenditures	<u>\$ 1,327,792</u>	<u>\$ -</u>	<u>\$ 246,487</u>	<u>\$ -</u>	<u>\$ 95,529</u>	<u>\$ 1,669,808</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 10,121</u>	<u>\$ 229,779</u>	<u>\$ (93,004)</u>	<u>\$ 663</u>	<u>\$ 39,079</u>	<u>\$ 186,638</u>
OTHER FINANCING SOURCES (USES)						
Proceeds of general long term debt	\$ 60,000	\$ -	\$ 134,705	\$ -	\$ -	\$ 194,705
Proceeds from the sale of general capital asset disposition	12,327	-	-	-	-	12,327
Transfers in	10,000	-	-	-	-	10,000
Transfers out	-	-	-	(10,000)	-	(10,000)
Total other financing sources (uses)	<u>\$ 82,327</u>	<u>\$ -</u>	<u>\$ 134,705</u>	<u>\$ (10,000)</u>	<u>\$ -</u>	<u>\$ 207,032</u>
Net Change in Fund Balance	<u>\$ 92,448</u>	<u>\$ 229,779</u>	<u>\$ 41,701</u>	<u>\$ (9,337)</u>	<u>\$ 39,079</u>	<u>\$ 393,670</u>
Fund balances - beginning	\$ 466,032	\$ 285,146	\$ 232,072	\$ 729,769	\$ 53,894	\$ 1,766,913
Restatements	(3,323)	-	-	-	-	(3,323)
Fund balances - beginning, restated	<u>\$ 462,709</u>	<u>\$ 285,146</u>	<u>\$ 232,072</u>	<u>\$ 729,769</u>	<u>\$ 53,894</u>	<u>\$ 1,763,590</u>
Fund balance - ending	<u>\$ 555,157</u>	<u>\$ 514,925</u>	<u>\$ 273,773</u>	<u>\$ 720,432</u>	<u>\$ 92,973</u>	<u>\$ 2,157,260</u>

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, 2018

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

Net change in fund balances - total governmental funds	\$ 393,670
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	253,372
- Depreciation expense	(285,449)
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 revenue)	149,269
The change in compensated absences is shown as an expense in the Statement of Activities	(6,407)
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	36,397
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	(194,705)
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	(58,023)
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	68,269
Current year changes in the deferred inflows related to the IP settlement and notes receivables are shown as an adjustment to miscellaneous revenues on the Statement of Activities	(195,666)
Change in net position - Statement of Activities	\$ <u><u>159,254</u></u>

City of Libby, Lincoln County, Montana
Statement of Net Position
Proprietary Funds
June 30, 2018

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and investments	\$ 933,417	\$ 214,400	\$ 1,147,817
Accounts receivable - net	63,016	50,503	113,519
Inventories	106,632	-	106,632
Total current assets	<u>\$ 1,103,065</u>	<u>\$ 264,903</u>	<u>\$ 1,367,968</u>
Noncurrent assets:			
Restricted cash and investments	\$ 863,556	\$ 245,617	\$ 1,109,173
Capital assets - land	59,929	-	59,929
Capital assets - construction in progress	14,489	14,889	29,378
Capital assets - depreciable, net	21,095,169	3,669,669	24,764,838
Total noncurrent assets	<u>\$ 22,033,143</u>	<u>\$ 3,930,175</u>	<u>\$ 25,963,318</u>
Total assets	<u>\$ 23,136,208</u>	<u>\$ 4,195,078</u>	<u>\$ 27,331,286</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	\$ 112,458	\$ 59,958	\$ 172,416
Total deferred outflows of resources	<u>\$ 112,458</u>	<u>\$ 59,958</u>	<u>\$ 172,416</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,805	\$ 17,299	\$ 28,104
Revenues collected in advance	15,968	-	15,968
Current portion of long-term capital liabilities	254,765	44,815	299,580
Current portion of compensated absences payable	42,275	16,479	58,754
Total current liabilities	<u>\$ 323,813</u>	<u>\$ 78,593</u>	<u>\$ 402,406</u>
Noncurrent liabilities:			
Deposits payable	\$ 39,300	\$ -	\$ 39,300
Advances payable	-	159,114	159,114
Noncurrent portion of long-term liabilities	8,721	4,515	13,236
Noncurrent portion of long-term capital liabilities	8,229,729	2,026,772	10,256,501
Noncurrent portion of compensated absences	17,316	4,321	21,637
Net pension liability	506,018	269,790	775,808
Total noncurrent liabilities	<u>\$ 8,801,084</u>	<u>\$ 2,464,512</u>	<u>\$ 11,265,596</u>
Total liabilities	<u>\$ 9,124,897</u>	<u>\$ 2,543,105</u>	<u>\$ 11,668,002</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	\$ 25,637	\$ 13,669	\$ 39,306
Total deferred inflows of resources	<u>\$ 25,637</u>	<u>\$ 13,669</u>	<u>\$ 39,306</u>
NET POSITION			
Net investment in capital assets	\$ 12,685,093	\$ 1,612,971	\$ 14,298,064
Restricted for capital projects	82,764	198,333	281,097
Restricted for debt service	737,892	66,668	804,560
Restricted for other purposes	39,600	-	39,600
Unrestricted	552,783	(179,710)	373,073
Total net position	<u>\$ 14,098,132</u>	<u>\$ 1,698,262</u>	<u>\$ 15,796,394</u>
Total liabilities and net position	<u>\$ 23,223,029</u>	<u>\$ 4,241,367</u>	<u>\$ 27,464,396</u>

City of Libby, Lincoln County, Montana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 1,451,749	\$ 584,729	\$ 2,036,478
Miscellaneous revenues	5,468	61	5,529
Total operating revenues	<u>\$ 1,457,217</u>	<u>\$ 584,790</u>	<u>\$ 2,042,007</u>
OPERATING EXPENSES			
Personal services	\$ 536,449	\$ 275,767	\$ 812,216
Supplies	248,176	67,584	315,760
Purchased services	153,717	132,344	286,061
Fixed charges	18,107	17,637	35,744
Depreciation	596,426	142,619	739,045
Total operating expenses	<u>\$ 1,552,875</u>	<u>\$ 635,951</u>	<u>\$ 2,188,826</u>
Operating income (loss)	<u>\$ (95,658)</u>	<u>\$ (51,161)</u>	<u>\$ (146,819)</u>
NON-OPERATING REVENUES (EXPENSES)			
Licenses/permits revenue	\$ 499	\$ 1,153	\$ 1,652
Intergovernmental revenue	46,037	4,067	50,104
Interest revenue	11,166	4,569	15,735
Debt service interest expense	(221,758)	(51,781)	(273,539)
Total non-operating revenues (expenses)	<u>\$ (164,056)</u>	<u>\$ (41,992)</u>	<u>\$ (206,048)</u>
Change in net position	<u>\$ (259,714)</u>	<u>\$ (93,153)</u>	<u>\$ (352,867)</u>
Net Position - Beginning of the year	\$ 14,356,469	\$ 1,790,495	\$ 16,146,964
Restatements	1,377	920	2,297
Net Position - Beginning of the year - Restated	<u>\$ 14,357,846</u>	<u>\$ 1,791,415</u>	<u>\$ 16,149,261</u>
Net Position - End of the year	<u>\$ 14,098,132</u>	<u>\$ 1,698,262</u>	<u>\$ 15,796,394</u>

