



STATE FINANCIAL SERVICES DIVISION
LOCAL GOVERNMENT SERVICES BUREAU
Mitchell Building Room 255, PO Box 200547, Helena, Montana 59620-0547
[Local Government Services Bureau Portal](#)

ENTITY # 024304

MONTANA
TOWN OF FROID
PO BOX 308
FROID, MT 59226

ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING JUNE 30, 2023

**ANNUAL FINANCIAL REPORT FILING FEE
FISCAL YEAR ENDING JUNE 30, 2023**

024304
TOWN OF FROID
PO BOX 308
FROID, MT 59226

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

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

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

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

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

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

LOCAL GOVERNMENT ANNUAL FILING FEE SCHEDULE

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

Annual Resources Exceed:	Annual Resources Equal to or Less Than	Filing Fee
\$0	\$750,000	\$0
\$750,000	\$1,000,000	\$550
\$1,000,000	\$1,500,000	\$800
\$1,500,000	\$2,500,000	\$950
\$2,500,000	\$5,000,000	\$1,300
\$5,000,000	\$10,000,000	\$1,700
\$10,000,000	\$50,000,000	\$2,500
\$50,000,000		\$3,000

FOR DEPARTMENT OF ADMINISTRATION USE ONLY

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

Determination of Filing Fee Form

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

FEE REQUIREMENT: As provided by 2-7-514, MCA, each local government required to have an audit under 2-7-503, MCA, shall pay an annual filing fee to the department; the fee schedule must be based upon the local government's annual revenue amounts. Administrative Rule 2.4.402 defines "revenues" as all receipts or inflows of resources of a local government entity from any source excluding the proceeds from bond issuances and other long-term debt not received from state or federal sources.

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

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

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

Total Revenues	137,281.50
Other Financing Sources - Proceeds from Sale of Capital Assets	0.00
Special and/or Extraordinary Items (Revenues only)	0.00

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

Note: Do not include revenues of Internal Service Funds

Total Operating Revenues	251,173.72	Box #1 Filing Fee Owed 0
Non-Operating Revenues: (Do not include Gain on Sale of Capital Assets)		
Taxes/Assessments	0.00	
Licenses/Permits	0.00	
Intergovernmental Revenues	797.96	
Interest Revenues	0.00	
Other Non-operating Revenues not included above		
Capital Contributions	0.00	
Special and/or Extraordinary Items (Revenues only)	0.00	

ENTERPRISE FUNDS - PAGE 20 (STATEMENT OF CASH FLOWS)

Proceeds from Sale of Capital Assets	2,180.70
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TRUST FUNDS - PAGE 22 (STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS)

NOTE: Do not include additions to Investment Trust Funds

Total Additions to Pension & Private Purpose Trust Funds Only	0.00
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Total Revenues for Calculation of Filing Fee \$391,433.88

If total revenues are equal to or less than \$750,000, no filing fee is required to be paid. However, your entity may be subject to audit requirements as determined in Part II or required by other agencies.

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

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

Part II - Determination of Audit Requirement w/ No Filing Fee (Subtract Debt used to Refinance Manually)

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

		Box #2
Governmental Funds (from Statement of Revenues, Expenditures, and Changes in Fund Balances (Page 16) Proceeds from General Long-Term Debt)	0.00	Audit Required? NO
Proprietary Funds (from Statement of Cash Flows, Major & Non-Major Enterprise Funds (Page 20) Proceeds from Debt)	4,673.20	
Manually subtract debt proceeds received from non-governmental financial institutions (banks, savings & loans) included above (Enter as a negative)		
Subtotal - Proceeds received from Debt	4,673.20	
Manually subtract amount of proceeds received from governments used to refinance existing debt. (Enter as a negative)		
Total Adjusted Debt Proceeds	\$4,673.20	
Total Revenues + Total Adjusted Debt Proceeds	\$396,107.08	

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

**TOWN OF FROID
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDING JUNE 30, 2023**

	<u>Page No.</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1-2
List of Elected and Appointed Officials - Signature Page.....	3
<u>FINANCIAL SECTION</u>	
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position - Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Statement of Fiduciary Net Position -Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	22
Notes to the Financial Statements	23-47
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	48-53
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Pension Liability Schedules.....	61-62
Other Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	63-64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	65-66
Schedule of Federal/State Grants, Entitlements and Shared Revenues	85
Schedule of Cash Receipts and Disbursements - All Funds	86-88
Cash Reconciliation	89
<u>GENERAL INFORMATION SECTION</u>	
General Information	90

INTRODUCTORY

SECTION

LETTER OF TRANSMITTAL

LETTER OF TRANSMITTAL - CONT.

**TOWN OF FROID
ELECTED OFFICIALS/OFFICERS**

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

OFFICE	NAME OF CITY/TOWN OFFICIALS/OFFICERS	DATE TERM EXPIRES
Mayor	Sheri Crain	12/31/2025
Councilperson/Commissioner	Gregg Labatte	12/31/2023
Councilperson/Commissioner	Gale Strandlund	12/31/2023
Councilperson/Commissioner	Laurie Young	12/31/2025
Councilperson/Commissioner	Tyler Harris	12/31/2025
Councilperson/Commissioner		
Councilperson/Commissioner		
Councilperson/Commissioner		
Councilperson/Commissioner		
City manager		
Attorney	Laura Christoffersen	
Chief of police		
Clerk		
Clerk/Treasurer	LeAnn Johnson	
Finance Director		
Police Judge		
Treasurer		
Utility billing/collection clerk		
Public Works Director	Alan Engelke	

**CONSISTENT WITH STATE LAW, I HEREBY TRANSMIT THE
TOWN OF FROID
ANNUAL FINANCIAL REPORT FOR THE
FISCAL YEAR ENDING JUNE 30, 2023**

Submitted by;

LeAnn Johnson

Title

Date

Preparer's contact information:

Email: froidclerk@yahoo.com

Phone: _____ 406-766-2202

FINANCIAL SECTION

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

**BASIC
FINANCIAL
STATEMENTS**

**TOWN OF FROID
STATEMENT OF NET POSITION
FISCAL YEAR ENDING JUNE 30, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total		
ASSETS					
Cash and cash equivalents	107,262.64	212,126.47	319,389.11		
Investments	0.00	0.00	0.00		
Petty Cash	0.00	0.00	0.00		
Restricted Assets:					
Cash and cash equivalents	0.00	28,878.00	28,878.00		
Investments (at fair value)	0.00	0.00	0.00		
Taxes/Assessments Receivable - (net of allowance for uncollectibles)	5,064.32	0.00	5,064.32		
Accounts/other receivables - (net of allowance for uncollectibles)	0.00	39,597.73	39,597.73		
Leases receivable	0.00	0.00	0.00		
Internal Balances	0.00	0.00	0.00		
Due from other governments	0.00	0.00	0.00		
Prepaid expense	0.00	0.00	0.00		
Inventories	0.00	0.00	0.00		
Other debits	0.00	0.00	0.00		
Leases receivable - noncurrent		0.00	0.00		
Capital assets not being depreciated					
Land	2,606.77	10,946.00	13,552.77		
Construction in progress	0.00	0.00	0.00		
Capital assets being depreciated (net of accumulated depreciation)	380,324.27	4,207,609.08	4,587,933.35		
Leased - Right to use capital assets not being amortized	0.00	0.00	0.00		
Leased - Right to use capital assets (net of accumulated amortization)	0.00	0.00	0.00		
Total Assets	495,258.00	4,499,157.28	4,994,415.28	0.00	0.00
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources - Pensions	6,924.07	4,230.52	11,154.59		
Deferred Outflows of Resources - OPEB	0.00	0.00	0.00		
Deferred Outflows of Resources - Leases	0.00	0.00	0.00		
Deferred Outflows of Resources	0.00	0.00	0.00		
Total Deferred Outflows of Resources	6,924.07	4,230.52	11,154.59	0.00	0.00
LIABILITIES					
Accounts payable and other current liabilities	0.00	0.00	0.00		
Matured bonds and interest payable	0.00	0.00	0.00		
Due to other governments	0.00	0.00	0.00		
Revenues collected in advance	0.00	0.00	0.00		
Long-term liabilities					
Due within one year					
Current portion liabilities	0.00	45,861.39	45,861.39		
Compensated absences		0.00	0.00		
Due in more than one year					
Notes, Leases, SBITAs payable	4,767.89	1,512,777.48	1,517,545.37		
Pension Liability	42,364.10	25,883.90	68,248.00		
OPEB Liability	0.00	0.00	0.00		
Compensated absences	620.55	620.56	1,241.11		
Total Liabilities	47,752.54	1,585,143.33	1,632,895.87	0.00	0.00
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - Pensions	3,101.21	1,894.80	4,996.01		
Deferred Inflows of Resources - OPEB	0.00	0.00	0.00		
Deferred Inflows of Resources - Leases	0.00	0.00	0.00		
Deferred Inflows of Resources	0.00	0.00	0.00		
Total Deferred Inflows of Resources	3,101.21	1,894.80	4,996.01	0.00	0.00
NET POSITION					
Net Investment in Capital Assets	378,163.15	2,659,916.21	3,038,079.36		
Restricted for:					
Debt Service	0.00		0.00		
Bond Indenture Requirements		27,008.00	27,008.00		
General Government	0.00		0.00		
Public Safety	0.00		0.00		
Public Works	31,794.12		31,794.12		
Public Health			0.00		
Culture/Recreation	0.00		0.00		
Economic Development			0.00		
Other:			0.00		
Non-spendable (other than Perm Fund)	0.00		0.00		
Permanent Fund principal			0.00		
Unrestricted	41,371.05	229,425.46	270,796.51		
Total Net Position	451,328.32	2,916,349.67	3,367,677.99	0.00	0.00
<i>Balance check w/GW Statement (should equal zero):</i>					
	0.00	0.00	0.00		
	0.00	-13-	0.00		
		0.00	0.00		

