

TOWN OF BRIDGER
CARBON COUNTY
BRIDGER, MONTANA

FINANCIAL AND COMPLIANCE REPORT

Fiscal years Ended June 30, 2013 & 2014

Strom & Associates, P. C.
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Billings, Montana 59103

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS
Fiscal Years-Ended June 30, 2013 and June 30, 2014

Town of Bridger
Carbon County
Bridger, Montana 59014

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Town of Bridger
Carbon County
Bridger, Montana 59014

ORGANIZATION

FOR FISCAL YEARS ENDING JUNE 30, 2013 & 2014

Scott DeRudder Mayor

TOWN COUNCIL

Randy Novakovich President

George Wilm Member

Cliff Shultz Fiscal Year 2014 only Member

Eugene Sticka Fiscal Year 2013 only Member

Gerald Roth Member

OFFICIALS

Hope Freeman Town Attorney

Deanna Hay Town Clerk/Treasurer

Tim Goldsberry Public Works Supervisor

Jackie Rieger Town Judge

TOWN OF BRIDGER MD & A FISCAL YEAR 2013

The Fiscal Year 2013-2014 brought about the Sewer Lagoon Upgrade needing to be done to meet Federal Department of Environmental Quality Regulations. An engineer, Chad Hanson from Great West Engineering was selected to do a disinfection study. After the study was done, the Council decided on a ultra-violet disinfection system. The system will need to be implemented by 2014. The necessary permits have been approved by the Department of Environmental Quality. The Town contacted Dorsey and Whitney to refinance the present bond and do an interim loan to pay the engineering costs incurred to present. As Bond Counsel Dorsey and Whitney will be doing the financing to pay for all costs associated with the Administration, Engineering, and Construction concerning the Wastewater UV project.

The Loan will be at approximately 3%, so the Town has been able to save \$52,000 on the refinancing. The new loan is eligible for loan forgiveness of \$60,800. The entire budgeted amount of the cost is \$501,175.00. Construction is anticipated to start the fall of 2013, with completion Spring of 2014. The Town raised the rates considerably in November 2012 to meet with the standard by the Department of Commerce and the minimum needed to be considered for a grant or Federal moneys for a project such as this. With the study of the rates and the money that will be needed for the two annual payments, a raise in rates is not being considered at this time.

The Town made a capital purchase of a 2010 Chevy Silverado Pickup for \$22,880 for the Public Works Department. Also, 4 Certificates of Deposit were purchased for \$25,000 each amounting to \$100,000 in September 2013.

The Town's overall end of the FY2013 year was bright. The Enterprise Funds seem to be rejuvenating with the rate raise. The cash in the water, sewer and garbage Funds is back in the black.

The Area Park and Recreational District Fund #2201 was well spent on a new roof for the swimming pool. Also, the Town is going to be caulking the edge of the pool as the pool is leaking water daily. It is not draining out the drain or from the pool bottom, as it holds water after a certain level is reached. Hopefully, this will fix the leakage problem.

A new development for a Family Dollar Store is being planned. The project has been delayed because of needed details concerning the legal description, publications, and meetings that are needed for preliminary plat and final plat approval by the Carbon County Planning Board and The County Commissioners along with the Bridger Town Council. So now the project construction has been delayed until the spring of 2014 most likely. It is hoped this business will be employing 10 or more people. The project is going to be located between the Town limits and the Maverick Gas Station. The area is to be annexed into the Town limits as required by the Town Ordinances in order to receive water and sewer services.

TOWN OF BRIDGER MD & A FISCAL YEAR 2014

The Fiscal Year 2014-2015 is experiencing the near completion of the Sewer Ultra-Violet Disinfection System to be in compliance with Montana Department of Environmental Standards. This project involved obtaining Sewer Bonds and an interim Loan to pay off the existing Sewer Loan. The new Loan is approximately 3% so the Town was able to save \$52,000 on the refinancing of the present Sewer Loan with the DNRC. Dorsey and Whitney acted as Bond Counsel and was able to obtain a \$60,680 loan forgiveness from the State Coal Severance Tax Fund. The first Sewer Series Bond A is for \$91,198 to pay off the present Sewer Debt and refinance the loan to be paid to DNRC. The Sewer Series Bond B is for \$358,130 and is repaid to US Bank. The entire budgeted amount was \$501,175.00. Construction will be completed in July of 2014 hopefully, and once completed; the engineers have some final paperwork to complete and a final walk through. The Town raised the water, and sewer rates to meet the standard by the Department of Commerce to be considered for a grant or Federal moneys for a project such as this. The Town will be monitoring the Sewer collections so that we meet the Sewer Bond payments each year of approximately \$25,000. There will be two payments per year; one in July and another in November. There are also two different Bond payments, one to DNRC and one to US Bank.

The Town experienced the growth of the "Family Dollar Store" business being developed in Bridger. The Bridger Town Council was involved with the engineers and contractors to approve annexation of the property, water and sewer installations and the construction on the building site. The hope is that the commercial venture will provide much needed jobs for the community and be a thriving business for the community.

Another business is also expected to open on Main Street in Bridger and do some light manufacturing of "Made-In-Montana" products that are sold in Yellowstone Park. This business will hopefully be providing a few more jobs for the community.

The Town experienced a slow start with the opening of the Swimming Pool this year. Applicants for the lifeguards were offered a bonus incentive to apply. This bonus is paid by the Area Park and Recreation Fund #2201 if employees work until August 10, 2014. No swimming lessons were offered as there was no one certified to teach swimming lessons.

Metered water rates will be on the Council agenda. The base rate is low and is not in line with the residential rates. The out-of-Town bulk water rates are very high in comparison to the in-Town rates. So, the Council will be making those decisions soon.

Infrastructure fees for water and sewer are also going to be implemented for the residents of Bridger also. These rates will be built into the present rates. To "clarify", the infrastructure fee will be charged even when the water is shut off. Now that the Town has the Sewer Bond payments to make the infrastructure fee is important; along with helping to pay the costs and maintenance of the water and sewer lines in Bridger.

The Council is aware that the Town's backhoe is no longer operational. It is hoped that another machine can be obtained for approximately \$25,000-\$30,000. A backhoe is a necessary piece of equipment for the Town and needs to be budgeted for.

The Police Department patrol cars are 2006 models. The cars have high mileage, and the Bridger Town Council will need to consider another vehicle for the Police Department.

Republic Services signed a new garbage contract with the Town. The contract is for 5 years, with possible additional years if the service is well received. The contract was for \$6340.20/month including disposal fees. Each month Republic Services will be in contact with the Town Office to reconcile with the number of 96 gallon containers and the dumpster sizes so an accurate billing can be done. The Town wants to avoid additional charges at the end of the year as happened in the past. Recycling will be an additional benefit of this contract also.

The additional revenue that is being paid to the Town monthly from the lease of the factory building, helps with a healthy bottom line. The building is being used for storage for Yellowstone Bean along with Kussmaul Seeds. The outside area is rented to the Pallet Man who restores wooden pallets. The yearly revenue from the building & site is \$39,000.

The Town has experienced a healthy fiscal year for 2013-2014. The funds were in good shape overall and none of the Funds were overspent. The Enterprise Funds will be monitored so that revenue meets expenditures; especially the Sewer Fund where the Bond payments have to be made twice per year. In summary, the fiscal experience for 2013-2014 was positive, and the financial future looks bright for 2014-2015.

STROM & ASSOCIATES, PC
Certified Public Accountants
P.O. Box 1980
Billings, Montana 59103

INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Bridger
Carbon County
Bridger, Montana 59014

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Bridger as of and for the years ended June 30, 2013 and June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Bridger as of June 30, 2013 and June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 6) and budgetary comparison information (pages 40 - 46) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015 on our consideration of Town of Bridger internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Bridger internal control over financial reporting and compliance.

Strom & Associates, P.C.

STROM & ASSOCIATES, PC
Billings, Montana
June 26, 2015

Town of Bridger
Carbon County
Bridger, Montana 59014

STATEMENT OF NET POSITION
as of June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 286,070	\$ 63,104	\$ 349,174
Taxes /Assessments Receivable	28,413	-	28,413
Accounts Receivable - Net	-	37,570	37,570
Internal Balances	47,617	(47,617)	-
Total Current Assets	362,100	53,057	415,157
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	25,250	41,451	66,701
Capital Assets:			
Land	1,679	33,448	35,127
Net Depreciable Assets	643,969	276,251	920,220
Total Noncurrent Assets	670,898	351,150	1,022,048
Total Assets	\$ 1,032,998	\$ 404,207	\$ 1,437,205
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 1,362	\$ 917	\$ 2,279
Current Portions Compensated Absences	9,836	9,170	19,006
Current Portions Long-Term Obligations	-	3,412	3,412
Due to Other Governments	20,588	-	20,588
Total Current Liabilities	31,786	13,499	45,285
Noncurrent Liabilities:			
Compensated Absences	18,832	17,377	36,209
Long-Term Capital Obligations	-	82,060	82,060
Total Noncurrent Liabilities	18,832	99,437	118,269
Total Liabilities	50,618	112,936	163,554
NET POSITION:			
Net investment in capital assets	645,648	224,227	869,875
Restricted	211,154	41,451	252,605
Unrestricted (Deficit)	125,578	25,593	151,171
Total Net Position	982,380	291,271	1,273,651
Total Liabilities and Net Position	\$ 1,032,998	\$ 404,207	\$ 1,437,205

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF ACTIVITIES
 For the Year ended June 30, 2013