City of Libby, Lincoln County, Montana
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2018

Business - Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash received from providing services	\$ 1,523,303	\$ 569,742	\$ 2,093,045
Cash received from	4,514	-	4,514
Cash received from	(3,498)	-	(3,498)
Cash received from miscellaneous sources	5,468	61	5,529
Cash payments to suppliers	(237,886)	(51,917)	(289,803)
Cash payments for professional services	(171,824)	(149,981)	(321,805)
Cash payments to employees	(514,341)	(266,515)	(780,856)
Net cash provided (used) by operating activities	<u>\$ 605,736</u>	<u>\$ 101,390</u>	<u>\$ 707,126</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	\$ (59,729)	\$ (14,889)	\$ (74,618)
Principal paid on debt	(223,293)	(43,739)	(267,032)
Interest paid on debt	(221,758)	(51,781)	(273,539)
Net cash provided (used) by capital and related financing activities	<u>\$ (504,780)</u>	<u>\$ (110,409)</u>	<u>\$ (615,189)</u>
Cash flows from non-capital financing activities:			
Cash received from other sources	46,536	5,220	51,756
Net cash provided (used) from non-capital financing activities	<u>\$ 46,536</u>	<u>\$ 5,220</u>	<u>\$ 51,756</u>
Cash flows from investing activities:			
Interest on investments	11,166	4,569	15,735
Net cash provided (used) by investing activities	<u>\$ 11,166</u>	<u>\$ 4,569</u>	<u>\$ 15,735</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ 158,658</u>	<u>\$ 770</u>	<u>\$ 159,428</u>
Cash and cash equivalents at beginning	<u>1,638,315</u>	<u>459,247</u>	<u>2,097,562</u>
Cash and cash equivalents at end	<u>\$ 1,796,973</u>	<u>\$ 460,017</u>	<u>\$ 2,256,990</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (95,658)	\$ (51,161)	\$ (146,819)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	596,426	142,619	739,045
Other post-employment benefits	1,085	564	1,649
Net pension liabilities	74,848	32,848	
Deferred outflows/inflows of resources(net)	(55,343)	(28,991)	
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	71,554	(14,987)	56,567
Increase in revenues collected in advance	4,514	-	4,514
Decrease in deposits payable	(3,498)	-	(3,498)
Increase in accounts payable	10,290	15,667	25,957
Increase in compensated absences payable	1,518	4,831	6,349
Net cash provided (used) by operating activities	<u>\$ 605,736</u>	<u>\$ 101,390</u>	<u>\$ 683,764</u>

UNAUDITED

City of Libby, Lincoln County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2018

		Agency Funds
ASSETS		
Cash and short-term investments	\$	193,541
Taxes receivable		20,001
Due from other government		12,797
Total assets	\$	226,339
LIABILITIES		
Warrants payable	\$	189,939
Accounts payable		35
Due to others		36,365
Total liabilities	\$	226,339

CITY OF LIBBY
LINCOLN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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.

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 of Libby was incorporated in 1909 as a municipal corporation. It operates under the Mayor-Council form of government. Six members are elected to the City Council for four-year terms with half elected every other year. The Mayor is elected for a four-year term. In November, 1989, the voters adopted a charter form of government. As a result, on January 1, 1990, the City acquired self-government powers. The City provides the usual range of services to its citizens including a volunteer fire department, police department, water and sewer utilities, recreation, cultural, building safety, and general administration. Although the City makes a tax levy for the Fire Department Relief Association, it has no control or authority over the association, therefore, the Relief Association is not included in the financial statements.

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 reporting entity 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

CITY OF LIBBY
LINCOLN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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 charges 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 however, those transactions between governmental and business-type activities have not been eliminated.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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.

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.

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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 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 to be upon receipt. 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.

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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.

Street Maintenance Fund – A special revenue fund that is used to account for the maintenance assessments used in maintaining City streets.

Community Development Loan Revolving Fund – A special revenue fund that is used to account for the lending and repayment of monies loaned to businesses and individuals for projects approved by the City’s Community Development department.

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.

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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 and the City's claims and payroll clearing funds

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NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Composition

Composition of cash, deposits and investments at fair value on June 30, 2018, 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	3,507,895
Savings deposits	<u>827,059</u>
Total	<u>\$ 4,335,579</u>

Cash equivalents

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

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:

Buildings	20 – 50 years
Improvements	10 – 50 years
Equipment	3 – 20 years
Infrastructure	50 years
Source of Supply	50 years
Treatment Plant	5 – 50 years
Transmission and Distribution	5 – 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 not yet included the value of all infrastructure into the 2018 Basic Financial Statements.

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

Governmental activities:

	Balance July 1, 2017	Additions	Transfers	Deletions	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 765,789	\$ -	\$ -	\$ -	\$ 765,789
Construction in progress	183,068	90,616	(273,684)		-
Total capital assets not being depreciated	<u>\$ 948,857</u>	<u>\$ 90,616</u>	<u>\$ (273,684)</u>	<u>\$ -</u>	<u>\$ 765,789</u>
Other capital assets:					
Buildings	\$ 2,659,458	\$ -	\$ 273,684	\$ -	\$ 2,933,142
Improvements other than buildings	437,127	-	-	-	437,127
Machinery and equipment	2,441,143	155,205	-	(170,793)	2,425,555
Infrastructure	2,145,586	7,551	-	-	2,153,137
Total other capital assets at historical cost	<u>\$ 7,683,314</u>	<u>\$ 162,756</u>	<u>\$ 273,684</u>	<u>\$ (170,793)</u>	<u>\$ 7,948,961</u>
Less: accumulated depreciation	<u>\$ (3,910,955)</u>	<u>\$ (285,449)</u>	<u>\$ -</u>	<u>\$ 170,793</u>	<u>\$ (4,025,611)</u>
Total	<u>\$ 4,721,216</u>	<u>\$ (32,077)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,689,139</u>