**TOWN OF FROID
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services, Fines, Forfeitures, etc.	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities:									
General government	72,170.53	0.00	0.00	0.00	(72,170.53)		(72,170.53)		
Public safety	9,345.78	0.00	0.00	0.00	(9,345.78)		(9,345.78)		
Public works	43,190.57	4,367.50	0.00	0.00	(38,823.07)		(38,823.07)		
Public health	117.96	0.00	0.00	0.00	(117.96)		(117.96)		
Social and economic services	0.00	0.00	0.00	0.00	0.00		0.00		
Culture and recreation	14,865.40	4,460.00	0.00	0.00	(10,405.40)		(10,405.40)		
Housing/Community Development	0.00	0.00	0.00	0.00	0.00		0.00		
Conservation of Natural Resources	0.00	0.00	0.00	0.00	0.00		0.00		
Interest on long-term debt & leases	328.02	0.00	0.00	0.00	(328.02)		(328.02)		
Miscellaneous	0.00	200.00	0.00	0.00	200.00		200.00		
Unallocated costs	0.00				0.00		0.00		
Total governmental activities	140,018.26	9,027.50	0.00	0.00	(130,990.76)		(130,990.76)	0.00	0.00
Business-type activities:									
WATER FUND	121,874.11	99,988.52				(21,885.59)	(21,885.59)		
SEWER FUND	120,698.35	93,852.00				(26,846.35)	(26,846.35)		
GARBAGE FUND	48,207.65	57,333.20				9,125.55	9,125.55		
Name						0.00	0.00		
Name						0.00	0.00		
						0.00	0.00		
						0.00	0.00		
Total business-type activities	290,780.11	251,173.72	0.00	0.00	0.00	(39,606.39)	(39,606.39)	0.00	0.00
Total primary government	430,798.37	260,201.22	0.00	0.00	(130,990.76)	(39,606.39)	(170,597.15)		
Component Units:									
Total component units	0.00	0.00	0.00	0.00				0.00	0.00
General revenues:									
Property taxes					47,826.39	0.00	47,826.39		
Local option taxes					0.00		0.00		
Licenses and permits					0.00		0.00		
Unrestricted Federal/State shared revenues					72,665.30	797.96	73,463.26		
Unrestricted grants and contributions					0.00		0.00		
Unrestricted investment earnings					484.03	0.00	484.03		
Miscellaneous					7,617.21		7,617.21		
Gain on sale of capital assets					0.00	0.00	0.00		
Transfers					0.00	0.00	0.00		
Special/Extraordinary items					0.00	0.00	0.00		
							0.00		
Total general revenues and transfers					128,592.93	797.96	129,390.89	0.00	0.00
Change in net position					(2,397.83)	(38,808.43)	(41,206.26)	0.00	0.00
Total net position - July 1, 2022 as previously reported					453,726.15	2,955,158.10	3,408,884.25		
Prior period adjustments					0.00	0.00	0.00		
Total net position - July 1, 2022 as restated					453,726.15	2,955,158.10	3,408,884.25	0.00	0.00
Total net position - June 30, 2023					451,328.32	2,916,349.67	3,367,677.99	0.00	0.00

TOWN OF FROID				
BALANCE SHEET				
GOVERNMENTAL FUNDS				
FISCAL YEAR ENDING JUNE 30, 2023				
Account Number	Description	Fund #1000 General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
101000	Cash and cash equivalents	75,468.52	31,794.12	107,262.64
103000	Petty cash		0.00	0.00
101100	Investments		0.00	0.00
Restricted Assets:				
102200	Cash and cash equivalents		0.00	0.00
102300	Investments		0.00	0.00
106000	Valuation of investments to fair value		0.00	0.00
110000	Tax/assessment receivable (net of allowance for uncollectibles)	5,064.32	0.00	5,064.32
120000	Accounts/other receivables - (net of allowance for uncollectibles)		0.00	0.00
127500	Leases Receivable		0.00	0.00
131000	Due from other funds		0.00	0.00
132000	Due from other governments		0.00	0.00
133000	Advances to other funds		0.00	0.00
140000	Prepaid expense		0.00	0.00
150000	Inventories		0.00	0.00
170000	Other debits		0.00	0.00
Total Assets		80,532.84	31,794.12	112,326.96
DEFERRED OUTFLOWS OF RESOURCES				
190000	Deferred Outflows of Resources		0.00	0.00
19xxxx	Deferred Outflows of Resources		0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00	0.00
LIABILITIES				
201000	Warrants payable		0.00	0.00
202100	Accounts payable		0.00	0.00
203100	Judgments payable		0.00	0.00
204000	Contracts/loans/notes payable		0.00	0.00
205200	Matured interest payable		0.00	0.00
205500	Leases - short-term		0.00	0.00
206100	Other accrued payables		0.00	0.00
211000	Due to other funds		0.00	0.00
212000	Due to other governments		0.00	0.00
214000	Deposits payable		0.00	0.00
216000	Revenues collected in advance		0.00	0.00
233000	Advances from other funds		0.00	0.00
Total Liabilities		0.00	0.00	0.00
DEFERRED INFLOWS OF RESOURCES				
220000	Deferred Inflows of Resources		0.00	0.00
223000	Deferred Inflows of Tax Revenues	5,062.85	0.00	5,062.85
Total Deferred Inflows of Resources		5,062.85	0.00	5,062.85
FUND BALANCES:				
250100	Non-spendable		0.00	0.00
	Inventory			0.00
250200	Restricted		0.00	0.00
	General government			0.00
	Public Safety			0.00
	Public Works		31,794.12	31,794.12
	Culture and Recreation			0.00
	Other: (input explanation)			0.00
260100	Committed		0.00	0.00
	General government			0.00
	Public Safety			0.00
	Public Works			0.00
	Culture and Recreation			0.00
	Other: (input explanation)			0.00
260200	Assigned		0.00	0.00
				0.00
				0.00
271000	Unassigned	75,469.99	0.00	75,469.99
Total Fund Balances		75,469.99	31,794.12	107,264.11
Total Liabilities, Deferred Inflows of Resources and Fund Balances		80,532.84	31,794.12	
Balance check (Should equal zero):		0.00	0.00	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				382,931.04
Leased right-to-use assets used in governmental activities resources and therefore are not reported in the funds.				0.00
Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred outflows of resources in the funds				7,570.34
Internal service funds are used by management to charge the costs of providing services within the government. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position.				
Current assets				0.00
Accounts payable				0.00
Net amount allocated to business-type/external ac				0.00
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.				(46,437.17)
				451,328.32
				0.00

TOWN OF FROID				
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES				
GOVERNMENTAL FUNDS				
FISCAL YEAR ENDING JUNE 30, 2023				
		Fund #1000	Other	Total
Account Number	Description	General	Governmental Funds	Governmental Funds
REVENUES				
310000/ 363000	Taxes/assessments	48,793.49	0.00	48,793.49
320000	Licenses and permits	0.00	0.00	0.00
330000	Intergovernmental revenues	33,637.32	37,721.95	71,359.27
340000	Charges for services	8,827.50	0.00	8,827.50
350000	Fines and forfeitures	200.00	0.00	200.00
360000	Miscellaneous	7,617.21	0.00	7,617.21
370000	Investment and royalty earnings	484.03	0.00	484.03
				0.00
	Total Revenues	99,559.55	37,721.95	137,281.50
EXPENDITURES				
Current:				
410000	General government	53,343.07	6,216.22	59,559.29
420000	Public safety	9,345.78	0.00	9,345.78
430000	Public works	9,428.79	28,433.21	37,862.00
440000	Public health	117.96	0.00	117.96
450000	Social and economic services	0.00	0.00	0.00
460000	Culture and recreation	4,545.40	0.00	4,545.40
470000	Housing and community development	0.00	0.00	0.00
480000	Conservation of natural resources	0.00	0.00	0.00
490000	Debt, Lease, SBITA Service:			
	Principal	4,604.24	0.00	4,604.24
	Interest	328.02	0.00	328.02
				0.00
	Capital outlay	0.00	12,500.00	12,500.00
500000	Internal Services			0.00
510000	Miscellaneous	0.00	0.00	0.00
	Total Expenditures	81,713.26	47,149.43	128,862.69
	Excess of revenues (under) expenditures	17,846.29	(9,427.48)	8,418.81
OTHER FINANCING SOURCES (USES):				
381010/40	Bonds issued	0.00	0.00	0.00
381010/40	Discount on bonds issued	0.00	0.00	0.00
381050	Inception of lease/subscription-based IT	0.00	0.00	0.00
381070	Notes/loans/intercap issued	0.00	0.00	0.00
382010	Sale of capital assets	0.00	0.00	0.00
383000	Transfers In	0.00	0.00	0.00
521000	Transfers out (Enter as negative)	0.00	0.00	0.00
384000	Special items - revenue	0.00	0.00	0.00
385000	Extraordinary items - revenue	0.00	0.00	0.00
524000	Special items - expenditure (Negative)	0.00	0.00	0.00
525000	Extraordinary items - expenditure (Negative)	0.00	0.00	0.00
	Total other financing sources (uses)	0.00	0.00	0.00
	Net change in fund balances	17,846.29	(9,427.48)	8,418.81
	Fund balances - July 1, 2022 as previously reported	57,623.70	41,221.60	98,845.30
	Prior period adjustments	0.00	0.00	0.00
	Fund balances - July 1, 2022 as restated	57,623.70	41,221.60	98,845.30
	Fund balances - June 30, 2023	75,469.99	31,794.12	107,264.11

**TOWN OF FROID
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2023**

Net change in fund balances - total governmental funds (page 16)	<u>8,418.81</u>
Amounts reported for governmental activities in the statement of activities (page) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets purchased, leased, subscription-based IT arrangements	12,500.00
Depreciation and amortization expense	<u>(15,648.57)</u>
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the sale of these assets:	
Gain (loss) on the disposal of capital assets	
Proceeds from the sale of capital assets	<u>0.00</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Donated capital assets	
Long-term receivables (deferred inflow)	<u>(967.10)</u>
GASB68 recognition of On-behalf payments to Pension Plans	<u>1,306.03</u>
Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position:	
Lease Right-to-Use Capital Asset/SBITA proceeds	<u>0.00</u>
Bond sale proceeds	<u>0.00</u>
Loan proceeds	<u>0.00</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt and leases in the Statement of Net Position:	
Lease obligation principal payments	
Long-term loan/contract principal payments	<u>4,604.24</u>
Long-term bond principal payments	<u></u>
Internal service funds are used by management to charge the costs of certain activities, such as insurance and data processing, to individual funds. The net revenue of the internal service funds is reported with the governmental activities of the government-wide statement of activities net of the amounts allocated to business-type activities and depreciation expense	
Change in net position	<u>0.00</u>
Net of amount allocated to business-type/external activities	<u>0.00</u>
Depreciation Expense	<u>0.00</u> 0.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Accrued compensated absences	<u>55.09</u>
Pension & OPEB expense	<u>(12,666.33)</u>
Other:	
Change in Net Position in Governmental Activities	<u><u>(2,397.83)</u></u>

Balance check: (0.00)