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charge for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
GOVERNMENT OPERATIONS						
General government	\$ 108,594	\$ 11,540	\$ -	\$ (97,054)		\$ (97,054)
Public safety	100,027	-	1,121	(98,906)		(98,906)
Public works	57,235	-	19,363	(37,872)		(37,872)
Public health	82	-	-	(82)		(82)
Culture and recreation	137,807	104,709	-	(33,098)		(33,098)
Housing and community development	-	36,000	-	36,000		36,000
Miscellaneous	67,137	-	-	(67,137)		(67,137)
Total Governmental Activities	<u>470,882</u>	<u>152,249</u>	<u>20,484</u>	<u>(298,149)</u>		<u>(298,149)</u>
BUSINESS-TYPE ACTIVITIES						
Water	\$ 100,131	\$ 145,437	\$ -		\$ 45,306	45,306
Sewer	\$ 73,424	109,718	-		36,294	36,294
Solid Waste	\$ 87,459	91,188	-		3,729	3,729
Total Business-type activities	<u>261,014</u>	<u>346,343</u>	<u>-</u>		<u>85,329</u>	<u>85,329</u>
Total Primary Government	<u>\$ 731,896</u>	<u>\$ 498,592</u>	<u>\$ 20,484</u>	<u>\$ (298,149)</u>	<u>\$ 85,329</u>	<u>\$ (212,820)</u>
GENERAL REVENUES						
Taxes/assessments				165,703	-	165,703
Local Shared Revenue				-	-	-
Intergovernmental revenues				165,329	-	165,329
Miscellaneous				17,912	-	17,912
Investment and royalty earnings				397	-	397
Licenses and permits				11,549	-	11,549
Internal Balances				21,871	(21,871)	-
Total General Revenues				<u>382,761</u>	<u>(21,871)</u>	<u>360,890</u>
Change in Net Position				84,612	63,458	148,070
Net Position						
Beginning of the Year				896,902	227,813	1,124,715
Prior Period Adjustments				866	-	866
End of the Year				<u>\$ 982,380</u>	<u>\$ 291,271</u>	<u>\$ 1,273,651</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
as of June 30, 2013

	MAJOR					Other Governmental Funds	Total Governmental Funds
	General	Library	Health Insurance	CDBG Current	Gas Tax		
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	\$ 111,577	\$ 34,267	\$ 8,280	\$ 30,440	\$ 54,857	\$ 46,649	\$ 286,070
Taxes /Assessments Receivable	16,246	356	5,750	-	-	6,061	28,413
Restricted Cash and Cash Equivalents	-	-	-	25,250	-	-	25,250
Advances to Other Funds	47,617	-	-	-	-	-	47,617
Total Assets	\$ 175,440	\$ 34,623	\$ 14,030	\$ 55,690	\$ 54,857	\$ 52,710	\$ 387,350
LIABILITIES:							
Current Liabilities							
Accounts Payable	606	756	-	-	-	-	1,362
Due to Other Governments	20,588	-	-	-	-	-	20,588
Total Liabilities	21,194	756	-	-	-	-	21,950
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes Receivable	16,246	356	5,750	-	-	6,061	28,413
Total Deferred Inflows of resources	16,246	356	5,750	-	-	6,061	28,413
FUND BALANCE:							
Fund Balances:							
Restricted	-	33,511	8,280	-	54,857	46,649	143,297
Committed	-	-	-	55,690	-	-	55,690
Unassigned:	138,000	-	-	-	-	-	138,000
Total Fund Balance	138,000	33,511	8,280	55,690	54,857	46,649	336,987
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 175,440	\$ 34,623	\$ 14,030	\$ 55,690	\$ 54,857	\$ 52,710	\$ 387,350

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balance reported above	\$ 336,987
Governmental Capital Assets	645,648
Long-term Liabilities	
Compensated Absences	(28,668)
Unavailable Property Taxes Receivable	28,413
Net Position of Governmental Activities	\$ 982,380

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the year ended June 30, 2013

	MAJOR					Other Governmental Funds	Total Governmental Funds
	General	Library	Health Insurance	CDBG Current	Gas Tax		
REVENUES:							
Taxes/assessments	\$ 109,748	\$ 1,990	\$ 28,549	\$ -	\$ -	\$ 22,394	\$ 162,681
Licenses and permits	11,549	-	-	-	-	-	11,549
Intergovernmental revenues	151,848	780	4,703	-	19,363	9,119	185,813
Charges for services	2,013	61,276	-	-	-	41,420	104,709
Fines and forfeitures	11,540	-	-	-	-	-	11,540
Miscellaneous	17,912	-	-	36,000	-	-	53,912
Investment and royalty earnings	397	-	-	-	-	-	397
Total Revenues	305,007	64,046	33,252	36,000	19,363	72,933	530,601
EXPENDITURES:							
Current							
General government	70,430	-	-	9,597	-	11,636	91,663
Public safety	84,299	-	-	-	-	1,890	86,189
Public works	33,921	-	-	-	20,819	823	55,563
Public health	82	-	-	-	-	-	82
Culture and recreation	22,835	66,059	-	-	-	38,813	127,707
Miscellaneous	-	-	49,172	-	-	17,965	67,137
Total Expenditures	211,567	66,059	49,172	9,597	20,819	71,127	428,341
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	93,440	(2,013)	(15,920)	26,403	(1,456)	1,806	102,260
OTHER FINANCING SOURCES/USES							
Fund Transfers In	-	-	21,903	-	-	-	21,903
Fund Transfers (Out)	-	-	-	-	-	(32)	(32)
Total Other financial Sources/Uses	-	-	21,903	-	-	(32)	21,871
NET CHANGES IN FUND BALANCES	93,440	(2,013)	5,983	26,403	(1,456)	1,774	124,131
FUND BALANCE:							
Beginning of the Year	44,157	35,524	1,834	29,287	56,313	44,875	211,990
Prior Period Adjustments	403	-	463	-	-	-	866
End of the Year	\$ 138,000	\$ 33,511	\$ 8,280	\$ 55,690	\$ 54,857	\$ 46,649	\$ 336,987

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Town of Bridger
Carbon County
Bridger, Montana 59014

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2013

Net Changes in Fund Balance	\$	124,131
Revenues on the Statement of Activity not included in governmental funds statement:		
Increase (decrease) in taxes receivable		3,022
Expenses on the Statement of Activity not included in the governmental funds statement:		
Depreciation Expense	(38,065)	
(Increase) decrease in Other Post Employment Benefits	-	
(Increase) decrease in compensated absence liability	<u>(4,476)</u>	<u>(42,541)</u>
Change in net position reported on the Statement of Activity	\$	<u>84,612</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
as of June 30, 2013

	MAJOR			Total Enterprise Funds
	Water	Sewer	Solid Waste	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 58,085	\$ 1,762	\$ 3,257	\$ 63,104
Accounts Receivable - Net	15,394	12,656	9,520	37,570
Total Current Assets	73,479	14,418	12,777	100,674
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	20,106	21,345	-	41,451
Capital Assets:				
Land	11,144	10,833	11,471	33,448
Net Depreciable Assets	97,518	132,791	45,942	276,251
Total Noncurrent Assets	128,768	164,969	57,413	351,150
Total Assets	\$ 202,247	\$ 179,387	\$ 70,190	\$ 451,824
LIABILITIES:				
Current Liabilities				
Accounts Payable	\$ 145	\$ 772	\$ -	\$ 917
Payable to Other Funds	-	23,818	23,799	47,617
Current Portions Long-Term Obligations	-	3,412	-	3,412
Current Portions Compensated Absences	5,178	3,874	118	9,170
Total Current Liabilities	5,323	31,876	23,917	61,116
Noncurrent Liabilities:				
Compensated Absences	9,883	7,293	201	17,377
Long-Term Capital Obligations	-	82,060	-	82,060
Total Noncurrent Liabilities	9,883	89,353	201	99,437
Total Liabilities	15,206	121,229	24,118	160,553
NET POSITION:				
Net investment in capital assets	108,662	58,152	57,413	224,227
Restricted for debt service	20,106	21,345	-	41,451
Unrestricted (Deficit)	58,273	(21,339)	(11,341)	25,593
Total Net Position	187,041	58,158	46,072	291,271
Total Liabilities and Net Position	\$ 202,247	\$ 179,387	\$ 70,190	\$ 451,824

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year ended June 30, 2013

	MAJOR			Total Enterprise Funds
	Water	Sewer	Solid Waste	
OPERATING REVENUES:				
Charges for Services	\$ 145,437	\$ 109,718	\$ 91,188	\$ 346,343
Total Operating Revenues	<u>145,437</u>	<u>109,718</u>	<u>91,188</u>	<u>346,343</u>
OPERATING EXPENSES:				
Personal services	52,252	41,549	5,376	99,177
Supplies	11,588	8,556	3,850	23,994
Purchased services	30,166	12,572	75,738	118,476
Fixed charges	-	-	-	-
Loss on disposal of asset	-	-	-	-
Depreciation	6,125	5,595	2,495	14,215
Total Operating Expense	<u>100,131</u>	<u>68,272</u>	<u>87,459</u>	<u>255,862</u>
OPERATING INCOME (LOSS)	<u>45,306</u>	<u>41,446</u>	<u>3,729</u>	<u>90,481</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	-	-	-	-
Debt service interest expense	-	(5,152)	-	(5,152)
Total nonoperating revenue (expenses)	<u>-</u>	<u>(5,152)</u>	<u>-</u>	<u>(5,152)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	-	-	-
Transfers in (out)	(12,349)	(9,522)	-	(21,871)
CHANGE IN NET POSITION	<u>32,957</u>	<u>26,772</u>	<u>3,729</u>	<u>63,458</u>
NET POSITION:				
Beginning of the Year	154,084	31,386	42,343	227,813
End of the Year	<u>\$ 187,041</u>	<u>\$ 58,158</u>	<u>\$ 46,072</u>	<u>\$ 291,271</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds			
	MAJOR			Total
	Water Utility	Sewer Utility	Solid Waste	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 142,939	\$ 106,651	\$ 90,434	\$ 340,024
Payments to Employees	(51,875)	(41,316)	(5,264)	(98,455)
Payments to Suppliers	(42,632)	(21,128)	(79,769)	(143,529)
Net Cash Provided (Used) by Operating Activities	<u>48,432</u>	<u>44,207</u>	<u>5,401</u>	<u>98,040</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Subsidies and Transfers Between Funds	(12,349)	(12,168)	(2,644)	(27,161)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(12,349)</u>	<u>(12,168)</u>	<u>(2,644)</u>	<u>(27,161)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal Paid on Capital Debt	-	(4,280)	-	(4,280)
Interest Paid on Capital Debt	-	(5,152)	-	(5,152)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(9,432)</u>	<u>-</u>	<u>(9,432)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	36,083	22,607	2,757	61,447
BALANCE:				
Beginning of the Year	42,108	500	500	43,108
End of the Year	<u>\$ 78,191</u>	<u>\$ 23,107</u>	<u>\$ 3,257</u>	<u>\$ 104,555</u>