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 53,005
Public safety	50,973
Public works	166,562
Culture and recreation	8,398
Housing and community development	<u>6,511</u>
Total governmental activities depreciation expense	<u>\$ 285,449</u>

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

Business-type activities Water:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	Balance <u>June 30, 2018</u>
Capital assets not being depreciated:			
Land	\$ 59,929	\$ -	\$ 59,929
Construction in progress	-	14,489	14,489
Total capital assets not being depreciated	<u>\$ 59,929</u>	<u>\$ 14,489</u>	<u>\$ 74,418</u>
Other capital assets:			
Buildings	\$ 75,342	\$ -	\$ 75,342
Improvements other than buildings	20,174	-	20,174
Machinery and equipment	540,966	45,250	586,216
Infrastructure	10,500,910	-	10,500,910
Source of Supply	6,505,137	-	6,505,137
Treatment Plant	6,448,654	-	6,448,654
Transmission and distribution	3,676,729	-	3,676,729
Total other capital assets at historical cost	<u>\$ 27,767,912</u>	<u>\$ 45,250</u>	<u>\$ 27,813,162</u>
Less: accumulated depreciation	<u>\$ (6,121,557)</u>	<u>\$ (596,426)</u>	<u>\$ (6,717,983)</u>
Total	<u>\$ 21,706,284</u>	<u>\$ (536,687)</u>	<u>\$ 21,169,597</u>

Business-type activities Sewer:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	Balance <u>June 30, 2018</u>
Capital assets not being depreciated:			
Construction in progress	\$ -	\$ 14,889	\$ 14,889
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 14,889</u>	<u>\$ 14,889</u>
Other capital assets:			
Machinery and equipment	\$ 225,906	\$ -	\$ 225,906
Treatment plant	4,039,097	-	4,039,097
Transmission and distribution	4,090,575	-	4,090,575
Total other capital assets at historical cost	<u>\$ 8,355,578</u>	<u>\$ -</u>	<u>\$ 8,355,578</u>
Less: accumulated depreciation	<u>\$ (4,543,290)</u>	<u>\$ (142,619)</u>	<u>\$ (4,685,909)</u>
Total	<u>\$ 3,812,288</u>	<u>\$ (127,730)</u>	<u>\$ 3,684,558</u>

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NOTE 4. LONG TERM DEBT OBLIGATIONS

In the governmental-wide financial statements, outstanding debt is reported as liabilities.

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, 2018, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance				Balance	Due Within
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restatements</u>	<u>June 30, 2018</u>	<u>One Year</u>
Loans/Contracted debt	\$ 14,748	\$ -	\$ (14,748)	\$ -	\$ -	-
Compensated absences	63,152	6,407	-	-	69,559	53,622
Intercap loans	-	60,000	(2,653)	-	57,347	5,419
Capital leases	-	134,705	(18,996)	-	115,709	25,971
Net pension liability*	463,893	6,710	-	-	470,603	-
Other post-employment benefits**	12,165	1,473	-	(1,901)	11,737	-
Total	<u>\$ 553,958</u>	<u>\$ 209,295</u>	<u>\$ (36,397)</u>	<u>\$ (1,901)</u>	<u>\$ 724,955</u>	<u>\$ 85,012</u>

*See Note 6

**See Note 5

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, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restatements</u>	<u>June 30, 2018</u>	<u>One Year</u>
Revenue bonds	\$ 10,823,113	\$ -	\$ (267,032)	\$ -	\$ 10,556,081	\$ 299,580
Compensated absences	74,042	6,349	-	-	80,391	58,754
Net pension liability*	668,112	107,696	-	-	775,808	-
Other post-employment benefits**	13,884	1,661	-	(2,309)	13,236	-
Total	<u>\$ 11,579,151</u>	<u>\$ 115,706</u>	<u>\$ (267,032)</u>	<u>\$ (2,309)</u>	<u>\$ 11,425,516</u>	<u>\$ 358,334</u>

*See Note 6

**See Note 5

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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>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Balance June 30, 2018</u>
USDA – DAM (2)	2.63%	40 yrs	11/2055	\$ 3,200,000	\$ 3,074,715
USDA – DAM (2)	2.63%	40 yrs	11/2055	490,000	470,792
DNRC - Coal Severance Tax Loan Program Series 2013C Revenue Bonds (2)	3.00%	20 yrs	11/2033	800,000	659,080
USDA Rural Development Series 2014 Revenue Bonds (2)	2.50%	40 yrs	7/2054	2,268,000	2,126,739
DNRC - Coal Severance Tax Loan Program Series 2013A Revenue Bonds (2)	3.00%	20 yrs	5/2033	253,177	203,245
DNRC Drinking Water State Revolving Loan Program, Series 2013B Revenue Refunding Bonds (2)	2.50%	22 yrs	7/2035	2,189,579	1,833,000
USDA Rural Development Series 2011 Revenue Bonds (2)	3.00%	40 yrs	9/2051	678,000	612,278
USDA Rural Development Series 2010 Revenue Bonds (2)	2.25%	40 yrs	10/2048	1,745,000	1,459,309
Flathead Electric - Loan PRV Hydro Turbine (2)	3.50%	20 yrs	-	-	116,923
Total				<u>\$ 11,623,756</u>	<u>\$ 10,556,081</u>

(2) Reported in business-type activities.

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 268,420	\$ 266,862
2020	275,325	259,819
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

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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>\$ 10,439,158</u>	<u>\$ 4,694,834</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 16th 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, 2018 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, 2018</u>
Fire Hall Roof (1)	6/16/17	2.5-3.15%	10 yrs	8/15/27	<u>\$ 60,000</u>	<u>\$ 57,347</u>

(1) Reported in the governmental activities.

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Annual requirement to amortize debt:

<u>For Fiscal</u> <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 5,419	\$ 1,764
2020	5,555	1,636
2021	5,695	1,461
2022	5,838	1,281
2023	5,985	1,097
2024	6,136	909
2025	6,290	716
2026	6,448	518
2027	6,610	314
2028	3,371	106
Total	<u>\$ 57,347</u>	<u>\$ 9,802</u>

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, 2018 were as follows:

<u>Purpose</u>	<u>Origination</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Term</u>	<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Annual</u> <u>Payment</u>	<u>Balance</u> <u>June 30, 2018</u>
2017 Volvo L90H Wheel Loader (1)	9/27/17	2.87%	5 yrs	9/27/22	\$ <u>134,705</u>	\$ <u>2,413</u>	\$ <u>115,709</u>

(1) Reported in the governmental activities.