TOWN OF FROID								
STATEMENT OF NET POSITION								
PROPRIETARY FUNDS								
FISCAL YEAR ENDING JUNE 30, 2023								
						Governmental		
Business-type Activities						Activities		
Major Enterprise Funds						Nonmajor		
Account	Description	5210	5310	5410	Enterprise	Totals	Internal	
Number		WATER FUND	SEWER FUND	GARBAGE FUND	Funds			Service
ASSETS								
Current Assets								
101000	Cash and cash equivalents	60,161.60	124,080.83	27,884.04	0.00	212,126.47	0.00	
103000	Petty cash				0.00	0.00	0.00	
101100	Investments (at fair value)				0.00	0.00	0.00	
110000	Tax/assessment receivable (net of allowance for uncollectibles)				0.00	0.00	0.00	
120000	Accounts/other receivables - (net of allowance for uncollectibles)	16,379.09	14,195.33	9,023.31	0.00	39,597.73	0.00	
127500	Leases receivable				0.00	0.00	0.00	
131000	Due from other funds				0.00	0.00	0.00	
132000	Due from other governments				0.00	0.00	0.00	
141000	Prepaid expense				0.00	0.00	0.00	
150000	Inventories				0.00	0.00	0.00	
	Total Current Assets	76,540.69	138,276.16	36,907.35	0.00	251,724.20	0.00	
Noncurrent Assets								
Restricted Assets:								
102200	Cash and cash equivalents	10,834.00	18,044.00		0.00	28,878.00	0.00	
102300	Investments				0.00	0.00	0.00	
127500	Leases receivable - not current				0.00	0.00	0.00	
133000	Advances to other funds				0.00	0.00	0.00	
170000	Other debits				0.00	0.00	0.00	
180000	Capital assets:							
	Land	2,270.00	8,676.00		0.00	10,946.00	0.00	
	Construction in progress				0.00	0.00	0.00	
	Buildings				0.00	0.00	0.00	
	Improvements other than buildings	124,020.60	196,661.21		0.00	320,681.81	0.00	
	Machinery and equipment	5,118.84	12,876.62		0.00	17,995.46	0.00	
	Infrastructure (utility systems)	1,346,800.30	4,154,070.24		0.00	5,500,870.54	0.00	
	Less: accumulated depreciation	(876,061.22)	(755,877.51)		0.00	(1,631,938.73)	0.00	
18X500	Leased-Right-to-Use (RTU) Capital assets - not amortized				0.00	0.00	0.00	
	Leased RTU Capital Assets				0.00	0.00	0.00	
183500	Leased RTU Intangible/Subscription-based capital assets				0.00	0.00	0.00	
	Less: accumulated amortization				0.00	0.00	0.00	
	Capital assets - net of accumulated depreciation	602,148.52	3,616,406.56	0.00	0.00	4,218,555.08	0.00	
	Total Noncurrent Assets	612,982.52	3,634,450.56	0.00	0.00	4,247,433.08	0.00	
	Total Assets	689,523.21	3,772,726.72	36,907.35	0.00	4,499,157.28	0.00	
DEFERRED OUTFLOWS OF RESOURCES								
199000	Deferred Outflows of Resources - Pensions	2,115.26	2,115.26		0.00	4,230.52	0.00	
199xxx	Deferred Outflows of Resources - OPEB				0.00	0.00	0.00	
199500	Deferred Outflows of Resources - Leases				0.00	0.00	0.00	
199xxx	Deferred Outflow of Resources - Others				0.00	0.00	0.00	
	Total Deferred Outflows of Resources	2,115.26	2,115.26	0.00	0.00	4,230.52	0.00	
LIABILITIES								
Current Liabilities								
202100	Accounts payable				0.00	0.00	0.00	
203100	Judgments payable				0.00	0.00	0.00	
204000	Contracts/loans/notes payable	14,912.94	30,948.45		0.00	45,861.39	0.00	
204300	Leases/SBITAs payable				0.00	0.00	0.00	
205200	Matured interest bonds payable				0.00	0.00	0.00	
205500	Leases - short-term				0.00	0.00	0.00	
206100	Other accrued payables				0.00	0.00	0.00	
209100	Compensated absences				0.00	0.00	0.00	
211000	Due to other funds				0.00	0.00	0.00	
212000	Due to other governments				0.00	0.00	0.00	
214000	Deposits payable				0.00	0.00	0.00	
216000	Revenues collected in advance				0.00	0.00	0.00	
	Total Current Liabilities	14,912.94	30,948.45	0.00	0.00	45,861.39	0.00	
Noncurrent Liabilities								
231000	Bonds payable	226,425.17	1,286,352.31		0.00	1,512,777.48	0.00	
233000	Advance from other funds				0.00	0.00	0.00	
234000	Judgments payable				0.00	0.00	0.00	
235000	Contracts/loans/notes payable				0.00	0.00	0.00	
235500	Leases/SBITAs payable				0.00	0.00	0.00	
236000	Closure/postclosure care costs				0.00	0.00	0.00	
237000	Pension Liability	12,941.95	12,941.95		0.00	25,883.90	0.00	
238000	OPEB Liability				0.00	0.00	0.00	
239000	Compensated absences	310.28	310.28		0.00	620.56	0.00	
	Total Noncurrent Liabilities	239,677.40	1,299,604.54	0.00	0.00	1,539,281.94	0.00	
	Total Liabilities	254,590.34	1,330,552.99	0.00	0.00	1,585,143.33	0.00	
DEFERRED INFLOWS OF RESOURCES								
220000	Deferred Inflows of Resources - Pensions	947.40	947.40		0.00	1,894.80	0.00	
22xxxx	Deferred Inflows of Resources - OPEB				0.00	0.00	0.00	
225000	Deferred Inflows of Resources - Leases				0.00	0.00	0.00	
22xxxx	Deferred Inflows of Resources - Other				0.00	0.00	0.00	
	Total Deferred Inflows of Resources	947.40	947.40	0.00	0.00	1,894.80	0.00	
NET POSITION								
	Net Investment in Capital Assets	360,810.41	2,299,105.80	0.00	0.00	2,659,916.21	0.00	
	Restricted for:							
	Debt Service	10,834.00	16,174.00		0.00	27,008.00	0.00	
					0.00	0.00	0.00	
					0.00	0.00	0.00	
	Unrestricted	64,456.32	128,061.79	36,907.35	0.00	229,425.46	0.00	
	Total Net Position	436,100.73	2,443,341.59	36,907.35	0.00	2,916,349.67	0.00	
	Balance check (Should equal zero):	0.00	0.00	0.00	0.00			
	Reconciliation to government-wide statement of net position:							
	Adjustment to reflect the consolidations of internal service funds							
	activities related to enterprise funds							
	Net position of business-type activities						2,916,349.67	

TOWN OF FROID							
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION							
PROPRIETARY FUNDS							
FISCAL YEAR ENDING JUNE 30, 2023							
						Governmental	
						Activities	
						Business-type Activities	
						Major Enterprise Funds	
						Nonmajor	
						Enterprise	
Account		5210	5310	5410	Funds	Totals	Internal
Number	Description	WATER FUND	SEWER FUND	GARBAGE FUND			Service
OPERATING REVENUES							
340000	Charges for services	99,988.52	93,852.00	57,333.20	0.00	251,173.72	0.00
360000	Miscellaneous revenues				0.00	0.00	0.00
363000	Special assessments				0.00	0.00	0.00
					0.00	0.00	
	Total Operating Revenues	99,988.52	93,852.00	57,333.20	0.00	251,173.72	0.00
OPERATING EXPENSES							
100	Personal services	6,766.04	4,579.27	0.00	0.00	11,345.31	0.00
200	Supplies	57,160.17	179.10	2,021.63	0.00	59,360.90	0.00
300	Purchased services	13,126.34	10,121.03	46,186.02	0.00	69,433.39	0.00
400	Building materials				0.00	0.00	0.00
500	Fixed charges	1,162.00	1,081.00		0.00	2,243.00	0.00
810	Loss/Bad debt expense				0.00	0.00	0.00
830	Depreciation and Amortization	36,770.51	88,407.52		0.00	125,178.03	0.00
					0.00	0.00	0.00
	Total Operating Expenses	114,985.06	104,367.92	48,207.65	0.00	267,560.63	0.00
	Operating Income (Loss)	(14,996.54)	(10,515.92)	9,125.55	0.00	(16,386.91)	0.00
NONOPERATING REVENUES (EXPENSES)							
310000	Taxes/assessment revenue				0.00	0.00	0.00
320000	Licenses/permits revenue				0.00	0.00	0.00
330000	Intergovernmental revenue	398.98	398.98		0.00	797.96	0.00
371000	Interest revenue				0.00	0.00	0.00
382030	Gain/Loss on Sale of Capital Assets (Loss is negative)				0.00	0.00	0.00
490000	Debt service interest expense (Enter as negative)	(6,889.05)	(16,330.43)		0.00	(23,219.48)	0.00
490500	Leases interest expense (Enter as negative)				0.00	0.00	0.00
384000	Special items - revenue				0.00	0.00	0.00
385000	Extraordinary items - revenue				0.00	0.00	0.00
524000	Special items - expense (enter as negative)				0.00	0.00	0.00
525000	Extraordinary items - expense (enter as negative)				0.00	0.00	0.00
	Total Non-Operating Revenues (Expenses)	(6,490.07)	(15,931.45)	0.00	0.00	(22,421.52)	0.00
	Income (Loss) before contributions and transfers	(21,486.61)	(26,447.37)	9,125.55	0.00	(38,808.43)	0.00
	Capital contributions				0.00	0.00	0.00
	Transfers in (out)				0.00	0.00	0.00
	Change in net position	(21,486.61)	(26,447.37)	9,125.55	0.00	(38,808.43)	0.00
	Total net position - July 1, 2022 as previously reported	457,587.34	2,469,788.96	27,781.80	0.00	2,955,158.10	0.00
	Prior period adjustments				0.00	0.00	0.00
	Total net position - July 1, 2022 as restated	457,587.34	2,469,788.96	27,781.80	0.00	2,955,158.10	0.00
	Total net position - June 30, 2023	436,100.73	2,443,341.59	36,907.35	0.00	2,916,349.67	0.00
Reconciliation to government-wide statement of activities:							
Adjustment to reflect the consolidation of internal service fund							
activities related to enterprise funds							
Change in net position of business-type activities						(38,808.43)	

TOWN OF FROID						
STATEMENT OF CASH FLOWS						
PROPRIETARY FUNDS						
FISCAL YEAR ENDING JUNE 30, 2023						
	Business-type Activities					Governmental
	Major Enterprise Funds			Nonmajor		Activities
	5210	5310	5410	Enterprise		Internal
Description	WATER FUND	SEWER FUND	GARBAGE FUND	Funds	Totals	Service
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	99,526.01	95,316.23	57,635.51	0.00	252,477.75	0.00
Cash paid to suppliers	(72,136.69)	(11,381.13)	(48,207.65)	0.00	(131,725.47)	0.00
Cash paid to employees	(6,793.60)	(4,606.83)	0.00	0.00	(11,400.43)	0.00
Cash received from interfund services provided				0.00	0.00	0.00
Cash paid for interfund services used		(4,980.00)		0.00	(4,980.00)	0.00
Net cash provided (used) by operating activities	20,595.72	74,348.27	9,427.86	0.00	104,371.85	0.00
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from (to) other funds	(5,119.57)	(5,119.57)	0.00	0.00	(10,239.14)	0.00
Advances from (to) other funds				0.00	0.00	0.00
Subsidies from taxes and other governments	398.98	398.98	0.00	0.00	797.96	0.00
Net cash provided (used) by capital and related financing activities	(4,720.59)	(4,720.59)	0.00	0.00	(9,441.18)	0.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from debt & leases	3,268.23	1,404.97		0.00	4,673.20	0.00
Capital contributions		0.00	0.00	0.00	0.00	0.00
Purchases/acquisition/construction of capital assets				0.00	0.00	0.00
Principal on debt, leases, & SBITAs (Enter as a negative)	(15,712.47)	(32,085.19)		0.00	(47,797.66)	0.00
Interest paid on debt, leases, & SBITAs (Enter as a negative)	(6,889.05)	(16,330.43)	0.00	0.00	(23,219.48)	0.00
Capital lease down payment				0.00	0.00	0.00
Proceeds from sales of capital assets	1,090.35	1,090.35		0.00	2,180.70	0.00
Net cash provided (used) by capital and related financing activities	(18,242.94)	(45,920.30)	0.00	0.00	(64,163.24)	0.00
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales of investments		4,980.00		0.00	4,980.00	0.00
Purchase of investments (Enter as negative)				0.00	0.00	0.00
Interest earnings	0.00	0.00	0.00	0.00	0.00	0.00
Net cash provided (used) by investing activities	0.00	4,980.00	0.00	0.00	4,980.00	0.00
Net increase (decrease) in cash and cash equivalents	(2,367.81)	28,687.38	9,427.86	0.00	35,747.43	0.00
Cash and cash equivalents - July 1, 2022	73,363.41	113,437.45	18,456.18	0.00	205,257.04	0.00
Cash and cash equivalents - June 30, 2023	70,995.60	142,124.83	27,884.04	0.00	241,004.47	0.00
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	(14,996.54)	(10,515.92)	9,125.55	0.00	(16,386.91)	0.00
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation expense	36,770.51	88,407.52	0.00	0.00	125,178.03	0.00
(Increase) Decrease in accounts receivable	(462.51)	1,464.23	302.31	0.00	1,304.03	0.00
(Increase) Decrease in intergovernmental receivables				0.00	0.00	0.00
(Increase) Decrease in due to/from other funds		(4,980.00)		0.00	(4,980.00)	0.00
Increase in allowance for uncollectible accounts				0.00	0.00	0.00
(Increase) decrease in inventories				0.00	0.00	0.00
(Increase) decrease in prepaid items				0.00	0.00	0.00
Increase (decrease) in customer deposits				0.00	0.00	0.00
Increase (decrease) in accounts payable	(688.18)			0.00	(688.18)	0.00
Increase (decrease) in compensated absences pay.	(27.56)	(27.56)		0.00	(55.12)	0.00
Increase (decrease) in intergovernmental payables				0.00	0.00	0.00
Increase (decrease) in GASB68 pension expense				0.00	0.00	0.00
Total adjustments	35,592.26	84,864.19	302.31	0.00	120,758.76	0.00
Net cash provided (used) by operating activities	20,595.72	74,348.27	9,427.86	0.00	104,371.85	0.00
Noncash investing, capital, and financing activities:						
Borrowing under lease				0.00	0.00	0.00
Contributions of capital assets from government				0.00	0.00	0.00
Purchase of equipment on account				0.00	0.00	0.00
Increase in fair value of investments				0.00	0.00	0.00
Capital asset trade-ins				0.00	0.00	0.00