RECONCILIATION OF OPERATING INCOME (LOSS)
 TO NET CASH PROVIDED (USED) BY OPERATING
 ACTIVITIES:

Operating Income (Loss)	\$ 45,306	\$ 41,446	\$ 3,729	\$ 90,481
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	6,125	5,595	2,495	14,215
Changes In Assets and Liabilities:				
Accounts Receivable	(2,498)	(3,067)	(754)	(6,319)
Accounts Payable	(878)	-	(181)	(1,059)
Compensated Absences	377	233	112	722
Net Cash Provided (Used) by Operating Activities	<u>\$ 48,432</u>	<u>\$ 44,207</u>	<u>\$ 5,401</u>	<u>\$ 98,040</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Town of Bridger
Carbon County
Bridger, Montana 59014

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
as of June 30, 2013

	<u>Agency Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ <u>50,789</u>
Total Assets	<u>50,789</u>
LIABILITIES:	
Current Liabilities	
Warrants Payable	<u>50,789</u>
Total Liabilities	<u>50,789</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF NET POSITION
 as of June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 375,488	\$ 116,179	\$ 491,667
Taxes /Assessments Receivable	36,784	-	36,784
Accounts Receivable - Net	-	37,145	37,145
Internal Balances	42,327	(42,327)	-
Due From Other Governments	-	27,658	27,658
Total Current Assets	454,599	138,655	593,254
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	25,250	52,436	77,686
Capital Assets:			
Land	1,679	33,448	35,127
Construction in Progress	-	318,918	318,918
Net Depreciable Assets	631,334	262,036	893,370
Total Noncurrent Assets	658,263	666,838	1,325,101
Total Assets	\$ 1,112,862	\$ 805,493	\$ 1,918,355
LIABILITIES:			
Current Liabilities			
Accounts Payable	\$ 2,935	\$ 8,383	\$ 11,318
Current Portions Compensated Absences	10,155	10,365	20,520
Current Portion Long-Term Capital Obligations	-	10,005	10,005
Due to Other Governments	9,846	-	9,846
Total Current Liabilities	22,936	28,753	51,689
Noncurrent Liabilities:			
Compensated Absences	20,709	20,430	41,139
Long-Term Capital Obligations	-	333,440	333,440
Total Noncurrent Liabilities	20,709	353,870	374,579
Total Liabilities	43,645	382,623	426,268
NET POSITION:			
Net investment in capital assets	633,013	270,957	903,970
Restricted	174,065	-	174,065
Unrestricted (Deficit)	262,139	151,913	414,052
Total Net Position	1,069,217	422,870	1,492,087
Total Liabilities and Net Position	\$ 1,112,862	\$ 805,493	\$ 1,918,355

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF ACTIVITIES
 For the year ended June 30, 2014

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
GOVERNMENT OPERATIONS							
General government	\$ 164,649	\$ 24,848	\$ -	\$ -	\$ (139,801)		\$ (139,801)
Public safety	119,664	-	1,091	-	(118,573)		(118,573)
Public works	55,629	-	19,425	-	(36,204)		(36,204)
Public health	76	-	-	-	(76)		(76)
Culture and recreation	127,037	105,275	-	-	(21,762)		(21,762)
Housing and community development	-	36,000	-	-	36,000		36,000
Miscellaneous	14,723	-	-	-	(14,723)		(14,723)
Total Governmental Activities	481,778	166,123	20,516	-	(295,139)		(295,139)
BUSINESS-TYPE ACTIVITIES							
Water	\$ 110,101	\$ 152,203	\$ -	\$ -		\$ 42,102	42,102
Sewer	81,074	114,168	-	64,430		97,524	97,524
Solid Waste	81,991	93,850	-	-		11,859	11,859
Total Business-type activities	273,166	360,221	-	64,430		151,485	151,485
Total Primary Government	\$ 754,944	\$ 526,344	\$ 20,516	\$ 64,430	\$ (295,139)	\$ 151,485	\$ (143,654)
GENERAL REVENUES							
Taxes/assessments					167,292	-	167,292
Local Shared Revenue					-	-	-
Intergovernmental revenues					179,105	-	179,105
Miscellaneous					9,769	-	9,769
Investment and royalty earnings					833	-	833
Internal Balances					20,316	(20,316)	-
Licenses and Permits					4,661	-	4,661
Total General Revenues					381,976	(20,316)	361,660
Change in Net Position					86,837	131,169	218,006
Net Position							
Beginning of the Year					982,380	291,271	1,273,651
Prior Period Adjustments					-	430	430
End of the Year					\$ 1,069,217	\$ 422,870	\$ 1,492,087

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

BALANCE SHEET
 GOVERNMENTAL FUNDS
 as of June 30, 2014

	MAJOR					Other Governmental Funds	Total Governmental Funds
	General	Library	Health Insurance	CDBG Current	Gas Tax		
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	\$ 156,837	\$ 36,315	\$ 14,888	\$ 56,727	\$ 63,411	\$ 47,310	\$ 375,488
Taxes /Assessments Receivable	23,870	488	5,729	-	-	6,697	36,784
Interfund Receivable	42,327	-	-	-	-	-	42,327
Noncurrent Assets:							
Restricted Cash and Cash Equivalents	-	-	-	25,250	-	-	25,250
Total Assets	\$ 223,034	\$ 36,803	\$ 20,617	\$ 81,977	\$ 63,411	\$ 54,007	\$ 479,849
LIABILITIES:							
Current Liabilities							
Accounts Payable	2,162	728	-	-	-	45	2,935
Due to Other Governments	9,846	-	-	-	-	-	9,846
Total Liabilities	12,008	728	-	-	-	45	12,781
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes Receivable	23,870	488	5,729	-	-	6,697	36,784
Total Deferred Inflows of resources	23,870	488	5,729	-	-	6,697	36,784
FUND BALANCE:							
Fund Balances:							
Restricted	-	35,587	14,888	-	63,411	47,265	161,151
Committed	-	-	-	81,977	-	-	81,977
Unassigned:	187,156	-	-	-	-	-	187,156
Total Fund Balance	187,156	35,587	14,888	81,977	63,411	47,265	430,284
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 223,034	\$ 36,803	\$ 20,617	\$ 81,977	\$ 63,411	\$ 54,007	\$ 479,849

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balance reported above	\$ 430,284
Governmental Capital Assets	633,013
Long-term Liabilities	
Compensated Absences	(30,864)
Unavailable Property Taxes Receivable	36,784
Net Position of Governmental Activities	\$ 1,069,217

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the year ended June 30, 2014

	MAJOR						
	General	Library	Health Insurance	CDBG Current	Gas Tax	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes/assessments	\$ 103,056	\$ 2,039	\$ 35,661	\$ -	\$ -	\$ 18,165	\$ 158,921
Licenses and permits	4,661	-	-	-	-	-	4,661
Intergovernmental revenues	167,116	827	3,638	-	19,425	8,615	199,621
Charges for services	2,187	64,750	-	-	-	38,338	105,275
Fines and forfeitures	24,848	-	-	-	-	-	24,848
Miscellaneous	9,769	-	-	36,000	-	-	45,769
Investment and royalty earnings	833	-	-	-	-	-	833
Total Revenues	312,470	67,616	39,299	36,000	19,425	65,118	539,928
EXPENDITURES:							
Current							
General government	70,403	-	53,007	9,713	-	13,609	146,732
Public safety	111,029	-	-	-	-	1,928	112,957
Public works	36,995	-	-	-	10,871	1,090	48,956
Public health	76	-	-	-	-	-	76
Culture and recreation	21,931	65,540	-	-	-	33,152	120,623
Miscellaneous	-	-	-	-	-	14,723	14,723
Capital Outlay	22,880	-	-	-	-	-	22,880
Total Expenditures	263,314	65,540	53,007	9,713	10,871	64,502	466,947
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	49,156	2,076	(13,708)	26,287	8,554	616	72,981
OTHER FINANCING SOURCES/USES							
Fund Transfers In	-	-	20,316	-	-	-	20,316
Total Other financial Sources/Uses	-	-	20,316	-	-	-	20,316
NET CHANGES IN FUND BALANCES	49,156	2,076	6,608	26,287	8,554	616	93,297
FUND BALANCE:							
Beginning of the Year	138,000	33,511	8,280	55,690	54,857	46,649	336,987
End of the Year	\$ 187,156	\$ 35,587	\$ 14,888	\$ 81,977	\$ 63,411	\$ 47,265	\$ 430,284

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Town of Bridger
Carbon County
Bridger, Montana 59014

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2014

Net Changes in Fund Balance		\$	93,297
Revenues on the Statement of Activity not included in governmental funds statement:			
Increase (decrease) in taxes receivable			8,371
Expenses on the Statement of Activity not included in the governmental funds statement:			
Depreciation Expense	(35,515)		
(Increase) decrease in compensated absence liability	<u>(2,196)</u>	(37,711)	
Expenditures reported in the governmental funds statement not included in the Statement of Activity			
Capital outlays		<u>22,880</u>	
Change in net position reported on the Statement of Activity		\$	<u>86,837</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 as of June 30, 2014