Annual requirement to amortize debt:

<u>For Fiscal</u> <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 25,971	\$ 2,981
2020	26,727	2,225
2021	27,504	1,448
2022	28,304	648
2023	7,203	37
Total	<u>\$ 115,709</u>	<u>\$ 7,339</u>

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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.

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, 2018, 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>

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Total OPEB Liability

The City's total OPEB liability of \$24,973 at June 30, 2018, and was determined by using the alternative measurement method as of that date.

Actuarial assumptions and other input. The total OPEB liability in the June 30, 2018 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%

Health care cost rate trend (Federal Office of the Actuary)

<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 after	6.5%

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, 2011 for Males: Table 2 and Females: Table 3 as published in the National Vital Statistics Reports, Vol. 64, 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.

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Changes in the Total OPEB Liability

Balance at 6/30/2017		\$ <u>26,049</u>
Changes for the year:		
Service Cost		\$ 3,134
Restatement		<u>(4,209)</u>
Net Changes		\$ <u>(1,076)</u>
Balance at 6/30/2018		\$ <u>24,973</u>

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.*

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

For the year ended June 30, 2016, 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.

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NOTE 6. NET PENSION LIABILITY

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.

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.

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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.

Summary of Benefits

PERS

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

Eligibility for benefit

Service retirement:

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

Early Retirement (actuarially reduced):

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

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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

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.

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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.

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

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- 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.

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.

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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.
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.
 - b. Not Special Funding
 - i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Severance Tax fund.

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	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired>6/30/97 GABA	Employer	State
2000-2018	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%

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Stand-Alone Statements

The PERS's, 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://imperamont.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.

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Severance Tax and interest to PERS. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2017 and June 30, 2016 (reporting dates).

	PERS NPL as of 6/30/2017	PERS NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2018	MPORS NPL as of 6/30/2017	MPORS NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2018	Total Collective NPL as of 6/30/2018	Percent Totals as of 6/30/2018
Employer Proportionate Share	\$ 856,005	\$ 982,490	0.05040%	\$ 276,000	\$ 263,921	0.1483%	\$ 1,246,411	0.1987%
State of Montana Proportionate Share associated with Employer	10,459	14,207	0.0724%	547,872	573,911	0.3023%	\$ 588,118	0.3747%
Total	\$ 866,464	\$ 996,697	0.1228%	\$ 823,872	\$ 837,832	0.4506%	\$ 1,834,529	0.57340%

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At June 30, 2018, the employer recorded a liability of \$1,246,411 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERS and MPORS participating employers. At June 30, 2018, the employer's proportion was 0.1987 percent.

Changes in actuarial assumptions and methods:

PERS

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

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

MPORS

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

- Lowered the interest rate from 7.75% to 7.65%.
- Lowered the inflation rate from 3.00% to 2.75%.
- Updated non-disabled mortality to the RP-2000 Combined Employee and Annuitant Mortality Table projected to 2020 using scale BB, males set back 1 year.
- Increased the rates of withdrawal.
- Lowered the merit component of the total salary increase.
- Lowered the wage base component of the total salary increase from 4.00% to 3.50%.
- Increased the administrative expense load from 0.20% to 0.24%.

Changes in benefit terms:

PERS

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

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

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MPORS

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

- The interest rate credited to member accounts increased from 0.25% to 0.77%.
- Second Retirement Benefit applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- Lump sum payouts in all systems are limited to the member's accumulated contributions rather than the present value of the member's benefit.

Changes in proportionate share: Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL.

Pension Expense as of 6/30/18

	PERS	MPORS	Total
Employer Proportionate Share	\$ 70,960	25,364	\$ 96,324
State of Montana Proportionate Share associated with the Employer	14,812	65,153	79,965
Total	\$ 85,772	\$ 90,517	\$ 176,289

At June 30, 2018, the employer recognized a Pension Expense of \$96,324 for its proportionate share of the pension expense. The employer also recognized grant revenue of \$79,965 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, 2018, the employer recognized a beginning deferred outflow of resources for the employers FY 2017 contributions of \$93,130.

Deferred Inflows and Outflows

At June 30, 2018, 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:

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	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	\$ 24,196	\$ 1,422	\$ -	\$ 9,005	\$ 24,196	\$ 10,427
Actual vs. Expected Investment Earnings	-	6,598	229	-	229	6,598
Changes in Assumptions	134,296	-	17,814	-	152,110	-
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	41,758	-	12,092	-	53,850
Employer contributions subsequent to the measurement date - FY18	59,857	-	32,636	-	92,493	-
Total	<u>\$ 218,349</u>	<u>\$ 49,778</u>	<u>\$ 50,679</u>	<u>\$ 21,097</u>	<u>\$ 269,028</u>	<u>\$ 70,875</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, 2018.

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

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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	
2019	\$	34,802
2020	\$	76,826
2021	\$	59,754
2022	\$	(20,912)
2023	\$	-
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	
2019	\$	(376)
2020	\$	7,526
2021	\$	5,780
2022	\$	(3,892)
2023	\$	-
Thereafter	\$	-

Actuarial Assumptions

PERS

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

period July 1, 2010 to June 30, 2016. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.65%
- Admin Expense as % of Payroll 0.26%
- General Wage Growth* 3.50%
- *includes Inflation at 2.75%

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- Merit Increases 0% to 6.3%
- Postretirement Benefit Increases:

Guaranteed Annual Benefit Adjustment(GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, Inclusive of other adjustments to the 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, 2016, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2017. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of the last actuarial experience study, dated May 2017, for the six- year period July 1, 2010 to June 30, 2016. Among those assumptions were the following:

Investment Return (net of admin expense)	7.65%
Admin Expense as % of Payroll	0.24%
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.

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- 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.

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Target Allocations
PERS and MPORS

<u>Asset Class</u>	<u>Target Asset Allocation</u>	Real Rate of Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Cash Equivalents	2.60%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	23.40%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	<u>8.00%</u>	4.00%	<u>0.32%</u>
Total	<u>100.00%</u>		<u>4.37%</u>
	Inflation		2.75%
	Portfolio Return Expectation		7.12%

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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, are summarized above. The long-term expected nominal rate of return above of 7.12% is an expected portfolio rate of return provided by Board of Investments (BOI), which differs from the total long-term assumed rate of return of 7.65% in the experience study. The assumed investment rate is comprised of a 2.75% inflation rate and a real rate of return of 4.90%.