TOWN OF FROID						
STATEMENT OF FIDUCIARY NET POSITION						
FIDUCIARY FUNDS						
FISCAL YEAR ENDING JUNE 30, 2023						
		Trust Funds			Custodial Funds	
		Pension	Investment	Private Purpose	External	Custodial
Account		Trust Funds	Trust Funds	Trust Funds	Investment Pool	Funds
Number	Description	(7000-7005)	(7006-7009)	(7010-7099)	(not in trust)	(7100-7999)
ASSETS						
101000	Cash and cash equivalents					1,567.67
101100	Investments (at fair value)					
Receivables:						
110000	Tax/assessment receivable (net of allowance for uncollectibles)					
120000	Accounts/other receivables - (net of allowance for uncollectibles)					
128000	Interest receivable					
130000	Due from Others					
170000	Other assets:					
Total Assets		0.00	0.00	0.00	0.00	1,567.67
190000	Deferred Outflows of Resources					
LIABILITIES						
201000	Warrants payable					1,567.67
202000	Accounts payable					
203000	Judgment/Protested payable					
204000	Contracts payable					
211000	Due to other funds					
212000	Due to other governments					
230000	Other long-term liabilities					
Other liabilities:						
Total Liabilities		0.00	0.00	0.00	0.00	1,567.67
220000	Deferred Inflows of Resources					
NET POSITION						
Restricted for:						
Unrestricted		0.00	0.00	0.00	0.00	0.00
TOTAL NET POSITION		0.00	0.00	0.00	0.00	0.00
<i>Balance check:</i>		0.00	0.00	0.00	0.00	0.00

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

[Note to the preparer - Note disclosures contained herein are illustrative only, and are provided for your convenience. Local governments should modify these note disclosures as applicable to their entity.]

1. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. Pronouncements adopted in the fiscal year ending June 30, 2021 and after are described below.

The significant accounting policies are described below.

A. Reporting Entity

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

Blended Component Unit: _____

Discretely Presented Component Unit: _____

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as a general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The government reports the following major governmental funds:

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

The government reports the following major proprietary funds:

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

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

Garbate Enterprise Fund- This fund is used to account for the operating and nonoperating revenues and expenses of the public garbage collection services.

Additionally, the government reports the following fund types:

Fiduciary Funds - Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These may include trust or custodial funds.

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont.

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

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

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

Amounts reported as program revenues include: 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the government's internal service funds are charges to customer for services provided. Operating expenses for enterprise funds and internal service funds include the cost of providing such services and the depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Deposits and investments

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

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

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at fiscal year end are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Advances between funds are not available for appropriation and are not expendable available financial resources.

Accounts receivables are shown net of allowance for uncollectible. Property tax receivables are offset by a deferred inflow account since they are not available to pay liabilities of the current period. All property tax levies are set at the time of the adoption of the annual budget. The real estate taxes are payable in a) two installments, the first due by November 30 and the second by May 31, or b) in seven monthly payments (with application approval) due November 30, December 31, January 31, February 28, March 31, April 30, and May 31. Personal property taxes are assessed in April or May and are payable within 30 days of the issuance of the notice.

3. Inventories and prepaid items

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

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

4. Restricted assets

Certain assets of the enterprise funds are restricted for specific use as required by the bond indenture agreement covenants established with the issuance and sale of the revenue bonds representing a liability to the enterprise funds. These restricted assets represent cash and cash equivalents restricted for use to repay current debt, establish a reserve for future debt and they establish a replacement and depreciation reserve for the purpose of replacing the system in the future.

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont.

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

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, curbs, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the Local Government as assets with an initial cost of more than \$5,000.00 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	40
System infrastructure	40
Vehicles	10
Equipment other than vehicles	10
Office equipment	10
Computer equipment	10

6. Deferred outflows of resources

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

Deferred outflows of resources not disclosed on the face of the financial statements are as follows:

Description:	Amount
Deferred outflows of pension resources- water fund	2115.26
Deferred outflows of pension resources- sewer fund	2115.26

7. Deferred inflows of Resources

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. The government-wide statement of net position, proprietary fund statement of net position, and governmental fund balance sheet report a separate section for deferred inflows of resources. Deferred inflows or resources may be disclosed on the face of the financial statements, in the notes to the financial statements, or a combination of both.

Deferred inflows of resources not disclosed on the face of the financial statements are as follows:

Description:	Amount
Deferred inflows of pension resources - water fund	947.4
Deferred inflows of pension resources - sewer fund	947.4

8. Compensated absences

As required by State law, the Local Government allows for employees to accumulate earned but unused vacation and sick leave benefits. Unused vacation leave benefits are 100 percent payable upon termination and 1/4 of unused sick leave benefits are payable upon termination. Such amounts are reported as liabilities in the appropriate governmental or business-type activity in the government wide statements. Expenditures for unpaid vacation and sick leave benefits are recorded when paid in the governmental funds on the modified accrual basis of accounting and expenses for vacation and sick leave benefits are recorded when accrued in the proprietary funds on the full accrual basis of accounting.

9. Long-term obligations

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

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

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

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

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

10. Fund balance/Net Position

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

11. Net Position significantly impacted by Deferred Outflows or Deferred Inflows of Resources.

GASB 63 requires disclosure of any deferrals that have a significant impact on Net Position.
(Disclose here any deferrals that have a significant effect on Net Position)

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position.
(Disclose here any element of that reconciliation which may require further analysis for the reader to understand)

See financial statements for all information.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.
(Disclose here any element of that reconciliation which may require further analysis for the reader to understand)

See financial statements for all information.

C. **Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position.**

The proprietary fund statement of net position includes a reconciliation between *net position - total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position.
(Disclose here any element of that reconciliation which may require further analysis for the reader to understand)

See financial statements for all information.

**TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023**

3. COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

An increase in property taxes, including an increase authorized under 15-10-420(1), must be disclosed based on homes valued at \$100,000, \$300,000 and \$600,000.

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

B. Excess of expenditures over appropriations

(Disclose here any instances of budget overdrafts at the fund level)

C. Deficit fund equity

(Disclose here any instance of deficit fund equity balances and the reasons for such deficit)

D Increases in property taxes

An increase(decrease) in property taxes due to (15-10-420 calculation), permissive and/or voted levies of (\$9.92),(\$29.77), and (\$59.54), respectively for a home valued at \$100,000, \$300,000 and \$600,000 is included in this fiscal year budget.

← Sample disclosure

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Governmental Activities	\$	107,262.64
Business-Type Activities	\$	241,004.47
Fiduciary Funds	\$	1,567.67
Total - Primary Government	\$	349,834.78
Discretely Presented Component Unit(s)	\$	-
Total cash, cash equivalents and investments	\$	349,834.78

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

	6/30/20XX	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash on hand (petty cash)				
Deposits				
Demand deposits	16,132			
Savings accounts	333,703			
Certificates of Deposit (non- (other) (other)				
Total deposits	\$ 349,835			
Investments				
<i>Investments by fair value level</i>	<u>Fair Value</u>			
STIP				
U.S. Treasury Bills				
Mutual Funds				
Repurchase Agreements (other by type) (other by type) (other by type)				
Total investments by fair value level	\$ -	\$ -	\$ -	\$ -
<i>Investments measured at the net (investment by type)</i>	<u>NAV</u>			
Total cash, deposits and investments	\$349,835			

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

4. DETAILED NOTES ON ALL FUNDS

A Deposits and Investments - cont.

Custodial Credit Risk-Investments

[Note: Not applicable to investments in STIP, other external investment pools, open-ended mutual funds, or securities underlying reverse repurchase agreements.]

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either a) the counterparty or b) the counterparty's trust department or agent, but not in the name of their name.

The County/City/Town has no formal investment policy that would limit its exposure to custodial credit risk.

OR

The formal investment policy limits exposure to custodial credit risk by (describe formal policy).

Investments at June 30, 20__ were exposed to custodial credit risk as follows: (Select, as appropriate) Invest. Type
 Uninsured, unregistered, with securities held by the counterparty _____
 Uninsured, unregistered, with securities held by the counterparty's trust department or agent but not in the government's name _____

Concentration of Credit Risk - Investments

[NOTE: Not applicable to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments.]

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

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

OR

The County's/City's/town's investment policy minimizes concentration of credit risk by (describe formal policy).

Investment in any one issuer that represents 5% or more of total investments is as follows:

Issuer	Percentage
_____	_____
_____	_____
_____	_____

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Interest rate risk is minimized by compliance with State law which limits local governments to certain investment types. Additionally, under State law, an investment may not have a maturity date exceeding 5 years, except when the investment is used in an escrow account for an advance refunding of an outstanding bond issue, or for investments of local government group self-insurance programs.

The County/City/Town does not have a formal investment policy that further limits its exposure to interest rate risk.