	MAJOR			Total Enterprise Funds
	Water	Sewer	Solid Waste	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 97,357	\$ 3,972	\$ 14,850	\$ 116,179
Accounts Receivable - Net	14,960	12,155	10,030	37,145
Due From Other Governments	-	27,658	-	27,658
Total Current Assets	112,317	43,785	24,880	180,982
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	20,106	32,330	-	52,436
Capital Assets:				
Land	11,144	10,833	11,471	33,448
Construction in Progress	-	318,918	-	318,918
Net Depreciable Assets	91,393	127,196	43,447	262,036
Total Noncurrent Assets	122,643	489,277	54,918	666,838
Total Assets	\$ 234,960	\$ 533,062	\$ 79,798	\$ 847,820
LIABILITIES:				
Current Liabilities				
Accounts Payable	\$ 148	\$ 8,103	\$ 132	\$ 8,383
Current Portions Compensated Absences	5,728	4,415	222	10,365
Current Portion Long-Term Capital Obligations	-	10,005	-	10,005
Total Current Liabilities	5,876	22,523	354	28,753
Noncurrent Liabilities:				
Interfund Payable	-	21,172	21,155	42,327
Compensated Absences	11,437	8,635	358	20,430
Long-Term Capital Obligations	-	333,440	-	333,440
Total Noncurrent Liabilities	11,437	363,247	21,513	396,197
Total Liabilities	17,313	385,770	21,867	424,950
NET POSITION:				
Net investment in capital assets	102,537	113,502	54,918	270,957
Unrestricted (Deficit)	115,110	33,790	3,013	151,913
Total Net Position	217,647	147,292	57,931	422,870
Total Liabilities and Net Position	\$ 234,960	\$ 533,062	\$ 79,798	\$ 847,820

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the year ended June 30, 2014

	MAJOR			Total Enterprise Funds
	Water	Sewer	Solid Waste	
OPERATING REVENUES:				
Charges for Services	\$ 152,203	\$ 114,168	\$ 93,850	\$ 360,221
Total Operating Revenues	<u>152,203</u>	<u>114,168</u>	<u>93,850</u>	<u>360,221</u>
OPERATING EXPENSES:				
Personal services	55,915	44,834	5,060	105,809
Supplies	16,200	7,319	2,681	26,200
Purchased services	31,861	15,984	71,755	119,600
Depreciation	6,125	5,595	2,495	14,215
Total Operating Expense	<u>110,101</u>	<u>73,732</u>	<u>81,991</u>	<u>265,824</u>
OPERATING INCOME (LOSS)	<u>42,102</u>	<u>40,436</u>	<u>11,859</u>	<u>94,397</u>
NONOPERATING REVENUES (EXPENSES)				
Debt service interest expense	-	(7,342)	-	(7,342)
Total nonoperating revenue (expenses)	<u>-</u>	<u>(7,342)</u>	<u>-</u>	<u>(7,342)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	64,430	-	64,430
Transfers in (out)	(11,496)	(8,820)	-	(20,316)
CHANGE IN NET POSITION	30,606	88,704	11,859	131,169
NET POSITION:				
Beginning of the Year	187,041	58,158	46,072	291,271
Prior Period Adjustments	-	430	-	430
End of the Year	<u>\$ 217,647</u>	<u>\$ 147,292</u>	<u>\$ 57,931</u>	<u>\$ 422,870</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	MAJOR			Total Enterprise Funds
	Water Utility	Sewer Utility	Landfill/ Garbage	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 152,637	\$ 114,669	\$ 93,340	\$ 360,646
Payments to Employees	(53,811)	(42,951)	(4,799)	(101,561)
Payments to Suppliers	(48,058)	(15,972)	(74,304)	(138,334)
Net Cash Provided (Used) by Operating Activities	<u>50,768</u>	<u>55,746</u>	<u>14,237</u>	<u>120,751</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Subsidies and Transfers Between Funds	(11,496)	(11,466)	(2,644)	(25,606)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(11,496)</u>	<u>(11,466)</u>	<u>(2,644)</u>	<u>(25,606)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Capital Debt	-	353,332	-	353,332
Capital Contributions	-	36,772	-	36,772
Purchases of Capital Assets	-	(318,918)	-	(318,918)
Principal Paid on Capital Debt	-	(94,929)	-	(94,929)
Interest Paid on Capital Debt	-	(7,342)	-	(7,342)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(31,085)</u>	<u>-</u>	<u>(31,085)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	39,272	13,195	11,593	64,060
BALANCE:				
Beginning of the Year	<u>78,191</u>	<u>23,107</u>	<u>3,257</u>	<u>104,555</u>
End of the Year	<u>\$ 117,463</u>	<u>\$ 36,302</u>	<u>\$ 14,850</u>	<u>\$ 168,615</u>

RECONCILIATION OF OPERATING INCOME (LOSS)
 TO NET CASH PROVIDED (USED) BY OPERATING
 ACTIVITIES:

Operating Income (Loss)	\$ 42,102	\$ 40,436	\$ 11,859	\$ 94,397
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	6,125	5,595	2,495	14,215
Changes In Assets and Liabilities:				
Accounts Receivable	434	501	(510)	425
Accounts Payable	3	7,331	132	7,466
Compensated Absences	2,104	1,883	261	4,248
Net Cash Provided (Used) by Operating Activities	<u>\$ 50,768</u>	<u>\$ 55,746</u>	<u>\$ 14,237</u>	<u>\$ 120,751</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Town of Bridger
Carbon County
Bridger, Montana 59014

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
as of June 30, 2014

	<u>Agency Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 62,230
Total Assets	<u>62,230</u>
LIABILITIES:	
Current Liabilities	
Warrants Payable	<u>62,230</u>
Total Liabilities	<u>62,230</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. a. REPORTING ENTITY

The basic financial statements of Town of Bridger (Town) have been prepared on a prescribed basis of accounting that demonstrates compliance with the accounting and budget laws of the State of Montana, which conforms to generally accepted accounting principles (GAAP). The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

During fiscal years 2013 and 2014 the Town adopted the following:

- GASB Statement No. 61 - The Financial Reporting Entity, which amended GASB Statement No. 14 and No. 34. The amendment amended the criteria for reporting component units. This statement did not represent a change in the Town's reporting entity.
- GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The statement eliminated the need for state and local governments to reference the use of the Financial Accounting Standards Board (FASB) and place all sources of generally accepted accounting principles for state and local governments in a single source.
- GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which revised the terminology for financial reporting from “net assets” to “net position” and introduced “deferred outflows/deferred inflows” terminology. There is no effect on the financial statements only a terminology change.
- GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities. This statement made changes in major fund determination and the use of the term “deferred”. For the Town deferred property taxes are reported as an element of deferred inflows of resources.
- GASB Statement No. 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. The amendment revised existing guidance for financial report of pension systems for state and local government. The statement is applicable for fiscal year 2014. This statement affects the applicable retirement plan administration at the State level and did not have any effect on the Town.
- GASB Statement No. 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees. The statement is applicable for fiscal year 2014. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Town has not extend any financial guarantees to other parties. This statement has no effect on the financial statements.

The following are a listing of GASB statements which have been issued and the Town assessment of effects to the financial statements.

- GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement revises and establishes new financial reporting requirement that provide employees with pension benefits. The statement is effective for fiscal year 2015. This statement will require the Town to expand its pension foot note disclosures. The Town plans to implement this in fiscal year 2015 after the State of Montana provides the required information for reporting and disclosure.
- GASB Statement No. 69 – Government Combinations and Disposals of Government Operations. The statement is applicable for fiscal year 2015. The statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Town is not merging with another Town or ceasing to exist. This statement has no effect on the financial statements.
- GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. This statement amends paragraph 137 of statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The Town plans to implement this in fiscal year 2015 after the State of Montana provides the required information for reporting and disclosure.

The Town of Bridger was incorporated under the laws of the State of Montana and as required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Bridger (the primary government) and any component units. The criteria for including organizations as component units within the Town's reporting entity is set forth in Section 2100 of the Governmental Accounting Standards Board's (GASB) "Codification of Government Accounting and Financial Reporting Standards." The basic criteria include appointing a voting majority of an organization's governing body, as well as the Town's ability to impose its will on that organization, or the potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the Town. Based on those criteria the Town has no component units.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

1. b. BASIS OF PRESENTATION AND ACCOUNTING

1. b. 1 GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds (primary government). Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements report using the economic resource measurement focus and the accrual basis of accounting generally including the elimination of internal activity between or within funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. Expenses which are not directly related to a function, indirect expenses, are not charges to a function. Program revenues include:

- Charges for services such as facility rental fees and
- Operating and Capital grants that are restricted to a particular functional program.

Property taxes, investment earnings, state entitlement payments, and other revenue sources not properly included with program revenue are reported as general revenues.

1. b. 2 FUND ACCOUNTING

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statement of these funds present net increases and decreases in current assets. Revenues are recorded when they are both measurable and available. Available means collectible within the current period anything collected after June 30 are generally not material. Unavailable income are recorded in governmental funds for delinquent taxes. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt and compensated absence payments which are recognized when due. Capital assets are functional expenditures in governmental funds and proceeds from long-term debt or capital leases are reported as other financing sources.

Revenues from local sources consist primarily of property taxes. Property tax revenue and revenues received from the State of Montana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Cost reimbursement grant funds are considered to be both measurable and available to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received and the expenditure has not been incurred they are recorded as unearned grant revenues because the revenues are available. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, trust and agency fund financial statements report using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenue from property taxes and assessments are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

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 connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer and solid waste funds are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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 nonoperating revenues and expenses. Resources received for capital acquisition or construction are reported as separate items.

GASB Statement No. 34 requires the general fund be reported as a major fund. Other individual governmental and enterprise funds should be reported in separate columns as major funds based on these criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that government officials believe is particularly important to financial statement users may be reported as a major fund.