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Sensitivity Analysis

	<u>1.0% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1.0% Increase</u>
PERS	\$ 1,430,912	\$ 982,490	\$ 606,073
MPORS	\$ 384,279	\$ 263,921	\$ 167,419

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.

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).

**REQUIRED
SUPPLEMENTARY
INFORMATION**

City of Libby, Lincoln County, Montana
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	General			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 425,238	\$ 472,351	\$ 432,197	\$ (40,154)
Licenses and permits	49,299	49,299	45,425	(3,874)
Intergovernmental	621,996	621,996	626,005	4,009
Charges for services	41,818	54,145	69,829	15,684
Fines and forfeitures	30,000	30,000	40,459	10,459
Miscellaneous	118,627	118,627	119,825	1,198
Investment earnings	2,079	2,079	4,173	2,094
Amounts available for appropriation	\$ 1,289,057	\$ 1,348,497	\$ 1,337,913	\$ (10,584)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	\$ 295,104	\$ 310,053	\$ 266,790	\$ 43,263
Public safety	605,098	590,149	591,097	(948)
Public works	214,830	214,830	217,517	(2,687)
Public health	10,800	10,800	10,800	-
Culture and recreation	43,253	43,253	58,571	(15,318)
Debt service - principal	23,762	23,762	17,401	6,361
Debt service - interest	2,254	2,254	1,180	1,074
Miscellaneous	42,450	42,450	45,769	(3,319)
Capital outlay	55,228	82,030	118,667	(36,637)
Total charges to appropriations	\$ 1,292,779	\$ 1,319,581	\$ 1,327,792	\$ (8,211)
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	\$ -	\$ -	\$ 60,000	\$ 60,000
Proceeds from the sale of general capital asset disposition	-	-	12,327	12,327
Transfers in	10,000	10,000	10,000	-
Total other financing sources (uses)	\$ 10,000	\$ 10,000	\$ 82,327	\$ 72,327
Net change in fund balance			\$ 92,448	
Fund balance - beginning of the year			\$ 466,032	
Restatements			(3,323)	
Fund balance - beginning of the year - restated			\$ 462,709	
Fund balance - end of the year			\$ 555,157	

City of Libby, Lincoln County, Montana
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Street Maintenance</u>			
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS) See Note A</u>	<u>WITH FINAL</u> <u>BUDGET</u>
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 147,550	\$ 147,550	\$ 151,890	\$ 4,340
Investment earnings	800	800	1,593	793
Amounts available for appropriation	<u>\$ 148,350</u>	<u>\$ 148,350</u>	<u>\$ 153,483</u>	<u>\$ 5,133</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works	\$ 103,713	\$ 103,713	\$ 90,067	\$ 13,646
Debt service - principal	19,385	19,385	18,996	389
Debt service - interest	2,870	2,870	2,719	151
Capital outlay	-	-	134,705	(134,705)
Total charges to appropriations	<u>\$ 125,968</u>	<u>\$ 125,968</u>	<u>\$ 246,487</u>	<u>\$ (120,519)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	\$ -	\$ -	\$ 134,705	\$ 134,705
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,705</u>	<u>\$ 134,705</u>
Net change in fund balance			<u>\$ 41,701</u>	
Fund balance - beginning of the year			<u>\$ 232,072</u>	
Fund balance - end of the year			<u>\$ 273,773</u>	

City of Libby, Lincoln County, Montana
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Community Development			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Investment earnings	\$ 10,411	\$ 10,411	\$ 663	\$ (9,748)
Amounts available for appropriation	\$ 10,411	\$ 10,411	\$ 663	\$ (9,748)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Housing and community development	\$ 120	\$ 120	\$ -	\$ 120
Total charges to appropriations	\$ 120	\$ 120	\$ -	\$ 120
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ -
Total other financing sources (uses)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ -
Net change in fund balance			\$ (9,337)	
Fund balance - beginning of the year			\$ 729,769	
Fund balance - end of the year			\$ 720,432	

UNAUDITED

City of Libby, Lincoln County, Montana
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	IP Settlement			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Miscellaneous	\$ 226,579	\$ 226,579	\$ 226,580	\$ 1
Investment earnings	1,600	1,600	3,199	1,599
Amounts available for appropriation	\$ 228,179	\$ 228,179	\$ 229,779	\$ 1,600
Net change in fund balance			\$ 229,779	
Fund balance - beginning of the year			\$ 285,146	
Fund balance - end of the year			\$ 514,925	

UNAUDITED

**OTHER
SUPPLEMENTARY
INFORMATION**

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CITY OF LIBBY
Detail Ledger Query
For the Accounting Periods: 7/17 - 13/18

Page: 1 of 4
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 23747 2	RD TURN OUT GEAR		1/18		50,000.00	
	Account Total:				50,000.00	50,000.00 CR
335030 Motor Vehicle Tax - Ad Valorem						
TV 10276 4	JAN 2018		2/18		632.67	
	Account Total:				632.67	632.67 CR
335110 Live Card Game Table Permit						
RV 23727 2	LIVE CARD		10/17		150.00	
	Account Total:				150.00	150.00 CR
335120 Video Gaming Machine Permits						
RV 23715 1	4TH QTR VGM PERMITS DISTRIBUTE		8/17		125.00	
RV 23727 5	VGM 1ST Q		10/17		21,800.00	
RV 23763 3	3RD QTR GAMBLING		4/18		1,150.00	
	Account Total:				23,075.00	23,075.00 CR
335230 HB 124						
RV 23720 2	HB 124 1ST QTRT		9/17		138,036.73	
RV 23740 3	2ND QTRT DEPT OF REV		12/17		138,036.73	
RV 23757 4	HB 124 3RD QTR		3/18		138,036.73	
RV 23768 3	4TH QTRT HB 124		6/18		138,036.73	
	Account Total:				552,146.92	552,146.92 CR
	Fund Total:			0.00	626,004.59	

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CITY OF LIBBY
Detail Ledger Query
For the Accounting Periods: 7/17 - 13/18

Page: 2 of 4
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 23710 3	FY 18 FUEL TAX		7/17		5,333.81	
RV 23715 3	DEPT OF TRANSPORTATION		8/17		5,333.85	
RV 23720 1	FUEL TAX 18		9/17		5,333.85	
RV 23727 1	CITY FUEL TAX		10/17		5,333.85	
RV 23731 1	CITY FUEL TAX		11/17		5,333.85	
RV 23740 1	FY 18 FUEL TAX		12/17		5,333.85	
RV 23747 3	FUEL TAX		1/18		5,333.85	
RV 23755 2	FUEL TAX		2/18		5,333.85	
RV 23757 3	FUEL TAX		3/18		5,333.85	
RV 23763 1	MT DEPT OF TRANSP		4/18		5,333.85	
RV 23764 2	DEPT OF TRANSP		5/18		5,333.85	
RV 23768 2	FUEL TAX		6/18		5,333.85	
	Account Total:				64,006.16	64,006.16 CR
	Fund Total:			0.00	64,006.16	