OR

The County's/City's/Town's formal investment policy further limits exposure to interest rate risk by (describe formal policy)

As of June 30, 20__, the County/City/Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (in Years)		
		Less Than	1-5	More
	\$			
	\$			
	\$			
	\$			

Investment Pool

Following is a condensed schedule of changes in net position for the County's investment pool for the year ended June 30, 20__:

	Internal Portion	External Portion
Net Position - Beginning of Year	\$	\$
Contributions from Participants		
Invest. Earnings/Changes in Fair \		
Administrative Fees		
Distributions to Participants		
Net Position - End of Year	\$	\$

B. Interfund receivables and payables

The due from/advance from other funds and due to/advance to other funds consist(s) of the following:

Account Number 131XXX/133XXX		Account 211XXX/233XXX	
Due from		Due to	
Due from		Due to	
Due from		Due to	
Due from		Due to	
Due from		Due to	
Total Due From Other Funds	0	Total Due To Other Funds	0

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

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

C. Capital assets

Governmental Activities capital asset activity for the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	2,606.77	0.00	0.00	2,606.77
Construction in progress	0.00	0.00	0.00	0.00
Total capital assets not being depreciated	2,606.77	0.00	0.00	2,606.77
Capital assets being depreciated				
Buildings	519,281.49	0.00	0.00	519,281.49
Intangibles/works of art	0.00	0.00	0.00	0.00
Improvements other than buildings	5,983.01	0.00	0.00	5,983.01
Machinery and equipment	115,562.98	12,500.00	0.00	128,062.98
Infrastructure	0.00	0.00	0.00	0.00
Total capital assets being depreciated	640,827.48	12,500.00	0.00	653,327.48
Less accumulated depreciation for:				
Buildings	(157,122.94)	0.00	(10,320.00)	(167,442.94)
Intangibles/works of art	0.00	0.00	0.00	0.00
Improvements other than buildings	(5,983.01)	0.00	0.00	(5,983.01)
Machinery and equipment	(94,248.69)	0.00	(5,328.57)	(99,577.26)
Infrastructure	0.00	0.00	0.00	0.00
Total accumulated depreciation	(257,354.64)	0.00	(15,648.57)	(273,003.21)
Total capital assets being depreciated	383,472.84	12,500.00	(15,648.57)	380,324.27
Governmental activities capital assets net	<u>386,079.61</u>	<u>12,500.00</u>	<u>(15,648.57)</u>	<u>382,931.04</u>
Governmental Activities Leased - Right-to-use Capital Assets:				
Leased Capital assets not being amortized				
Land - Leased RTU	0.00	0.00	0.00	0.00
Construction in progress - Leased RTU	0.00	0.00	0.00	0.00
Total capital assets not being amortized	0.00	0.00	0.00	0.00
Leased Capital assets being amortized				
Buildings Leased-RTU	0.00	0.00	0.00	0.00
Intangibles/Subscription IT Leased-RTU	0.00	0.00	0.00	0.00
Improvements other than buildings Leased-RTU	0.00	0.00	0.00	0.00
Machinery and equipment Leased RTU	0.00	0.00	0.00	0.00
Infrastructure	0.00	0.00	0.00	0.00
Total capital assets being amortized	0.00	0.00	0.00	0.00
Less accumulated amortization for:				
Buildings and system Leased-RTU	0.00	0.00	0.00	0.00
Intangibles/Sub. IT Leased-RTU	0.00	0.00	0.00	0.00
Improvements other than bldgs Leased-RTU	0.00	0.00	0.00	0.00
Machinery and equipment Leased-RTU	0.00	0.00	0.00	0.00
Infrastructure Leased-RTU	0.00	0.00	0.00	0.00
Total accumulated amortization	0.00	0.00	0.00	0.00
Total leased assets being amortized	0.00	0.00	0.00	0.00
Governmental leased assets net	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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

Governmental activities:	
General government	0.00
Public safety	0.00
Public works	5,328.57
Public health	0.00
Social and economic services	0.00
Culture and recreation	10,320.00
Housing and community development	0.00
Conservation of natural resources	0.00
Uncategorized	0.00
Total depreciation/amortization expense - governmental activities	<u>15,648.57</u>

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

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

C. Capital assets - cont.

Business-type activities capital asset activity for the fiscal year was as follows:

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				0.00
Land	10,946.00			10,946.00
Construction in progress				0.00
Total capital assets not being depreciated	10,946.00	0.00	0.00	10,946.00
Capital assets being depreciated				
Buildings and system				0.00
Intangibles/works of art				0.00
Improvements other than buildings	320,681.81			320,681.81
Machinery and equipment	17,995.46			17,995.46
Source of supply				0.00
Pumping plant	36,241.35			36,241.35
Treatment plant				0.00
Transmission and distribution	5,464,629.19			5,464,629.19
General plant				0.00
Total capital assets being depreciated	5,839,547.81	0.00	0.00	5,839,547.81
Less accumulated depreciation for:				
Buildings and system				0.00
Intangibles/works of art				0.00
Improvements other than buildings	(274,174.13)		(3,100.50)	(277,274.63)
Machinery and equipment	(17,995.46)			(17,995.46)
Source of supply				0.00
Pumping plant	(10,894.82)		(1,810.47)	(12,705.29)
Treatment plant				0.00
Transmission and distribution	(1,148,823.91)		(120,267.06)	(1,269,090.97)
General plant	(54,872.38)			(54,872.38)
Total accumulated depreciation	(1,506,760.70)	0.00	(125,178.03)	(1,631,938.73)
Total capital assets being depreciated	4,332,787.11	0.00	(125,178.03)	4,207,609.08
Business-type activities capital assets net	4,343,733.11	0.00	(125,178.03)	4,218,555.08
			<i>Balance check with page 18:</i>	0.00

Business-type activities Leased Right-to-Use Capital Assets:

Leased RTU Capital assets not being amortized				0.00
Land Leased RTU				0.00
Construction in progress Leased RTU				0.00
Total capital assets not being amortized	0.00	0.00	0.00	0.00
Leased RTU Capital assets being Amortized				
Buildings and system Leased RTU				0.00
Intangibles/Subscription IT Leased RTU				0.00
Improvements other than buildings Leased RTU				0.00
Machinery and equipment Leased RTU				0.00
Infrastructure Leased RTU				0.00
Total capital assets being amortized	0.00	0.00	0.00	0.00
Less accumulated amortization for:				
Buildings and system Leased RTU				0.00
Intangibles/Subscription IT Leased RTU				0.00
Improvements other than buildings Leased RTU				0.00
Machinery and equipment Leased RTU				0.00
Infrastructure Leased RTU				0.00
Total accumulated amortization	0.00	0.00	0.00	0.00
Total capital assets being amortized	0.00	0.00	0.00	0.00
Leased RTU capital assets net	0.00	0.00	0.00	0.00
			<i>Balance check with page 18:</i>	(620.56)

Business-type activities:

WATER FUND	36,770.51
SEWER FUND	88,407.52
GARBAGE FUND	0.00
Name	0.00
Name	0.00
Non-major funds	0.00

Total depreciation/amortization expense - business-type activities 125,178.03

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

4. DETAILED NOTES ON ALL FUNDS - cont.

F. Long-term Obligations

During the fiscal year the local government issued \$0.00 of new general obligation/direct borrowing/revenue bonds of which \$0.00 was recognized in the governmental funds and \$0.00 was recognized in the business-type funds.

Changes in long-term obligations for the year ended June 30, 20XX, are as follows:

	Balance at July 1, 20XX	Increases	Decreases	Balance at June 30, 20XX	Due within One Year
Governmental activities:					
General Obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessment/Improvement District bonds:	\$ -	\$ -	\$ -	\$ -	\$ -
Notes from direct borrowings and direct placements	\$ -	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Tractor Loan	\$ 9,372.13	\$ -	\$ 4,604.24	\$ 4,767.89	\$ 4,767.89
Total	<u>\$9,372</u>	<u>\$0</u>	<u>\$4,604</u>	<u>\$4,768</u>	<u>\$4,768</u>
Business-type activities:					
Revenue bonds	\$ 1,594,700	\$ -	\$ 39,861	\$ 1,554,839	\$ 42,061
Notes from direct borrowings	\$ 7,600	\$ -	\$ 3,800	\$ 3,800	\$ 3,800
Leases	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>\$1,602,300</u>	<u>\$0</u>	<u>\$43,661</u>	<u>\$1,558,639</u>	<u>\$45,861</u>

The local government's outstanding notes from direct borrowings and direct placements related to governmental activities of \$XXX,XXX contains the following provisions:

Disclose the provision here - for example terms specified in debt agreements related to the event of default, outstanding amounts become immediately due if the local government is unable to make the payment, or fails to make the payment, is there a subjective acceleration clause. For more information see GASB 88. [GASB Statement No. 88](#)

The local government's outstanding notes from direct borrowings and direct placements related to business-type activities of \$XXX,XXX contains the following provisions:

Disclose the provision here - for example that in the event of default, outstanding amounts become immediately due if the County/City/Town is unable to make the payment. Does the debt include a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determine that a material adverse change has occurred.

The local government's outstanding notes from direct borrowings related to governmental/business-type activities of \$4767.89 are secured with a 2016 Farmall Tractor

The local government also has an unused line of credit in the amount of \$XXX,XXX.

Debt Service requirements on long-term debt at June 30, 20XX, are as follows:

Year Ending June 30,	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ -	\$ 4,768	\$ 164
2024	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -
2027-2031	\$ -	\$ -	\$ -	\$ -
Thereafter	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,768</u>	<u>\$ 164</u>
Year Ending June 30,	Business-type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 1,631,526	\$ -	\$ -	\$ -
2023	\$ 1,558,639	\$ -	\$ -	\$ -
2024	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -
2026-2030	\$ -	\$ -	\$ -	\$ -
Thereafter	\$ -	\$ -	\$ -	\$ -
	<u>\$ 3,190,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

During the fiscal year, in addition to the debt listed above the local government had the following changes in Other Long-Term Liabilities for Other Postemployment Benefits (OPEB), Net Pension Liability and Compensated Absences.

TOWN OF FROID (6410)
PUBLIC EMPLOYEES' RETIREMENT SYSTEM – DEFINED BENEFIT
GASB 68 NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED

JUNE 30, 2022 (measurement date)
JUNE 30, 2023 (reporting date)

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). This includes the proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. Employers are provided guidance in GASB Statement 68, paragraph 74, where pension amounts must be combined as a total or aggregate for reporting, whether provided through cost-sharing, single-employer, or agent plans. This report provides information for employers who are using a June 30, 2022, measurement date for the 2023 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2023.

Summary of Significant Accounting Policies - 79

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

General Information about the Pension Plan – 76a, 76b, 76c

Plan Description – 76a: The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

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

Benefits provided – 76b: The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement:

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

Early Retirement:

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

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

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - No service credit for second employment.
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - The same retirement as prior to the return to service.
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

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

Guaranteed Annual Benefit Adjustment (GABA)

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

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

Contributions – 76c: The State Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding: The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who received *special funding* are all participating employers.

Not Special Funding: Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions.

Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & Universities	Local Government		School Districts	
	Hired < 07/01/11	Hired > 07/01/11	Employer	Employer	State	Employer	State
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012 – 2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010 – 2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008 – 2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000 - 2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.
3. Non-Employer Contributions:
 - a. Special Funding
 - i. The state contributed 0.1% of members' compensation on behalf of local government entities.
 - ii. The state contributed 0.37% of members' compensation on behalf of school district entities.
 - iii. The state contributed a Statutory Appropriation from the General Fund of \$34,633,570.