The Town reports the following major governmental funds for both fiscal years:

- General Fund – The General Fund is the general operating fund of the Town and accounts for all revenues and expenditures of the Town not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
- Library Fund – This fund is used to account for all revenues and expenditures intended for the operation of the library.
- Health Insurance – This fund is used to account for the proceeds of revenue collected and the expenditure intended for Health Insurance.
- CDBG Current Fund – This fund is used to account for granting and receiving monies to and from businesses in the Town for economic development.
- Gas Tax Fund – This fund is used to account for the proceeds from the allocation of gasoline tax collected by the Department of Revenue and then distributed to municipalities and counties in the State based on sales in those locations. The funds can only be used for road and street repairs, maintenance and construction.

The Town reports the following major enterprise funds for both fiscal years:

- Water Fund – This fund is used to account for financing the activities of the Town's water distribution operations and to collect and administer water impact fees.
- Sewer Fund – This fund is used to account for financing the activities of the Town's sewer collection and treatment operations and includes the storm sewer system.
- Solid Waste Fund – This fund is used to account for financing the activities of the Town's solid waste service.

1. b. 3 OTHER FUND TYPES

Agency Funds – Account for assets that the Town holds on behalf of others as their agent in the payroll and claims clearing funds and employee payroll tax withholdings. Cash is held for warrants which were written but have not been paid by the County Treasurer. A warrant is an order by which the drawer (the person with authority to make the order) commands the Town trustee to pay a particular sum of money to a payee (person or entity) from funds in the Town treasury which are or may become available. This fund primarily consists of revenues collected by the County on behalf of other governments.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

1. c. ASSETS, LIABILITIES AND NET POSITION (FUND BALANCE)

1. c. 1 CASH AND INVESTMENTS

Cash includes amounts in demand deposits, as well as short-term investments as authorized by State statutes. Montana Code Annotated (MCA) allows Montana local governments to invest public money not necessary for immediate use in United States government treasury bills, notes, bonds; certain United States treasury obligations; United States government security money market fund if investments consist of those listed above; time or savings deposits with a bank, savings and loan association, or credit union which is FDIC, FSLIC, or NCUA insured and are located in the state; or in repurchase agreements as authorized by MCA, or Montana Board of Investments Short Term Investment Pool (STIP). Interest earned on the pooled investments is distributed to each contributing entity and fund on a pro rata basis. Investments are recorded at fair market value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

1. c. 2 TAXES

Property tax levies are set connection with the budget process, and are based on taxable values listed as of January 1 for all property located in the Town. Taxable values are established by the Montana Department of Revenue based on market values. A revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by State statute as a fixed percentage of market value.

Property taxes are collected by the County Treasurer who credits to the Town funds their respective share of the collections. The tax levies are collectible in two installments, which become delinquent after November 30 and May 31. Property taxes are liens upon the property being taxed. After a period of three years, the County may begin foreclosure proceedings and sell the property at auction. The Town receives its share of the sale proceeds of any such auction.

Taxes that become delinquent are charged interest at the rate of 5/6 of 1% per month plus a penalty of 2%. After a period of three years, the County may begin foreclosure proceedings and sell real property auction. In the case of personal property, the property may be seized and sold after the taxes become delinquent.

1. c. 3 INVENTORIES

Materials and supplies inventory at year end was not material. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

1. c. 4 CAPITAL ASSETS

The Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Historical cost was established at the initial booking of the capital assets by determining actual costs or estimating using standard costing procedures. The Town considers capital assets to be items in excess of \$5,000 with a useful life in excess of one year. The costs of normal maintenance and repair are not capitalized. Land and construction in progress are not depreciated. Depreciation on the other capital assets is provided over their estimated useful lives on the straight-line method. The useful lives of these assets have been estimated as follows:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings	50 – 60 years
Improvements other than buildings	10 – 50 years
Machinery and Equipment	5 – 30 years

1. c. 5 DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable, is reported only in the governmental funds balance sheet. The governmental funds report unavailable from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

1.c. 6 VACATION AND SICK LEAVE

Town employees accumulate vacation and sick leave for later use or for payment upon termination, death, or retirement. Town employees earn vacation leave at the rate of 15 days per year during the first 10 years of employment, and at increasing rates thereafter to a maximum of 24 days per year after 20 years of employment. There is no requirement that vacation leave be taken, but the maximum permissible accumulation is the amount earned in the most recent two-year period. At termination, employees are paid for any accumulated vacation leave at the current rate of pay. Town employees earn sick leave at the rate of one day per month. There is no limit on the accumulation of unused sick leave. However, upon termination, only 25% of accumulated sick leave is paid at the current rate of pay.

Liabilities incurred because of unused vacation and sick leave accumulated by employees are reflected in the financial statements. Expenditures for unused leave are recorded when paid in governmental funds and when accrued on the statement of activities. The amount expected to be paid within one year for governmental activities is \$9,836 for fiscal year 2013 and \$10,155 for fiscal year 2014 and it is generally paid out of the general fund.

1.c. 7 NET POSITION AND FUND BALANCE

Statement of Net Position include the following:

- Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvement of these capital assets.
- Restricted – The component of net position that is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – The difference between the assets and liabilities that is not reported in the other element of net position.

Governmental fund financial statements include the following fund balances:

- Committed – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose un-less the government takes the same highest-level action to remove or change the constraint. The government’s highest level of decision-making authority, the Town Council, must approve all committed expenditures.
- Unassigned – Amounts that are available for any purpose; these amounts are reported only in the general fund.

As of June 30, 2013, fund balance components other than unassigned fund balance consist of the following:

<u>Purpose</u>	<u>Restricted</u>	<u>Committed</u>
General Government	\$ 27,277	\$ 0
Public Safety	970	0
Public Works	55,111	0
Culture and Recreation	40,440	0
Housing and Community Dev.	233	55,690
Future Capital Costs	19,266	0
Total	<u>\$ 143,297</u>	<u>\$ 55,690</u>

As of June 30, 2014, fund balance components other than unassigned fund balance consist of the following:

<u>Purpose</u>	<u>Restricted</u>	<u>Committed</u>
General Government	\$ 30,003	\$ 0
Public Safety	133	0
Public Works	63,814	0
Culture and Recreation	47,702	0
Housing and Community Dev.	233	81,977
Future Capital Costs	19,266	0
Total	<u>\$ 161,151</u>	<u>\$ 81,977</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred and committed or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed and then unassigned funds as needed, unless the Town Council has provided otherwise.

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

- 1. d. OTHER
- 1. d. 1 USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

- 1.d. 2 COUNTY PROVIDED SERVICES

The Town is provided various financial services by Carbon County. The Carbon County also serves as cashier and treasurer for the Town for tax and assessment collections and other revenues received by the Carbon County which are subject to distribution to the various taxing jurisdictions located in the Carbon County. The collections made by the Carbon County on behalf of the Town are accounted for in an agency fund in the Town's name and are periodically remitted to the Town by the Carbon County Treasurer. No service charges have been recorded by the Town or the Carbon County.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2013, the summary of cash, cash equivalents for governmental, business-type activities, and fiduciary funds is as follows:

<u>Account Type</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 311,320	\$ 104,555	\$ 50,789	\$ 466,664

The carrying amount of cash on hand, deposits and investments at June 30, 2013, is as follows:

	<u>Amount</u>
Cash on Hand	\$ 75
Demand Accounts	434,337
Time Deposits	<u>32,252</u>
Total	<u>\$ 466,664</u>

At June 30, 2014, the summary of cash, cash equivalents for governmental, business-type activities, and fiduciary funds is as follows:

<u>Account Type</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 400,738	\$ 168,615	\$ 62,230	\$ 631,583

The carrying amount of cash on hand, deposits and investments at June 30, 2014, is as follows:

	<u>Amount</u>
Cash on Hand	\$ 75
Demand Accounts	498,617
Time Deposits	<u>132,891</u>
Total	<u>\$ 631,583</u>

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk.

As of June 30, 2013, \$163,484 of the Town's bank balance of \$434,337 was exposed to custodial credit risk as follows:

<u>Deposits</u>	<u>Fair Value</u>
Collateral held by the pledging bank's trust department but not in the Entity's name.	<u>\$ 163,484</u>

As of June 30, 2014, \$218,939 of the Town's bank balance of \$498,617 was exposed to custodial credit risk as follows:

<u>Deposits</u>	<u>Fair Value</u>
Collateral held by the pledging bank's trust department but not in the Entity's name.	<u>\$ 218,939</u>

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 3. TAXES RECEIVABLE

The Town is permitted by State statutes to levy taxes up to certain fixed limits for various purposes. The assessed value of the roll as of January 1, 2012, upon which the levy for the 2013 fiscal year was based, was \$747,201 for the Town. The assessed value of the roll as of January 1, 2013, upon which the levy for the 2014 fiscal year was based, was \$727,312 for the Town. The tax rates assessed for the year ended June 30, 2014 to finance Town operations and applicable taxes receivable follows:

<u>June 30, 2013</u>	<u>Mill Levies</u>	<u>Taxes Receivable</u>
General*	122.38	\$ 16,246
Airport	1.10	155
Comprehensive Liability	24.00	3,868
Library*	3.00	356
PERS	3.00	1,948
Health Insurance*	39.40	5,750
Permissive Med. Levy	0.00	90
Total	<u>192.88</u>	<u>\$ 28,413</u>
<u>June 30, 2014</u>		
General*	122.53	\$ 23,870
Airport	1.50	251
Comprehensive Liability	18.27	3,987
Library*	3.00	488
PERS	6.00	2,369
Health Insurance*	48.97	5,729
Permissive Med. Levy	0.00	90
Total	<u>200.27</u>	<u>\$ 36,784</u>

* Denotes Major Funds

NOTE 4. ACCOUNTS RECEIVABLE

Town of Bridger has estimated no uncollectable accounts receivable for either 2013 or 2014. Accounts receivable are reported as follows:

<u>June 30, 2013</u>	<u>Accounts Receivable</u>
Water*	\$ 15,394
Sewer*	12,655
Solid Waste*	<u>9,521</u>
Total	<u>37,570</u>
<u>June 30, 2014</u>	
Water*	\$ 14,960
Sewer*	12,155
Solid Waste*	<u>10,030</u>
Total	<u>\$ 37,145</u>

* Denotes Major Funds

NOTE 5. DUE FROM OTHER GOVERNMENTS

<u>June 30, 2014</u>	<u>Amount</u>	<u>Due From</u>	<u>Reason</u>
Sewer*	<u>\$ 27,658</u>	State of Montana DNRC	Reimbursable grant funding

* Denotes Major Funds

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 6. CAPITAL ASSETS, DEPRECIATION AND NET CAPITAL ASSETS

6. a. The schedule of changes in general capital assets follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u> <u>2013</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u> <u>2014</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Non-depreciable:</u>					
Land	\$ 1,679	\$ 0	\$ 1,679	\$ 0	\$ 1,679
Total Non-depreciable	\$ 1,679	\$ 0	\$ 1,679	\$ 0	\$ 1,679
<u>Depreciable:</u>					
Buildings	\$ 964,603	\$ 0	\$ 964,603	\$ 0	\$ 964,603
Improvements other than buildings	244,872	0	244,872	0	244,872
Machinery and equipment	229,261	0	229,261	22,880	252,141
Infrastructure	16,971	0	16,971	0	16,971
Total Depreciable	\$ 1,455,707	\$ 0	\$ 1,455,707	\$ 22,880	\$ 1,478,587
<u>Accumulated Depreciation:</u>					
Buildings	\$ (412,504)	\$ (18,891)	\$ (431,395)	\$ (18,894)	\$ (450,289)
Improvements other than buildings	(142,053)	(7,163)	(149,216)	(7,166)	(156,382)
Machinery and equipment	(202,145)	(12,011)	(214,156)	(9,455)	(223,611)
Infrastructure	(16,971)	0	(16,971)	0	(16,971)
Total Depreciation	\$ (773,673)	\$ (38,065)	\$ (811,738)	\$ (35,515)	\$ (847,253)
Net Depreciable Assets	682,034	(38,065)	643,969	(12,635)	631,334
Net General Capital Assets	\$ 683,713	\$ (38,065)	\$ 645,648	\$ (12,635)	\$ 633,013

6. b. General capital asset depreciation expense was charged to governmental functions as follows:

<u>Function</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
General Government	\$ 16,612	\$ 16,612
Public Safety	10,518	5,811
Public Works	1,283	3,428
Culture and recreation	9,652	9,664
Total Depreciation Expense	\$ 38,065	\$ 35,515

6. c. The schedule of changes in enterprise capital assets follows:

<u>Business-type Activities:</u>	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u> <u>2013</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u> <u>2014</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Non-depreciable:</u>					
Land	\$ 33,448	\$ 0	\$ 33,448	\$ 0	\$ 33,448
Construction In Progress	0	0	0	318,918	318,918
Total Non-depreciable	\$ 33,448	\$ 0	\$ 33,448	\$ 318,918	\$ 352,366
<u>Depreciable:</u>					
Buildings	\$ 220,380	\$ 0	\$ 220,380	\$ 0	\$ 220,380
Intangibles	7,200	0	7,200	0	7,200
Source of Supply	181,500	0	181,500	0	181,500
Pumping Plant	33,050	0	33,050	0	33,050
Treatment Plant	190,000	0	190,000	0	190,000
Transmission & Dist.	165,000	0	165,000	0	165,000
Total Depreciable	\$ 797,130	\$ 0	\$ 797,130	\$ 0	\$ 797,130
<u>Accumulated Depreciation:</u>					
Buildings	\$ (69,220)	\$ (7,685)	\$ (76,905)	\$ (7,685)	\$ (84,590)
Intangibles	(7,200)	0	(7,200)	0	(7,200)
Source of Supply	(126,294)	(3,630)	(129,924)	(3,630)	(133,554)
Pumping Plant	(33,050)	0	(33,050)	0	(33,050)
Treatment Plant	(105,900)	(2,900)	(108,800)	(2,900)	(111,700)
Transmission & Dist.	(165,000)	0	(165,000)	0	(165,000)
Total Depreciation	\$ (506,664)	\$ (14,215)	\$ (520,879)	\$ (14,215)	\$ (535,094)
Net Depreciable Assets	290,466	(14,215)	276,251	(14,215)	262,036
Net Enterprise Capital Assets	\$ 323,914	\$ (14,215)	\$ 309,699	\$ 304,704	\$ 614,402

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 7. CURRENT LIABILITIES

7. a. DUE TO OTHER GOVERNMENTS

<u>June 30, 2013</u>	<u>Amount</u>	<u>Due To</u>	<u>Reason</u>
General*	\$ 20,588	Carbon County	Local option taxes over payment
Total	<u>20,588</u>		
<u>June 30, 2014</u>			
General*	9,846	Carbon County	Local option taxes over payment
Total	<u>\$ 9,846</u>		

* Denotes Major Funds

NOTE 8. CHANGES IN LONG-TERM DEBT

8. a. At June 30, 2013, the schedule of changes in general long-term debt follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2012</u>	<u>New Debt</u> <u>and Other</u> <u>Additions</u>	<u>Principal</u> <u>Payments</u> <u>and Other</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due within</u> <u>One Year</u>
<u>Other Liabilities:</u>					
Compensated Absences	\$ 24,192	\$ 4,476	\$ 0	\$ 28,668	\$ 9,836
Total Other Liabilities	<u>\$ 24,192</u>	<u>\$ 4,476</u>	<u>\$ 0</u>	<u>\$ 28,668</u>	<u>\$ 9,836</u>
<u>Business-type Activities</u>	<u>Balance</u> <u>July 1, 2012</u>	<u>New Debt</u> <u>and Other</u> <u>Additions</u>	<u>Principal</u> <u>Payments</u> <u>and Other</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due within</u> <u>One Year</u>
<u>Bonds and Notes Payable:</u>					
Sewer Bond	\$ 89,751	\$ 0	\$ (4,279)	\$ 85,472	\$ 3,412
Total Bonds and Notes Payable	<u>\$ 89,751</u>	<u>\$ 0</u>	<u>\$ (4,279)</u>	<u>\$ 85,472</u>	<u>\$ 3,412</u>
<u>Other Liabilities:</u>					
Compensated Absences	\$ 25,824	\$ 723	\$ 0	\$ 26,547	\$ 9,170
Total Other Liabilities	<u>\$ 25,824</u>	<u>\$ 723</u>	<u>\$ 0</u>	<u>\$ 26,547</u>	<u>\$ 9,170</u>
Total Business-type Activities - Long-Term Debt:	<u>\$ 115,575</u>	<u>\$ 723</u>	<u>\$ (4,279)</u>	<u>\$ 112,019</u>	<u>\$ 12,582</u>

8. b. At June 30, 2014, the schedule of changes in general long-term debt follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2013</u>	<u>New Debt</u> <u>and Other</u> <u>Additions</u>	<u>Principal</u> <u>Payments</u> <u>and Other</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due within</u> <u>One Year</u>
<u>Other Liabilities:</u>					
Compensated Absences	\$ 28,668	\$ 2,196	\$ 0	\$ 30,864	\$ 10,155
Total Other Liabilities	<u>\$ 28,668</u>	<u>\$ 2,196</u>	<u>\$ 0</u>	<u>\$ 30,864</u>	<u>\$ 10,155</u>
<u>Business-type Activities</u>	<u>Balance</u> <u>July 1, 2013</u>	<u>New Debt</u> <u>and Other</u> <u>Additions</u>	<u>Principal</u> <u>Payments</u> <u>and Other</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due within</u> <u>One Year</u>
<u>Bonds and Notes Payable:</u>					
Sewer Bonds	\$ 85,472	\$ 353,332	\$ (95,359)	\$ 343,445	\$ 10,005
Total Bonds and Notes Payable	<u>\$ 85,472</u>	<u>\$ 353,332</u>	<u>\$ (95,359)</u>	<u>\$ 343,445</u>	<u>\$ 10,005</u>
<u>Other Liabilities:</u>					
Compensated Absences	\$ 26,547	\$ 4,248	\$ 0	\$ 30,795	\$ 10,365
Total Other Liabilities	<u>\$ 26,547</u>	<u>\$ 4,248</u>	<u>\$ 0</u>	<u>\$ 30,795</u>	<u>\$ 10,365</u>
Total Business-type Activities - Long-Term Debt:	<u>\$ 112,019</u>	<u>\$ 357,580</u>	<u>\$ (95,359)</u>	<u>\$ 374,240</u>	<u>\$ 20,370</u>

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

8. c. REVENUE BONDS

Revenue Bonds constitute special obligations of the Town solely secured by a lien on and pledge of the net revenues of the sewer system. The Sewer Revenue bonds were refinanced in fiscal year 2014. These bonds were issued for the terms and payment schedules indicated in the following schedule, modified for the changes in terms related to the refinancing:

Description	Issue Date	Interest Rate	Length of Loan	Maturity Date	Amount Issued	Outstanding	Outstanding
						June 30, 2013	June 30, 2014
Sewer Revenue Bond*	6/5/1991	3.00%	18 years	5/1/2031	\$ 145,000	\$ 85,472	\$ 87,311
SRF 14347	2014	3.00%	40 years	7/1/2031	262,134	n/a	256,134
					<u>\$ 407,134</u>	<u>\$ 85,472</u>	<u>\$ 343,445</u>

* Refinanced September 5, 2013 for an interest rate of 3.00% from the prior interest rate of 5.88%.

Debt service requirements to maturity for principal and interest for all bonded long term obligations are as follows:

For the year ended 6/30/2014:

	Principal	Interest
2015	\$ 10,005	\$ 7,510
2016	16,126	12,039
2017	18,250	11,540
2018	18,379	10,990
2019	18,511	10,439
2020-2024	100,685	43,536
2025-2029	116,648	27,304
2030-2031	44,841	5,822
Totals	<u>\$ 343,445</u>	<u>\$ 129,180</u>

The revenue bonds are collateralized by the revenues of the sewer systems and the various special funds established by the bond ordinances. The ordinances provide that the revenues of the systems are to be used first to pay operating and maintenance expenses of the systems and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose.