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CITY OF LIBBY
Detail Ledger Query
For the Accounting Periods: 7/17 - 13/18

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Report ID: L091

Accounts 330000-339999

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
5210 WATER UTILITY						
331097 RURAL DEVELOPMENT GRANT - FLOWER CK. DAM						
JV 22670 15	RD GRANT		13/18		38,408.00	
	Account Total:				38,408.00	38,408.00 CR
334080 State Aid						
JV 22670 11	STATE AID		13/18		7,629.00	
	Account Total:				7,629.00	7,629.00 CR
	Fund Total:			0.00	46,037.00	

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CITY OF LIBEY
Detail Ledger Query
For the Accounting Periods: 7/17 - 13/18

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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 22672 8	STATE AID		13/18		4,067.00	
	Account Total:				4,067.00	4,067.00 CR
	Fund Total:			0.00	4,067.00	
	Grand Total:			0.00	740,114.75	

**GENERAL
INFORMATION
SECTION**

47. COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the year ending June 30, 2018

	2260 DISASTER	2390 Drug Forfeiture	2410 Lighting Maint.	2820 Gas Tax
<hr/>				
ASSETS				
Cash and cash equivalents	0.00	0.00	47,065.88	47,580.90
Taxes receivable:				
Special assessments	0.00	0.00	31,327.18	0.00
Due from other governments	0.00	0.00	16,187.81	0.00
<hr/>				
TOTAL ASSETS	0.00	0.00	94,580.87	47,580.90
<hr/>				
Deferred Outflows of Resources				
<hr/>				
LIABILITIES				
Accounts payable	0.00	0.00	3,629.31	0.00
<hr/>				
TOTAL LIABILITIES	0.00	0.00	3,629.31	0.00
<hr/>				
Deferred Inflows of Resources				
Deferred Inflows of Tax Revenues	0.00	0.00	31,327.18	0.00
<hr/>				
Total Deferred Inflows of Resources	0.00	0.00	31,327.18	0.00
<hr/>				
FUND BALANCES				
Unassigned (negative balance only)	0.00	0.00	59,624.38	47,580.90
<hr/>				
Total Fund Balances	0.00	0.00	59,624.38	47,580.90
Total Liabilities, Deferred inflows of resources and Fund Balances	0.00	0.00	94,580.87	47,580.90
<hr/>				

47. COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
For the year ending June 30, 2018

	2821 GAS TAX HB 473	Total Nonmajor Spec. Rev. Funds
<hr/>		
ASSETS		
Cash and cash equivalents	0.00	94,646.78
Taxes receivable:		
Special assessments	0.00	31,327.18
Due from other governments	0.00	16,187.81
<hr/>		
TOTAL ASSETS	0.00	142,161.77
<hr/>		
Deferred Outflows of Resources		
<hr/>		
LIABILITIES		
Accounts payable	0.00	3,629.31
<hr/>		
TOTAL LIABILITIES	0.00	3,629.31
<hr/>		
Deferred Inflows of Resources		
Deferred Inflows of Tax Revenues	0.00	31,327.18
<hr/>		
Total Deferred Inflows of Resources	0.00	31,327.18
<hr/>		
FUND BALANCES		
Unassigned (negative balance only)	0.00	107,205.28
<hr/>		
Total Fund Balances	0.00	107,205.28
Total Liabilities, Deferred inflows of resources and Fund Balances	0.00	142,161.77
<hr/>		

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

2260 DISASTER

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)

REVENUES				
Taxes				
Property Taxes	5,378.00	5,378.00	0.00	(5,378.00)
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	0.00	0.00	0.00	0.00

Total revenues	5,378.00	5,378.00	0.00	(5,378.00)

EXPENDITURES				
Current:				
General Government				
Supplies/services/materials, etc	5,378.00	5,378.00	0.00	5,378.00
Public Safety				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	0.00	0.00	0.00	0.00
Debt Service				

Total expenditures	5,378.00	5,378.00	0.00	5,378.00

Excess of revenues over (under) expenditures	0.00	0.00	0.00	0.00

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	0.00	0.00	0.00	0.00

Fund balance - July 1, 2017 -				

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

2260 DISASTER

	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, 2017 - As restated	0.00	0.00	0.00	0.00
Fund balance - June 30, 2018	0.00	0.00	0.00	0.00

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

2390 Drug Forfeiture

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Investment and royalty earnings				
Total revenues	0.00	0.00	0.00	0.00
EXPENDITURES				
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Supplies/services/materials, etc	513.00	513.00	513.00	0.00
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	0.00	0.00	0.00	0.00
Debt Service				
Total expenditures	513.00	513.00	513.00	0.00
Excess of revenues over (under) expenditures	(513.00)	(513.00)	(513.00)	0.00
OTHER FINANCING SOURCES (USES)				
Transfers in				
Total other financing sources (uses)	0.00	0.00	0.00	0.00
Net change in fund balance	(513.00)	(513.00)	(513.00)	0.00
Fund balance - July 1, 2017 -				

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

2390 Drug Forfeiture

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	513.00	513.00	513.00	0.00
Fund balance - July 1, 2017 - As restated	513.00	513.00	513.00	0.00
Fund balance - June 30, 2018	0.00	0.00	0.00	0.00

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

2410 Lighting Maint.

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	65,170.00	65,170.00	67,285.41	2,115.41
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	0.00	0.00	0.00	0.00
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	136.00	136.00	295.69	159.69
Total revenues	65,306.00	65,306.00	67,581.10	2,275.10
EXPENDITURES				
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	54,500.00	54,500.00	44,594.11	9,905.89
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	0.00	0.00	0.00	0.00
Debt Service				
Total expenditures	54,500.00	54,500.00	44,594.11	9,905.89
Excess of revenues over (under) expenditures	10,806.00	10,806.00	22,986.99	12,180.99
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	10,806.00	10,806.00	22,986.99	12,180.99
Fund balance - July 1, 2017 -				

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

2410 Lighting Maint.

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	36,637.39	36,637.39	36,637.39	0.00
Fund balance - July 1, 2017 - As restated	36,637.39	36,637.39	36,637.39	0.00
Fund balance - June 30, 2018	47,443.39	47,443.39	59,624.38	12,180.99