Pension Liabilities (80a, 80b, 80c, 80d, 80e, 80f), Pension Expense (80g, 80j), and Deferred Outflows of Resources and Deferred Inflows of Resources (57, 80h, 80i) Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end. The basis for the Total Pension Liability (TPL) as of June 30, 2022, is on an actuarial valuation performed by the Plan’s actuary as of June 30, 2022.

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer’s and the State of Montana’s NPL for June 30, 2022, and 2021, are displayed below. The employer’s proportionate share equals the ratio of the employer’s contributions to the sum of all employer and non-employer contributions during the measurement period. The state’s proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$68,248 and the employer’s proportionate share was 0.002870 percent.

As of measurement date	Net Pension Liability as of 6/30/2022	Net Pension Liability as of 6/30/2021	Percent of Collective NPL as of 6/30/2022	Percent of Collective NPL as of 6/30/2021	Change in Percent of Collective NPL
TOWN OF FROID Proportionate Share	\$ 68,248	\$ 47,522	0.002870%	0.002621%	0.000249%
State of Montana Proportionate Share associated with Employer	\$ 20,303	\$ 13,944	0.000854%	0.000769%	0.000085%
Total	\$ 88,551	\$ 61,466	0.003724%	0.003390%	0.000334%

Changes in actuarial assumptions and methods: The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

1. The discount rate was increased from 7.06% to 7.30%.
2. The investment rate of return was increased from 7.06% to 7.30%.
3. Updated all mortality tables to the PUB2010 tables for general employees.
4. Updated the rates of withdrawal, retirement, and disability.
5. Lowered the payroll growth assumption from 3.50% to 3.25%.
6. The inflation rate was increased from 2.40% to 2.75%.

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

Changes in proportionate share: There were no changes to the Plan between the measurement date of the collective NPL and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL.

Note to Employers: Each employer may have unique circumstances that will impact the employer’s proportionate share of the collective net pension. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer’s proportionate share of the collective net pension liability, if known.

Pension Expense – 80g, 80j: At June 30, 2022, the employer recognized a Pension Expense of \$6,992 for its proportionate share of the Plan’s pension expense. The employer also recognized grant revenue of \$2,104 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the employer. (Two years of pension expense are documented in the table below but are not necessary for the employer’s disclosures.)

As of measurement date	Pension Expense as of 6/30/2022	Pension Expense as of 6/30/2021
TOWN OF FROID’s Proportionate Share	\$6,992	\$(2,947)
State of Montana Proportionate Share associated with the Employer	2,104	3,633
Total	\$9,096	\$686

Recognition of Deferred Inflows and Outflows – 57, 80h, 80i: At June 30, 2022, the employer reported its proportionate share of the Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. Actual Experience	\$870	\$0
Projected Investment Earnings vs. Actual Investment Earnings	2,006	0
Changes in Assumptions	2,543	4,996
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,594	0
Employer Contributions Subsequent to the Measurement Date	#	
Total	\$8,013	\$4,996
<i># the employer’s contributions subsequent to the measurement date must be entered by the employer. These are the FY2023 contributions paid to the Plan.</i>		

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

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2023	\$1,452
2024	\$(839)
2025	\$(2,163)
2026	\$4,567
Thereafter	\$ 0

2023 PERS-DBRP GASB Disclosures

Actuarial Assumptions - 77: The total pension liability as of June 30, 2022, was determined on the results of an actuarial valuation date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

Investment Return (net of pension plan investment expense, including inflation)	7.30%
General Wage Growth * *includes Inflation at	3.50% 2.75%
Merit Increases	0% to 4.80%
Postretirement Benefit Increases 1. Guaranteed Annual Benefit Adjustment (GABA) each January <ul style="list-style-type: none"> • After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit. <ul style="list-style-type: none"> • Members hired prior to July 1, 2007 3.0% • Members hired between July 1, 2007 & June 30, 2013 1.5% • Members hired on or after July 1, 2013 1.5% <ul style="list-style-type: none"> • For each year PERS is funded at or above 90% <ul style="list-style-type: none"> • The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90% • 0% whenever the amortization period for PERS is 40 years or more 0% 	
Mortality: <ul style="list-style-type: none"> • Active Participants • Disabled Retirees • Contingent Survivors • Healthy Retirees 	<p>PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.</p> <p>PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.</p> <p>PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.</p> <p>PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.</p>

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

Discount Rate – 78a, 78b, 78d, 78e: The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2126. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations – 78c and 78f: The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2022, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding

expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash	3.0%	(0.33%)
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Total	100.0%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – 78g: The following presents the employer’s sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1.0% Decrease (6.30%)	Current Discount Rate	1.0% Increase (8.30%)
TOWN OF FROID’s Net Pension Liability	\$98,382	\$68,248	\$42,965

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan’s fiduciary net position. These reports, as well as the actuarial valuations and experience study, are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

TOWN OF FROID (6410)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years*
81a1

As of measurement date	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the Net Pension Liability (percentage)	0.002870%	0.002621%	0.002778%	0.002897%	0.003001%	0.004167%	0.004274%	0.004156%	0.003856%
Employer's Net Pension Liability (amount)	\$68,248	\$47,522	\$73,288	\$60,565	\$62,631	\$81,148	\$72,803	\$58,101	\$48,044
State's Net Pension Liability (amount)	20,303	13,944	22,993	19,634	20,906	1,001	890	714	587
Total	\$88,551	\$61,466	\$96,281	\$80,199	\$83,537	\$82,149	\$73,693	\$58,814	\$48,631
Employer's Covered Payroll ¹	\$50,439	\$46,295	\$46,610	\$47,807	\$49,350	\$50,552	\$51,197	\$48,505	\$43,766
Employer's Proportionate Share as a percent of Covered Payroll	135.31%	102.65%	157.24%	126.69%	126.91%	160.52%	142.20%	119.78%	111.22%
Plan Fiduciary Net Position as a percent of Total Pension Liability	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

**The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

¹All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF FROID (6410)
Required Supplementary Information
Schedule of Contributions
For the Last Ten Fiscal Years*
81b

As of most recent FYE (reporting date)	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required DB Contributions	#	\$4,486	\$4,103	\$4,084	\$4,112	\$4,180	\$4,326	\$4,279	\$3,997
Plan Choice Rate Required Contributions	#	\$0	\$0	\$0	\$0	\$0	\$0	\$34	\$57
Contributions in Relation to the Contractually Required Contributions	#	\$4,486	\$4,103	\$4,084	\$4,112	\$4,180	\$4,326	\$4,314	\$4,054
Contribution Deficiency (Excess)	#	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employer's Covered Payroll ¹	#	\$50,439	\$46,295	\$46,610	\$47,807	\$49,350	\$50,552	\$51,197	\$48,505
Contributions as a percent of Covered Payroll	#	8.89%	8.86%	8.76%	8.60%	8.47%	8.56%	8.43%	8.36%
<i># the employer must enter FY2023 data</i>									

**The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

¹All employer adjustments made in fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF FROID (6410)
Notes to Required Supplementary Information
for the Year ended June 30, 2022
82

Changes of Benefit Terms

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

2017:**Working Retiree Limitations – for PERS**

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

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

Interest credited to member accounts – Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

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

Changes in Actuarial Assumptions and Methods**Method and assumptions used in calculations of actuarially determined contributions**

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2022, which were based on the results of the June 30, 2021 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of Payroll	0.29%

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

The actuarial assumptions and methods utilized in the June 30, 2021 valuation, were developed in the six-year experience study for the period ending 2016.

Sample Journal Entries

Sample journal entries are provided. Employers, please reference the guidance provided in the *Guide to Implementation of GASB Statement 68* illustrations 3 and 4.

The entries in this disclosure are for the employer who has reported GASB Statement 68 since implementation. The implementation year entries are far different than succeeding years. The entries are provided as guidance and should be analyzed by the employer's accounting staff to ensure accuracy for the specific employer.

MPERA makes no management representations for the employer's entries.

TOWN OF FROID (6410)
Sample Journal Entries
For Employer’s Fiscal Year Ended June 30, 2023 (June 30, 2022 Measurement Date)

	<u>Debit</u>	<u>Credit</u>
Proportionate share of beginning collective net pension liability	\$47,522	
Proportionate share of ending collective net pension liability		\$68,248
Pension expense – Employer	6,992	0
Deferred outflows/inflows of resources – Difference b/w Expected and Actual Experience	707	0
Deferred outflows/inflows of resources – Difference b/w Projected and Actual Investment Earnings	21,257	0
Deferred outflows/inflows – Change of Assumptions	0	9,492
Deferred outflows/inflows –Difference b/w Actual and Expected Contributions & Change in Proportionate Share	5,747	0
Deferred outflows of resources – Employer contributions 7/1/2021 – 6/30/2022		4,486
To record current year activity	\$82,226	\$82,226
Pension expense – Non-Employer Contributing Entity	\$2,104	
Revenue – State aid		\$2,104
To record pension expense and revenue for State support		
Deferred outflows of resources – Employer contributions 7/1/2022– 6/30/2023	\$xx,xxx	
Pension expense		\$xx,xxx
To record deferred outflows of resources for contributions subsequent to measurement date		

¹The employer contributions for 7/1/2021 – 6/30/2022 use the employer’s defined benefit contributions on the June 30, 2022 Covered Payroll and are adjusted by the actuary to align with the total employer and state contributions presented on the financial statements included in the June 30, 2022 PERB ACFR.

NOTE: Due to the nature of the calculations and the rounding involved in the presentation of the amounts on this page, your debits and credits may not equal.

**TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023**

4. DETAILED NOTES ON ALL FUNDS - cont.

K. 1. Fund Balance Disclosure:

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

Non-spendable includes fund balances that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted includes fund balances that are constrained for specific purposes which are externally imposed by providers such as creditors, or amounts constrained due to law, constitutional provisions or enabling legislation.

Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

Assigned includes fund balance amounts that are intended to be used for a specific purpose that are neither considered restricted or committed.

Fund balances may be assigned by the following designated individuals, positions or bodies:

Mayor	
Council	
By taking the following action:	

Unassigned fund balance includes positive fund balance within the General Fund which has not been classified within the above mentioned classifications. Negative fund balances in other governmental funds will be reported as unassigned.

2. Net Position

The government-wide and proprietary fund financial statements report net position. Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflows of resources. Components of net position are net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation plus capital related deferred outflows of resources, less outstanding balance of any related borrowing used for the acquisition, construction, or improvement of those assets and capital related deferred inflows of resources. Restricted net position is defined above (see J1), and unrestricted net position is any portion of net position that does not meet the definition of net investment in capital assets and restricted.

K. Spending policy:

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

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

The Local Government receives inflows from revenue and other financial sources from numerous sources for use in the Special Revenue, Debt Service and Capital Project funds. These funds will expend those resources on the specific purpose of the fund. The intention of this spending policy is to identify the expenditure order resource categories for the Funds. Resources will be categorized according to Generally Accepted Accounting Principles (GAAP) for state and local governments. When both restricted and unrestricted resources are available in these funds, the following spending policy will apply or the default will apply is a policy has not been adopted.