The bond ordinances also require that water rates be sufficient to provide for operations, maintenance and 125% of the maximum amount of principal and interest requirements in any future fiscal year of the Town. The more significant covenants 1) require that cash be restricted and reserved for operations, construction, debt service, and replacement and depreciation; 2) specify minimum required operating revenue; and 3) specific and timely reporting of financial information to bond holders and the registrar. The Town was in compliance with the applicable covenants.

NOTE 9. RESTRICTED ASSETS

The following Restricted Cash was held by the City Treasurer as of June 30, 2013:

Fund Name	Water	Sewer	CDBG	Total
Restricted for Capital Improvement	\$ 0	\$ 0	\$ 25,250	\$ 25,250
Restricted for Bond Repayment	0	21,345	0	21,345
Restricted for Replacement and Deprecation	20,106	0	0	20,106
Total	<u>\$ 20,106</u>	<u>\$ 21,345</u>	<u>\$ 25,250</u>	<u>\$ 66,701</u>

The following Restricted Cash was held by the City Treasurer as of June 30, 2014:

Fund Name	Water	Sewer	CDBG	Total
Restricted for Capital Improvement	\$ 0	\$ 0	\$ 25,250	\$ 25,250
Restricted for Bond Repayment	0	32,330	0	32,330
Restricted for Replacement and Deprecation	20,106	0	0	20,106
Total	<u>\$ 20,106</u>	<u>\$ 32,330</u>	<u>\$ 25,250</u>	<u>\$ 77,686</u>

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

The ordinances authorizing the sewer revenue bonds requires that the City establish sinking funds or cash restricted for payment of principal and interest on all revenue bonds. At June 30, 2013 & 2014, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the water and sewer system. The proceeds are maintained as restricted assets - bond construction fund until such time as needed to fund the water and sewer system construction program.

NOTE 10. DEFERRED INFLOWS OF RESOURCES

PROPERTY TAXES

<u>June 30, 2013</u>	<u>Amount</u>	<u>Reason</u>
General*	\$ 16,246	Taxes Receivable
Airport	155	Taxes Receivable
Comprehensive Liability	3,868	Taxes Receivable
Library*	356	Taxes Receivable
PERS	1,948	Taxes Receivable
Health Insurance*	5,750	Taxes Receivable
Permissive Med. Levy	90	Taxes Receivable
Total	<u>\$ 28,413</u>	Taxes Receivable

<u>June 30, 2014</u>		
General*	23,870	Taxes Receivable
Airport	251	Taxes Receivable
Comprehensive Liability	3,987	Taxes Receivable
Library*	488	Taxes Receivable
PERS	2,369	Taxes Receivable
Health Insurance*	5,729	Taxes Receivable
Permissive Med. Levy	90	Taxes Receivable
Total	<u>\$ 36,784</u>	

* Denotes Major Funds

NOTE 11. PRIOR PERIOD ADJUSTMENTS

<u>June 30, 2013</u>	<u>Amount</u>	<u>REASON</u>
General*	\$ 403	Correction of prior year accrual
Health Insurance*	463	Correction of prior year accrual
Total	<u>\$ 866</u>	

<u>June 30, 2014</u>		
Sewer*	<u>\$ 430</u>	Correction of prior year debt balance

* Denotes Major Funds

NOTE 12. TRANSFERS

<u>June 30, 2013</u>	<u>Amount</u>	<u>Fund - To</u>
<u>Fund - From</u>		
Water*	\$ 12,349	Health insurance*
Sewer*	9,522	Health insurance*
Permissive medical	32	Health insurance*
Total	<u>\$ 21,903</u>	

<u>June 30, 2014</u>		<u>Fund - To</u>
<u>Fund - From</u>		
Water*	\$ 11,496	Health insurance*
Sewer*	8,820	Health insurance*
Total	<u>\$ 20,316</u>	

* Denotes Major Funds

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 13. OTHER POST EMPLOYMENT BENEFITS

The Town allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. The Town uses a single premium for both active and retired employees resulting in an implicit rate subsidy (the older retiree benefits from the Town's blended premium). The Town has not recorded a liability for the implicit rate subsidy as based on an analysis of the cost it is not material to the Town's financial statements. At June 30, 2014 the Town had no retired employees on the group insurance plan.

NOTE 14. RISK MANAGEMENT

The City faces a considerable number of risks of loss, including damage to and loss of property and contents, employee torts, professional liability, (i.e. errors and omission), environmental damage, workers' compensation, and medical insurance costs of employees. A variety of methods are used to provide insurance for these risks. Commercial policies, transferring all risk of loss except for relatively small deductible amounts, are purchased for property and content damage and professional liabilities. Given the lack of coverage available, the City has no coverage for potential losses from environmental damages. The City participates in three statewide public risk pools operated by the Montana Municipal Interlocal Authority, for workers' compensation, tort liability and property coverage.

Coverage limits and the deductibles in the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated between the City's general fund and other funds based upon the insurance needs of the funds. Settled claims resulting from these risks did not exceed commercial insurance coverage for each of the past three years.

In 1986, the City joined other Montana cities in the Montana Municipal Interlocal Authority which established a workers' compensation plan and a tort liability plan. In 1996, the Montana Municipal Interlocal Authority created a property insurance plan. The public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort action are \$750,000 per claim and \$1.5 million per occurrence with a \$750 deductible per government. State tort law limits the City's liability to \$1.5 million. The City pays an annual premium for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums.

Separate audited financial statements are available from the Montana Municipal Insurance Authority.

NOTE 15. EMPLOYEE RETIREMENT SYSTEM

The Town participates in state-wide, cost-sharing multiple employer defined benefit retirement plans which cover all Town employees. The Public Employee Retirement System (PERS) covers employees. The plans are established under State law and are administered by the State of Montana. Publicly available annual reports that include financial statements and required supplemental information for the plans may be obtained from the following:

Public Employees Retirement System
P.O. Box 200131
1712 Ninth Avenue
Helena, MT 59620-0131
Phone: 406-444-3154
www.state.mt.us/doa/perb/prb.htm

The PERS defined benefit contribution rates for employees was 7.9%. The PERS rate for the State was set at 0.10%. For the defined contribution plan the rates are the same except only 4.19% of the employer amount is added to the employee account. Employees who elect the defined contribution plan are in control of their investments and the retirement is based upon the cash in their fund. The PERS rate for employers was 8.07%

Contribution rates for both plans are required and determined by State law. The amounts contributed to the plans during the years ended June 30, 2012, 2013 and 2014 were equal to the required contribution for each year. The amounts contributed by the State, Town and its employees (including additional voluntary contributions by employees as permitted by State law) were as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
PERS	\$ <u>29,772</u>	\$ <u>28,639</u>	\$ <u>35,138</u>

TOWN OF BRIDGER

NOTES TO THE FINANCIAL STATEMENTS (continued)
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 16. LOCAL RETIREMENT PLAN

Town volunteer firefighters are covered by the Fire Department Relief Association Disability and Pension Fund, which is established by State Law. The Association is managed by a Town Council made up of members of the fire department, and is accounted for as a pension trust fund of the Town. A member of a volunteer fire department who has served 20 years or more is entitled to benefits after attaining age 50. Volunteers serving less than 20 years but more than 10 years may receive reduced benefits. The amount of the pension benefits are set by the Association's Town Council.

Montana law requires that the disability and pension fund contain at least 0.21 % of the total assessed value of taxable property within the Town limits but not more than 0.52% of the assessed taxable value. Once the fund contains less than 0.21 % of the assessed value the Town council shall levy a tax to be deposited in the fund. The State contributes, out of moneys received for insurance premium taxes, an amount equal to 1½ mills times the total taxable value of the Town, but not less than \$100. The plan's benefits are established by the Association's Town Council.

No actuarial valuation or report of unfunded past service costs had been prepared for the Bridger Fire Department Relief Association Disability and Pension Fund.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2013

	General			Library		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
Taxes/assessments	\$ 107,628	\$ 107,628	\$ 109,748	\$ 2,242	\$ 2,242	\$ 1,990
Licenses and permits	5,400	5,400	11,549	-	-	-
Intergovernmental revenues	159,221	159,221	151,848	780	780	780
Charges for services	8,695	8,695	2,013	55,000	55,000	61,276
Fines and forfeitures	13,500	13,500	11,540	-	-	-
Miscellaneous	6,000	6,000	17,912	-	-	-
Investment and royalty earnings	-	-	397	-	-	-
Total Revenues	300,444	300,444	305,007	58,022	58,022	64,046
EXPENDITURES:						
Current						
General government	89,131	89,131	70,430	-	-	-
Public safety	103,992	103,992	84,299	-	-	-
Public works	47,876	47,876	33,921	-	-	-
Public health	1,000	1,000	82	-	-	-
Social and economic services	-	-	-	-	-	-
Culture and recreation	34,896	34,896	22,835	-	-	66,059
#REF!	-	-	-	-	-	-
#REF!	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	276,895	276,895	211,567	-	-	66,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,549	23,549	93,440	58,022	58,022	(2,013)
OTHER FINANCING SOURCES/USES						
Fund Transfers In	-	-	-	-	-	-
Fund Transfers (Out)	-	-	-	-	-	-
Total Other financial Sources/Uses	-	-	-	-	-	-
NET CHANGES IN FUND BALANCES	23,549	23,549	93,440	58,022	58,022	(2,013)
FUND BALANCE:						
Beginning of the Year			44,157			35,524
Prior Period Adjustments			403			-
End of the Year			<u>\$ 138,000</u>			<u>\$ 33,511</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (Budget and Actual)
 ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
 For the year ended June 30, 2013