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

2820 Gas Tax

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
	-----	-----	-----	-----
REVENUES				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	64,006.00	64,006.00	64,006.16	0.16
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	50.00	50.00	259.83	209.83
	-----	-----	-----	-----
Total revenues	64,056.00	64,056.00	64,265.99	209.99
	-----	-----	-----	-----
EXPENDITURES				
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Works				
Personal services	49,364.00	49,364.00	50,421.58	(1,057.58)
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	0.00	0.00	0.00	0.00
Debt Service				
	-----	-----	-----	-----
Total expenditures	49,364.00	49,364.00	50,421.58	(1,057.58)
	-----	-----	-----	-----
Excess of revenues over (under) expenditures	14,692.00	14,692.00	13,844.41	(847.59)
	-----	-----	-----	-----
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	14,692.00	14,692.00	13,844.41	(847.59)
Fund balance - July 1, 2017 -				

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

2820 Gas Tax

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (neg)
-As previously reported	33,736.49	33,736.49	33,736.49	0.00
Fund balance - July 1, 2017 - As restated	33,736.49	33,736.49	33,736.49	0.00
Fund balance - June 30, 2018	48,428.49	48,428.49	47,580.90	(847.59)

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

2821 GAS TAX HB 473

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	0.00	0.00	0.00	0.00
Special assessments	0.00	0.00	0.00	0.00
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	24,540.00	24,540.00	0.00	(24,540.00)
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	0.00	0.00	0.00	0.00
Total revenues	24,540.00	24,540.00	0.00	(24,540.00)
EXPENDITURES				
Current:				
General Government				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Safety				
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Works				
Personal services	0.00	0.00	0.00	0.00
Supplies/services/materials, etc	0.00	0.00	0.00	0.00
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	24,540.00	24,540.00	0.00	24,540.00
Debt Service				
Total expenditures	24,540.00	24,540.00	0.00	24,540.00
Excess of revenues over (under) expenditures	0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)				
Transfers in	1,228.00	1,228.00	0.00	(1,228.00)
Total other financing sources (uses)	1,228.00	1,228.00	0.00	(1,228.00)
Net change in fund balance	1,228.00	1,228.00	0.00	(1,228.00)
Fund balance - July 1, 2017 -				

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

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, 2017 - As restated	0.00	0.00	0.00	0.00
Fund balance - June 30, 2018	1,228.00	1,228.00	0.00	(1,228.00)

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Property Taxes	5,378.00	5,378.00	0.00	(5,378.00)
Special assessments	65,170.00	65,170.00	67,285.41	2,115.41
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	88,546.00	88,546.00	64,006.16	(24,539.84)
Charges for services				
Fines and forfeitures				
Investment and royalty earnings	186.00	186.00	555.52	369.52
Total revenues	159,280.00	159,280.00	131,847.09	(27,432.91)
EXPENDITURES				
Current:				
General Government				
Supplies/services/materials, etc	5,378.00	5,378.00	0.00	5,378.00
Public Safety				
Supplies/services/materials, etc	513.00	513.00	513.00	0.00
Public Works				
Personal services	49,364.00	49,364.00	50,421.58	(1,057.58)
Supplies/services/materials, etc	54,500.00	54,500.00	44,594.11	9,905.89
Public Health				
Social and Economic Services				
Culture and Recreation				
Housing and Community Development				
Conservation of Natural Resources				
Capital expenditures	24,540.00	24,540.00	0.00	24,540.00
Debt Service				
Total expenditures	134,295.00	134,295.00	95,528.69	38,766.31
Excess of revenues over (under) expenditures	24,985.00	24,985.00	36,318.40	11,333.40
OTHER FINANCING SOURCES (USES)				
Transfers in	1,228.00	1,228.00	0.00	(1,228.00)
Total other financing sources (uses)	1,228.00	1,228.00	0.00	(1,228.00)
Net change in fund balance	26,213.00	26,213.00	36,318.40	10,105.40
Fund balance - July 1, 2017 -				

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
-As previously reported	70,886.88	70,886.88	70,886.88	0.00
Fund balance - July 1, 2017 - As restated	70,886.88	70,886.88	70,886.88	0.00
Fund balance - June 30, 2018	97,099.88	97,099.88	107,205.28	10,105.40

51. COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUNDS
For the year ending June 30, 2018

	3200	Total Nonmajor
	MINERAL AVE. SID P	Debt Service Funds
<hr/>		
ASSETS		
Cash and cash equivalents	2,681.69	2,681.69
Taxes receivable:		
Special assessments	14,888.43	14,888.43
Due from other governments	78.00	78.00
	<hr/>	
TOTAL ASSETS	17,648.12	17,648.12
<hr/>		
Deferred Outflows of Resources		
<hr/>		
LIABILITIES		
Advances from other funds	16,991.64	16,991.64
	<hr/>	
TOTAL LIABILITIES	16,991.64	16,991.64
<hr/>		
Deferred Inflows of Resources		
Deferred Inflows of Tax Revenues	14,888.43	14,888.43
	<hr/>	
Total Deferred Inflows of Resources	14,888.43	14,888.43
<hr/>		
FUND BALANCES		
Unassigned (negative balance only)	(14,231.95)	(14,231.95)
	<hr/>	
Total Fund Balances	(14,231.95)	(14,231.95)
Total Liabilities, Deferred	17,648.12	17,648.12
inflows of resources and Fund Balances		
	<hr/>	
	<hr/>	

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

3200 MINERAL AVE. SID PROJECT

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Special assessments	2,173.00	2,173.00	2,759.69	586.69
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
Charges for services				
Fines and forfeitures				
Total revenues	2,173.00	2,173.00	2,759.69	586.69
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	27.00	27.00	2,759.69	2,732.69
OTHER FINANCING SOURCES (USES)				
Net change in fund balance	27.00	27.00	2,759.69	2,732.69
Fund balance - July 1, 2017 - -As previously reported	(16,991.64)	(16,991.64)	(16,991.64)	0.00
Fund balance - July 1, 2017 - As restated	(16,991.64)	(16,991.64)	(16,991.64)	0.00
Fund balance - June 30, 2018	(16,964.64)	(16,964.64)	(14,231.95)	2,732.69

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
REVENUES				
Taxes				
Special assessments	2,173.00	2,173.00	2,759.69	586.69
Licenses and permits				
Intergovernmental revenue (See supplemental section for detail)				
Charges for services				
Fines and forfeitures				
Total revenues	2,173.00	2,173.00	2,759.69	586.69
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	27.00	27.00	2,759.69	2,732.69
OTHER FINANCING SOURCES (USES)				
Net change in fund balance	27.00	27.00	2,759.69	2,732.69
Fund balance - July 1, 2017 - -As previously reported	(16,991.64)	(16,991.64)	(16,991.64)	0.00
Fund balance - July 1, 2017 - As restated	(16,991.64)	(16,991.64)	(16,991.64)	0.00
Fund balance - June 30, 2018	(16,964.64)	(16,964.64)	(14,231.95)	2,732.69