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

**TOWN OF FROID
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDING JUNE 30, 2023**

4. DETAILED NOTES ON ALL FUNDS - cont.

L. Minimum Fund Balance Policy:

The Local Government has/or does not have a minimum fund balance policy in place. *(Describe the fund balance policy if applicable.)*

M. Major Special Revenue Funds:

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

<u>Major Special Revenue Fund:</u>	<u>Revenue Source:</u>

N. The Non-spendable Fund Balance is comprised of the following:

Amounts reported as inventory or prepaid items include the following:

Amounts legally or contractually required to remain intact include the following:

Amounts not in cash form such as the long-term portion of loans receivable include the following:

O. Committed Fund Balance:

The Government committed fund balance by taking the following action:

<u>Major Purpose:</u>	<u>Amount:</u>	<u>Action Taken:</u>

P. Restricted Fund Balance:

Fund balance is restricted by:

<u>Major Purpose:</u>	<u>Amount:</u>	<u>Source of Restriction</u>

TOWN OF FROID
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDING JUNE 30, 2023

5. **BOC SUPPLEMENT SCHEDULE**

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

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

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

Amount - Omit cents
41,239

3. **Debt outstanding**

A. Long-term debt outstanding, issued and retired

Purpose	Bonds Outstanding 7/1/2022	Amount -- Omit cents			
		Bonds during the fiscal year		Outstanding as of 6/30/2023	
		Issued	Retired	General Obligation	Revenue bonds
Water utility	19A 254051	29A	39A 12712	41A	44A 241338
Sewer utility	1340649	29X	39X 27148	41X	44X 1313501
Gas utility	19C	29C	39C	41C	44C
Electric utility	19B	29B	39B	41B	44B
All other	19X	29X	39X	41X	44X

B. Short-term debt

Type	Beginning of fiscal year	End of fiscal year
Registered warrants	61V	64V
Contracts payable		
Notes payable	17,025	12,368
Totals		

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

Type of funds	Amount -- Omits cents
General fund (1000)	W61 75469
Special revenue funds (2000)	W61 31794
Debt Service funds (3000)	W01 0
Capital projects funds (4000)	W31 0
Enterprise funds (5000)	W61 241004
Internal services funds (6000)	0
Trust and custodial funds (7000)	1568
Permanent funds (8000)	0
Total cash all funds	349835

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWN OF FROID					
GENERAL FUND					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
BUDGET AND ACTUAL					
FISCAL YEAR ENDING JUNE 30, 2023					
					VARIANCE WITH
BUDGETED AMOUNTS					FINAL BUDGET
Account Number	Description	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
REVENUES					
Taxes:					
311000/312000	Property taxes	44,450.00	44,450.00	45,260.28	810.28
314140	Local option taxes	3,000.00	3,000.00	3,533.21	533.21
Licenses and permits					
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
Intergovernmental revenue (See supplemental section for detail)					
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants	0.00	0.00	350.00	350.00
335000/336	State shared revenues	29,451.00	29,451.00	33,287.32	3,836.32
337000	Local grants				0.00
338000	Local shared revenues				0.00
Charges for services					
341000	General government				0.00
342000	Public safety				0.00
343000	Public works	3,500.00	3,500.00	4,367.50	867.50
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation	2,000.00	2,000.00	4,460.00	2,460.00
Fines and forfeitures					
351010	Justice court	200.00	200.00	200.00	0.00
351020	District court				0.00
351030	City court				0.00
360000	Miscellaneous	375.00	375.00	7,617.21	7,242.21
370000	Investment and royalty earnings	275.00	275.00	484.03	209.03
Total revenues		83,251.00	83,251.00	99,559.55	16,308.55
EXPENDITURES					
Current:					
410000	General Government:				
410100	Legislative services				
100	Personal services	2,650.00	2,650.00	2,583.84	66.16
200-800	Supplies/services/materials, etc	150.00	150.00	65.50	84.50
900	Capital outlay				0.00
410200	Executive services				
100	Personal services	1,320.00	1,320.00	1,291.80	28.20
200-800	Supplies/services/materials, etc	100.00	100.00	0.00	100.00
900	Capital outlay				0.00
410300	Judicial services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00

TOWN OF FROID					
GENERAL FUND					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
BUDGET AND ACTUAL					
FISCAL YEAR ENDING JUNE 30, 2023					
Account Number	Description	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		ORIGINAL	FINAL		
410400	Administrative services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
410500	Financial services				
100	Personal services	24,000.00	24,000.00	23,347.47	652.53
200-800	Supplies/services/materials, etc	10,000.00	10,000.00	2,304.24	7,695.76
900	Capital outlay				0.00
410600	Elections				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	50.00	50.00	0.00	50.00
900	Capital outlay				0.00
410900	Records administration				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	25.00	25.00	0.00	25.00
900	Capital outlay				0.00
411000	Planning & Research services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
411100	Legal services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	2,600.00	2,600.00	2,006.25	593.75
900	Capital outlay				0.00
411200	Facilities administration				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	21,725.00	21,725.00	21,743.97	(18.97)
900	Capital outlay				0.00
411600	Public school administration				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
411800	Other General Government services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420000	Public Safety:				
420100	Law enforcement services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	7,500.00	7,500.00	7,527.46	(27.46)
900	Capital outlay				0.00
420200	Detention and correction				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420300	Probation and parole				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00

TOWN OF FROID					
GENERAL FUND					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
BUDGET AND ACTUAL					
FISCAL YEAR ENDING JUNE 30, 2023					
					VARIANCE WITH
BUDGETED AMOUNTS					FINAL BUDGET
Account Number	Description	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
420400	Fire protection				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	3,000.00	3,000.00	1,818.32	1,181.68
900	Capital outlay				0.00
420500	Protective inspections				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420600	Civil defense				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
420700	Emergency services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430000	Public Works:				
430100	Public works administration				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430200	Road and street services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	11,550.00	11,550.00	8,546.29	3,003.71
900	Capital outlay				0.00
430300	Airport				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430400	Transit systems				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430500	Water utilities				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430600	Sewer utilities				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
430800	Solid waste services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	400.00	400.00	0.00	400.00
900	Capital outlay				0.00
430900	Cemetery services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
431100	Weed control				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	1,000.00	1,000.00	882.50	117.50
900	Capital outlay				0.00

TOWN OF FROID					
GENERAL FUND					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
BUDGET AND ACTUAL					
FISCAL YEAR ENDING JUNE 30, 2023					
					VARIANCE WITH
					FINAL BUDGET
BUDGETED AMOUNTS					
Account Number	Description	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
431300	Central shop services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440000	Public Health:				
440100	Public health services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440200	Hospitals				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440300	Nursing homes				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440400	Mental health center				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440600	Animal control services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
440700	Insect and pest controls				
100	Personal services				0.00
200-800	Supplies/services/materials, etc	400.00	400.00	117.96	282.04
900	Capital outlay				0.00
450000	Social and Economic Services:				
450100	Welfare				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450200	Veteran's services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450300	Aging services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00
450400	Extension services				
100	Personal services				0.00
200-800	Supplies/services/materials, etc				0.00
900	Capital outlay				0.00

**TOWN OF FROID
FISCAL YEAR ENDING JUNE 30, 2023**

**Public Employees Retirement Plan (PERS)
Other Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years***

81a1

Reporting Date:	2023	2022	2021	2020	2019	2018	2017	2016	2015
As of Measurement Date:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the Net Pension Liability (percentage)	0.002870%	0.002621%	0.002778%	0.2897%	0.003001%	0.004167%	0.004274%	0.004156%	0.003856%
Employer's Net Pension Liability (amount)	68248	47522	73288	60,565	62,631	81,148	72,803	58,101	48,044
State of Montana's Net Pension Liability (amount)	20303	13944	22993	19,634	20,906	1,001	890	714	587
Total	\$88,551.00	\$61,466.00	\$96,281.00	\$ 80,199.00	\$ 83,537.00	\$ 82,149.00	\$ 73,693.00	\$ 58,815.00	\$ 48,631.00
Employer's Covered Payroll ¹	50439	46295	46610	47,807	49,350	50,552	51,197	48,505	43,766
Employer's Proportionate Share as a percent of Covered Payroll	135.31%	102.65%	157.24%	126.69%	126.91%	160.52%	142.20%	119.78%	111.22%
Plan Fiduciary Net Position as a percent of the Total Pension Liability	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%

**The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

¹ All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TOWN OF FROID
Required Supplementary Information
Schedule of Contributions
For the Last Ten Fiscal Years***

81b

As of most recent FYE - (reporting date)	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required DB Contributions		4486	4103	4,084	4,112	4,180	4,326	4,279	3,997
Plan Choice Rate Required Contributions		0	0	0	0	0	0	34	57
Contributions in Relation to the Contractually Required Contributions		4486	4103	4,084	4,112	4,180	4,326	4,314	4,054
Contribution Deficiency (Excess)		0	0	0	0	0	0	0	0
Employer's Covered Payroll ¹	35023.25	50,439	46,295	46,610	47,807	49,350	50,552	51,197	48,505
Contributions as a percentage of Covered Payroll		8.89%	8.86%	8.76%	8.60%	8.47%	8.56%	8.43%	8.36%

**The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

¹ All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF FROID
Notes to the Required Supplementary Information
For the Employer's Fiscal Year Ended June 30, 2022 (June 30, 2021 Measurement Date)
82

Changes of Benefit Terms

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

2017

Working Retiree Limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

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

Interest credited to member accounts – Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

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

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2019 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increase	0% to 8.47%
Asset valuation method	Four year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining Amortization method	30 years
Mortality (Healthy members)	For Males and Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males and Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as % of Payroll	0.30%

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

**OTHER
SUPPLEMENTARY
INFORMATION**

**TOWN OF FROID
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

		JUNE 30, 2023	Fund #2821	Fund #2992	NONMAJOR
		Gas Tax Fund	BarSAA- Special Gas Tax	ARPA	SPECIAL
ACCOUNT NUMBER	DESCRIPTION				REVENUE FUNDS
	ASSETS				
101000	Cash and cash equivalents	12,441.90	19,352.22	0.00	31,794.12
103000	Petty cash				0.00
101100	Investments				0.00
102000	Cash and cash equivalents - restricted				0.00
102300	Investments - restricted				0.00
106000	Valuation of investments to fair value				0.00
	Taxes receivable:				
111000	Mobiles				0.00
113000	Real estate				0.00
114000	Net proceeds				0.00
115000	Personal				0.00
116000	Protested				0.00
118000	Special assessments				0.00
120000	Accounts/other receivables (net of allowance for uncollectibles)				0.00
127500	Leases Receivable				0.00
131000	Due from other funds				0.00
132000	Due from other governments				0.00
133000	Advances to other funds				0.00
140000	Prepaid expense				0.00
150000	Inventories				0.00
170000	Other debits				0.00
	Total Assets	12,441.90	19,352.22	0.00	31,794.12
	DEFERRED OUTFLOWS OF RESOURCES				
190000	Deferred Outflows of Resources				0.00
19xxxx	Deferred Outflows of Resources				0.00
	Total Deferred Outflows of Resources	0.00	0.00	0.00	0.00
	LIABILITIES				
201000	Warrants payable				0.00
202100	Accounts payable				0.00
203100	Judgments payable				0.00
204000	Contracts/loans/notes payable				0.00
205200	Matured interest payable				0.00
205500	Leases - short-term				0.00
206100	Other accrued payables				0.00
211000	Due to other funds				0.00
212000	Due to other governments				0.00
214000	Deposits payable				0.00
216000	Revenues collected in advance				0.00
233000	Advances from other funds				0.00
	Total Liabilities	0.00	0.00	0.00	0.00
	DEFERRED INFLOWS OF RESOURCES				
220000	Deferred Inflows of Resources				0.00
223000	Deferred Inflows of Tax Revenues				0.00
	Total Deferred Inflows of Resources	0.00	0.00	0.00	0.00
	FUND BALANCES:				
250100	Non-spendable				0.00
250200	Restricted	12,441.90	19,352.22		31,794.12
260100	Committed				0.00
260200	Assigned				0.00
271000	Unassigned (negative balance only)	0.00	0.00	0.00	0.00
	Total Fund Balances	12,441.90	19,352.22	0.00	31,794.12
	Total Liabilities, Deferred Inflows of Resources and Fund Balances	12,441.90	19,352.22	0.00	31,794.12