	Health Insurance			CDBG Current		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
Taxes/assessments	\$ 29,431	\$ 29,431	\$ 28,549	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	4,703	4,703	4,703	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	36,000
Investment and royalty earnings	-	-	-	-	-	-
Total Revenues	34,134	34,134	33,252	-	-	36,000
EXPENDITURES:						
Current						
General government	-	-	-	-	-	9,597
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health	-	-	-	-	-	-
Social and economic services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
#REF!	-	-	-	-	-	-
#REF!	-	-	-	-	-	-
Miscellaneous	55,439	55,439	49,172	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	55,439	55,439	49,172	-	-	9,597
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,305)	(21,305)	(15,920)	-	-	26,403
OTHER FINANCING SOURCES/USES						
Fund Transfers In	-	-	21,903	-	-	-
Fund Transfers (Out)	-	-	-	-	-	-
Total Other financial Sources/Uses	-	-	21,903	-	-	-
NET CHANGES IN FUND BALANCES	(21,305)	(21,305)	5,983	-	-	26,403
FUND BALANCE:						
Beginning of the Year			1,834			29,287
Prior Period Adjustments			463			-
End of the Year			<u>\$ 8,280</u>			<u>\$ 55,690</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (Budget and Actual)
 ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
 For the year ended June 30, 2013

	Gas Tax		
	Original Budget	Final Budget	Actual
REVENUES:			
Taxes/assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	19,363	19,363	19,363
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	-	-	-
Investment and royalty earnings	-	-	-
Total Revenues	19,363	19,363	19,363
EXPENDITURES:			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	75,676	75,676	20,819
Public health	-	-	-
Social and economic services	-	-	-
Culture and recreation	-	-	-
#REF!	-	-	-
#REF!	-	-	-
Miscellaneous	-	-	-
Capital Outlay	-	-	-
Total Expenditures	75,676	75,676	20,819
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,313)	(56,313)	(1,456)
OTHER FINANCING SOURCES/USES			
Fund Transfers In	-	-	-
Fund Transfers (Out)	-	-	-
Total Other financial Sources/Uses	-	-	-
NET CHANGES IN FUND BALANCES	(56,313)	(56,313)	(1,456)
FUND BALANCE:			
Beginning of the Year			56,313
Prior Period Adjustments			-
End of the Year			<u>\$ 54,857</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2014

	General			Library		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
Taxes/assessments	\$ 124,894	\$ 124,894	\$ 103,056	\$ 2,181	\$ 2,181	\$ 2,039
Licenses and permits	5,400	5,400	4,661	-	-	-
Intergovernmental revenues	166,750	166,750	167,116	821	821	827
Charges for services	2,825	2,825	2,187	61,276	61,276	64,750
Fines and forfeitures	13,000	13,000	24,848	-	-	-
Miscellaneous	7,800	7,800	9,769	-	-	-
Investment and royalty earnings	400	400	833	-	-	-
Total Revenues	<u>321,069</u>	<u>321,069</u>	<u>312,470</u>	<u>64,278</u>	<u>64,278</u>	<u>67,616</u>
EXPENDITURES:						
Current						
General government	92,968	92,968	70,403	-	-	-
Public safety	124,404	124,404	111,029	-	-	-
Public works	48,880	48,880	36,995	-	-	-
Public health	1,000	1,000	76	-	-	-
Culture and recreation	36,896	36,896	21,931	68,861	68,861	65,540
Capital Outlay	21,668	21,668	22,880	-	-	-
Miscellaneous	10,000	10,000	-	-	-	-
Total Expenditures	<u>335,816</u>	<u>335,816</u>	<u>263,314</u>	<u>68,861</u>	<u>68,861</u>	<u>65,540</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,747)</u>	<u>(14,747)</u>	<u>49,156</u>	<u>(4,583)</u>	<u>(4,583)</u>	<u>2,076</u>
OTHER FINANCING SOURCES/USES						
Notes/loans/intercap issued	5,290	5,290	-	-	-	-
Fund Transfers In	-	-	-	-	-	-
Total Other financial Sources/Uses	<u>5,290</u>	<u>5,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(9,457)</u>	<u>(9,457)</u>	<u>49,156</u>	<u>(4,583)</u>	<u>(4,583)</u>	<u>2,076</u>
FUND BALANCE:						
Beginning of the Year			138,000			33,511
End of the Year			<u>\$ 187,156</u>			<u>\$ 35,587</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(Budget and Actual)
ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2014

	Health Insurance			CDBG Current		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES:						
Taxes/assessments	\$ 35,601	\$ 35,601	\$ 35,661	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	3,613	3,613	3,638	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	36,000
Investment and royalty earnings	-	-	-	36,000	36,000	-
Total Revenues	39,214	39,214	39,299	36,000	36,000	36,000
EXPENDITURES:						
Current						
General government	65,773	65,773	53,007	91,690	91,690	9,713
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	65,773	65,773	53,007	91,690	91,690	9,713
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,559)	(26,559)	(13,708)	(55,690)	(55,690)	26,287
OTHER FINANCING SOURCES/USES						
Notes/loans/intercap issued	-	-	-	-	-	-
Fund Transfers In	21,293	21,293	20,316	-	-	-
Total Other financial Sources/Uses	21,293	21,293	20,316	-	-	-
NET CHANGES IN FUND BALANCES	(5,266)	(5,266)	6,608	(55,690)	(55,690)	26,287
FUND BALANCE:						
Beginning of the Year			8,280			55,690
End of the Year			<u>\$ 14,888</u>			<u>\$ 81,977</u>

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

Town of Bridger
 Carbon County
 Bridger, Montana 59014

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (Budget and Actual)
 ALL BUDGETED MAJOR GOVERNMENTAL FUNDS
 For the year ended June 30, 2014

	Gas Tax		Actual
	Original Budget	Final Budget	
REVENUES:			
Taxes/assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	19,363	19,363	19,425
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Miscellaneous	-	-	-
Investment and royalty earnings	-	-	-
Total Revenues	19,363	19,363	19,425
EXPENDITURES:			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	75,676	75,676	10,871
Public health	-	-	-
Culture and recreation	-	-	-
Capital Outlay	-	-	-
Miscellaneous	-	-	-
Total Expenditures	75,676	75,676	10,871
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,313)	(56,313)	8,554
OTHER FINANCING SOURCES/USES			
Notes/loans/intercap issued	-	-	-
Fund Transfers In	-	-	-
Total Other financial Sources/Uses	-	-	-
NET CHANGES IN FUND BALANCES	(56,313)	(56,313)	8,554
FUND BALANCE:			
Beginning of the Year			54,857
End of the Year			\$ 63,411

The accompanying NOTES TO THE FINANCIAL STATEMENTS are an integral part of these statements.

TOWN OF BRIDGER

NOTES TO THE BUDGET VS ACTUAL SCHEDULE
Fiscal Years-Ended June 30, 2013 and June 30, 2014

NOTE 1. BUDGETS

1. a. BUDGETS

Budgets are adopted on a basis consistent with the State of Montana budget laws (Title 7, Chapter 6, Part 40, MCA) which are consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for all funds of the Town. All annual appropriations lapse at fiscal year-end, unless the Town elects to encumber supplies and personal property ordered but not received at year end. The Town does not use a formal encumbrance system.

1. a. 1 GENERAL BUDGET POLICIES:

Budgeted funds are those of which a legal budget must be adopted to have expenditures from such funds and are noted above. The Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget vs. Actual, has been prepared on the modified accrual basis of accounting and contains financial information for only the major budgeted funds. The major funds Water, Sewer, and Solid Waste are not included in the schedule because they are enterprise funds.

The original budget was not amended so the original budget and the final budget are the same.

1. a. 2 BUDGET OPERATION:

The Town operates within the budget requirements for incorporated city or town's as specified by State law. The financial report reflects the following budgetary standards:

- (1) A local government shall submit a complete copy of the final budget together with a statement of tax levies to the Department of Administration by the later of October 1 or 60 days after receipt of taxable values from the Department of Revenue.
- (2) Local government officials may not make a disbursement or an expenditure or incur an obligation in excess of the total appropriations for a fund.
- (3) The governing body may amend the budget during the fiscal year by conducting public hearings at regularly scheduled meetings. Budget amendments providing for additional appropriations must identify the fund reserves, unanticipated revenue, or previously unbudgeted revenue that will fund the appropriations.
- (4) The governing body and each municipal official are limited to the amount of appropriations and by the classifications in the annual appropriation resolution when making disbursements or expenditures or incurring liabilities. Exceptions to this limitation - Appropriations may be adjusted according to procedures authorized by the governing body for:
 - a. debt service funds for obligations related to debt approved by the governing body;
 - b. trust funds for obligations authorized by trust covenants;
 - c. any fund for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;
 - d. any fund for special assessments approved by the governing body;
 - e. the proceeds from the sale of land;
 - f. any fund for gifts or donations; and
 - g. money borrowed during the fiscal year.
- (5) If an expenditure is to be financed from a tax levy required to be authorized and approved at an election, the expenditure may not be made or an obligation may not be incurred against the expenditure until the tax levy is authorized and approved.
- (6) At the end of a fiscal year, unencumbered appropriations lapse unless specifically obligated by the Town.

STROM & ASSOCIATES, PC
Certified Public Accountants
P.O. Box 1980
Billings, Montana 59103

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

INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Bridger
Carbon County
Bridger, Montana 59014

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Bridger as of and for the years ended June 30, 2013 and June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Bridger's basic financial statements and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Bridger's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Bridger's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Strom & Associates, P.C.

STROM & ASSOCIATES, PC
Billings, Montana
June 26, 2015

STROM & ASSOCIATES, PC
Certified Public Accountants
P.O. Box 1980
Billings, Montana 59103

SCHEDULE OF FINDINGS AND RESPONSES

There were no findings or recommendations in the prior audit report and none for the fiscal years ended June 30, 2013 & 2014.