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CITY OF LIBBY
Schedule of Cash Receipts & Disbursements
For the Year 2017-2018

Page: 1 of 2
Report ID: L160Z

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
1000 GENERAL						
101000 Cash - Operating	527,340.22	1,256,417.84	10,139.72	3,748.24	1,272,637.92	517,511.62
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	543,285.13	1,256,417.84	10,139.72	3,748.24	1,272,637.92	533,456.53
Total 1000 GENERAL	543,285.13	1,256,417.84	10,139.72	3,748.24	1,272,637.92	533,456.53
2386 IP SETTLEMENT						
101000 Cash - Operating	285,146.40	229,778.10	0.00	0.00	0.00	514,924.50
2390 Drug Forfeiture						
101000 Cash - Operating	513.00	0.00	0.00	0.00	513.00	0.00
2410 Lighting Maint.						
101000 Cash - Operating	38,397.39	51,393.29	0.00	0.00	42,724.80	47,065.88
2510 STREET MAINTENANCE						
101000 Cash - Operating	232,072.08	116,946.42	0.00	0.00	111,781.92	237,236.58
2820 Gas Tax						
101000 Cash - Operating	33,736.49	64,265.99	0.00	0.00	50,421.58	47,580.90
2959 Community Development Fund						
101000 Cash - Operating	511,437.91	661.67	0.00	10,000.00	0.00	502,099.58
Total 2000	1,101,303.27	463,045.47	0.00	10,000.00	205,441.30	1,348,907.44
3200 MINERAL AVE. SID PROJECT						
101000 Cash - Operating	0.00	2,681.69	0.00	0.00	0.00	2,681.69
Total 3000	0.00	2,681.69	0.00	0.00	0.00	2,681.69
5210 WATER UTILITY						
101000 Cash - Operating	871,801.91	1,558,802.24	15,562.08	467,299.85	1,045,449.12	933,417.26
102200 Cash - Customer Water	42,600.00	11,700.00	0.00	0.00	11,400.00	42,900.00
102220 Water Operating Reserve	82,764.00	0.00	0.00	0.00	0.00	82,764.00
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	23,880.00	14,328.00	0.00	0.00	0.00	38,208.00
102254 \$2,268K-CURRENT RESERVE	7,485.00	0.00	0.00	0.00	0.00	7,485.00
102255 \$2,268K FUTURE RESERVE	17,227.00	8,988.00	0.00	0.00	0.00	26,215.00
102256 \$253K & \$2,198K CURREBT	73,425.48	0.00	0.00	0.00	0.00	73,425.48
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	287,583.13	73,425.48	0.00	0.00	0.00	361,008.61
Total Fund	1,638,316.20	1,667,243.72	15,562.08	467,299.85	1,056,849.12	1,796,973.03
5310 SEWER UTILITY						
101000 Cash - Operating	213,629.66	505,962.06	70,112.16	95,993.27	479,310.77	214,399.84
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	0.00	0.00	29,736.00
102240 short lived assets rep.-	66,384.00	0.00	0.00	0.00	0.00	66,384.00
102241 Short lived assets rep. -	112,401.00	0.00	0.00	0.00	0.00	112,401.00
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	459,246.66	505,962.06	70,112.16	95,993.27	479,310.77	460,016.84
Total 5000	2,097,562.86	2,173,205.78	85,674.24	563,293.12	1,536,159.89	2,256,989.87

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CITY OF LIBBY
Schedule of Cash Receipts & Disbursements
For the Year 2017-2018

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Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
7120 FIRE RELIEF AGENCY FUND						
101000 Cash - Operating	0.00	32,658.40	0.00	0.00	32,658.40	0.00
7451 CITY COURT BOND TRUST ACCOUNT 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	0.00	1,130.00	0.00	0.00	1,000.00	130.00
7467 LAW ENFORCEMENT SURCHARGE/TO COUNTY FOR STATE						
101000 Cash - Operating	0.00	1,330.00	0.00	0.00	1,143.00	187.00
7471 PUBLIC DEFENDER FEES						
101000 Cash - Operating	0.00	3,058.00	0.00	0.00	3,058.00	0.00
7910 PAYROLL FUND						
101000 Cash - Operating	60,049.55	34.86	1,450,972.57	1,383,372.28	90,852.00	36,832.70
7930 CLAIMS FUND						
101000 Cash - Operating	325,650.35	0.00	1,505,311.98	1,677,821.35	0.00	153,140.98
Total 7000	388,949.98	38,211.26	2,956,284.55	3,061,193.63	128,711.40	193,540.76
Totals	4,131,101.24	3,933,562.04	3,052,098.51	3,638,234.99	3,142,950.51	4,335,576.29

	Range of Interest Rates	Maturity Date
Cash on Hand:		
Petty cash		
Total		

Demand Deposits:		
First MT Bank #2092	0.640%	
City Bond Trust Account		
First Montana Bank #8485		
First MT Bank #9970		
Total		

Savings, NOW, Money Market Deposits:		
First MT Bank #0825	NA	
LCU #4000	0.300%	
LCU #3000	0.300%	
Total		

Total Cash and Deposits

Balance Per Bank Statement 6/30/2018	Deposits in Transit	Outstanding checks/ACH	Other/ Transfers	Miscellaneous	Book Balance 6/30/2018
					\$ -
\$ 625					\$ 625
\$ 625				\$ -	\$ 625

\$ 3,497,265	\$ 3,668	\$ (40,137)	\$ (54)	\$ 3	\$ 3,460,745
\$ 3,250					\$ 3,250
\$ 100					\$ 100
\$ 43,800					\$ 43,800
\$ 3,544,415	\$ 3,668	\$ (40,137)	\$ (54)	\$ 3	\$ 3,507,895

\$ 646,840					\$ 646,840
\$ 73,944					\$ 73,944
\$ 106,275					\$ 106,275
\$ 827,059	\$ -	\$ -	\$ -	\$ -	\$ 827,059

\$ 4,372,099	\$ 3,668	\$ (40,137)	\$ (54)	\$ 3	\$ 4,335,579
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Statement of NOP	\$ 4,142,038
Fiduciary NOP	\$ 193,541
	\$ 4,335,579
	\$ -