TOWN OF FROID
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

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TOWN OF FROID
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

		Fund #2820			
		Gas Tax Fund			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	REVENUES				
	Taxes:				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	Licenses and permits				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	Intergovernmental revenue (See supplemental section for detail)				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues	10,005.73	10,005.73	10,005.73	0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	Charges for services				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	Fines and forfeitures				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	Miscellaneous				0.00
370000	Investment and royalty earnings				0.00
	Total revenues	10,005.73	10,005.73	10,005.73	0.00

TOWN OF FROID
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

		Fund #2821			
		BaRSAA- Special Gas Tax			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	REVENUES				
	Taxes:				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	Licenses and permits				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	Intergovernmental revenue (See supplemental section for detail)				
331000	Federal grants				0.00
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues	11,000.00	11,000.00	0.00	(11,000.00)
337000	Local grants				0.00
338000	Local shared revenues				0.00
	Charges for services				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	Fines and forfeitures				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	Miscellaneous				0.00
370000	Investment and royalty earnings				0.00
	Total revenues	11,000.00	11,000.00	0.00	(11,000.00)

TOWN OF FROID
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

		Fund #2992			
		ARPA			
		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	REVENUES				
	Taxes:				
311000/312000	Property taxes				0.00
314140	Local option taxes				0.00
	Licenses and permits				
322010	Alcoholic beverage licenses				0.00
322020	General business licenses				0.00
323010	Building permits				0.00
323030	Animal licenses				0.00
323050	Other permits				0.00
	Intergovernmental revenue (See supplemental section for detail)				
331000	Federal grants	26,083.00	26,083.00	27,716.22	1,633.22
332000/333	Federal shared revenues				0.00
334000	State grants				0.00
335000/336	State shared revenues				0.00
337000	Local grants				0.00
338000	Local shared revenues				0.00
	Charges for services				
341000	General government				0.00
342000	Public safety				0.00
343000	Public works				0.00
344000	Public health				0.00
345000	Social/economic services				0.00
346000	Culture and recreation				0.00
	Fines and forfeitures				
351010	Justice court				0.00
351020	District court				0.00
351030	City court				0.00
360000	Miscellaneous				0.00
370000	Investment and royalty earnings				0.00
	Total revenues	26,083.00	26,083.00	27,716.22	1,633.22

TOWN OF FROID
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

		TOTALS			
		BUDGETED AMOUNTS		ACTUAL	VARIANCE
ACCOUNT	DESCRIPTION	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
NUMBER	DESCRIPTION	ORIGINAL	FINAL	AMOUNTS	BUDGET
					POSITIVE
					(NEGATIVE)
	REVENUES				
	Taxes:				
311000/312000	Property taxes	0.00	0.00	0.00	0.00
314140	Local option taxes	0.00	0.00	0.00	0.00
	Licenses and permits				
322010	Alcoholic beverage licenses	0.00	0.00	0.00	0.00
322020	General business licenses	0.00	0.00	0.00	0.00
323010	Building permits	0.00	0.00	0.00	0.00
323030	Animal licenses	0.00	0.00	0.00	0.00
323050	Other permits	0.00	0.00	0.00	0.00
	Intergovernmental revenue (See supplemental section for detail)				
331000	Federal grants	26,083.00	26,083.00	27,716.22	1,633.22
332000/333	Federal shared revenues	0.00	0.00	0.00	0.00
334000	State grants	0.00	0.00	0.00	0.00
335000/336	State shared revenues	21,005.73	21,005.73	10,005.73	(11,000.00)
337000	Local grants	0.00	0.00	0.00	0.00
338000	Local shared revenues	0.00	0.00	0.00	0.00
	Charges for services				
341000	General government	0.00	0.00	0.00	0.00
342000	Public safety	0.00	0.00	0.00	0.00
343000	Public works	0.00	0.00	0.00	0.00
344000	Public health	0.00	0.00	0.00	0.00
345000	Social/economic services	0.00	0.00	0.00	0.00
346000	Culture and recreation	0.00	0.00	0.00	0.00
	Fines and forfeitures				
351010	Justice court	0.00	0.00	0.00	0.00
351020	District court	0.00	0.00	0.00	0.00
351030	City court	0.00	0.00	0.00	0.00
360000	Miscellaneous	0.00	0.00	0.00	0.00
370000	Investment and royalty earnings	0.00	0.00	0.00	0.00
	Total revenues	47,088.73	47,088.73	37,721.95	(9,366.78)
		-65A-			

TOWN OF FROID
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

		TOTALS			
					VARIANCE
					WITH FINAL
		BUDGETED AMOUNTS			BUDGET
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
	EXPENDITURES				
	Current:				
410000	General Government:				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	6,216.00	6,216.00	6,216.22	(0.22)
420000	Public Safety				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
430000	Public Works				
100	Personal services	9,000.00	9,000.00	2,272.97	6,727.03
200-800	Supplies/services/materials, etc	67,227.00	67,227.00	26,160.24	41,066.76
440000	Public Health				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
450000	Social and Economic Services				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
460000	Culture and Recreation				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
470000	Housing and Community Development				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
480000	Conservation of Natural Resources				
100	Personal services	0.00	0.00	0.00	0.00
200-800	Supplies/services/materials, etc	0.00	0.00	0.00	0.00
900	Capital expenditures	7,500.00	7,500.00	12,500.00	(5,000.00)
490000	Debt, Lease, and SBITA Service				
610	Principal	0.00	0.00	0.00	0.00
620	Interest	0.00	0.00	0.00	0.00
510000	Miscellaneous	0.00	0.00	0.00	0.00
	Total expenditures	89,943.00	89,943.00	47,149.43	42,793.57
	Excess of revenues over expenditures	(42,854.27)	(42,854.27)	(9,427.48)	33,426.79
	OTHER FINANCING SOURCES (USES)				
381000	Bonds issued	0.00	0.00	0.00	0.00
381000	Discount on bonds issued	0.00	0.00	0.00	0.00
381050	Inception of lease/SBITA	0.00	0.00	0.00	0.00
381070	Notes/loans/intercap issued	0.00	0.00	0.00	0.00
382010	Sale of assets	0.00	0.00	0.00	0.00
383000	Transfers In	0.00	0.00	0.00	0.00
520000	Transfers out (enter as a negative)	0.00	0.00	0.00	0.00
384000	Special items - revenue	0.00	0.00	0.00	0.00
385000	Extraordinary items - revenue	0.00	0.00	0.00	0.00
524000	Special items - expenditure (enter as negative)	0.00	0.00	0.00	0.00
525000	Extraordinary items - expenditure(enter as negative)	0.00	0.00	0.00	0.00
	Total other financing sources (uses)	0.00	0.00	0.00	0.00
	Net change in fund balance	(42,854.27)	(42,854.27)	(9,427.48)	33,426.79
	Fund balances - July 1, 2022 as previously reported			41,221.60	
	Prior period adjustments			0.00	
	Fund balances - July 1, 2022 as restated			41,221.60	
	Fund balances - June 30, 2023			31,794.12	

ALL FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
FISCAL YEAR ENDING JUNE 30, 2023

Fund Number	Description	Cash balance 7/1/2022	Receipts	Transfers in	Disbursements	Transfers Out	Cash balance 6/30/2023
1000	GENERAL	57,622.23	99,762.05			81,915.76	75,468.52
2000	SPECIAL REVENUE FUNDS						
2100	Resort Tax						0.00
2110	Road						0.00
2120	Poor						0.00
2130	Bridge						0.00
2140	Weed control						0.00
2150	Predatory animal						0.00
2160	Fair						0.00
2170	Airport						0.00
2180	District court						0.00
2190	Comprehensive Insurance						0.00
2191	Property insurance						0.00
2200	Mosquito						0.00
2210	Parks/Recreation/Civic center						0.00
2220	Library						0.00
2230	Ambulance						0.00
2240	Cemetery						0.00
2250	Planning						0.00
2251	Planning/Zoning						0.00
2260	Disaster						0.00
2270	Health						0.00
2271	Mental health						0.00
2280	Senior citizens						0.00
2281	Senior citizens transp.						0.00
2290	Extension service						0.00
2300	Public safety						0.00
2320	Economic Development						0.00
2330	Rodent control						0.00
2340	Fire control						0.00
2360	Museum						0.00
2370	Employer retirement						0.00
2371	Health insurance						0.00
2390	D.A.R.E.						0.00
2393	Records preservation						0.00
2400	Light maintenance districts (all)						0.00
2500	Maintenance districts (all)						0.00
2800	Alcohol rehabilitation						0.00
2810	Police reserve						0.00
2820	Gas tax	20,471.11	10,005.73			18,034.94	12,441.90
2821	BaRSAA	20,750.49				1,398.27	19,352.22
2850	911 Emergency						0.00
2860	Land planning						0.00
2890	Lewis and Clark Bicentennial Grant						0.00
2894	State allocated federal mineral royalties						0.00
2900	P.I.L.T.						0.00
							0.00
2940	C.D.B.G.						0.00
2960-79	Health grants (all)						0.00
							0.00
							0.00
2980	Aging services						0.00
2992	ARPA	27,716.22				27,716.22	0.00
2993	ARPA-Minimum Allocation Grant	0.00	8,526.79			8,526.79	
	TOTAL SPECIAL REVENUE	68,937.82	18,532.52	0.00	0.00	55,676.22	31,794.12

ALL FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
FISCAL YEAR ENDING JUNE 30, 2023

Fund Number	Description	Cash balance 7/1/2022	Receipts	Transfers in	Disbursements	Transfers Out	Cash balance 6/30/2023
3000	DEBT SERVICE FUNDS (list)						
3400	S.I.D. revolving						0.00
							0.00
							0.00
	TOTAL DEBT SERVICE FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
4000	CAPITAL PROJECTS FUNDS (list)						
							0.00
							0.00
							0.00
	TOTAL CAPITAL PROJECTS FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
5000	ENTERPRISE FUNDS (list)						
5110	Hospital/Nursing						0.00
5210	Water	73,363.41	99,737.40	32.24	8,597.49	93,539.96	70,995.60
5310	Sewer	113,437.45	100,134.67	219.56	5,038.00	66,628.85	142,124.83
5410	Solid Waste	18,456.18	57,742.38	41.99	28.00	48,328.51	27,884.04
5510	Ambulance						0.00
5610	Airport						0.00
	TOTAL ENTERPRISE FUNDS	205,257.04	257,614.45	293.79	13,663.49	208,497.32	241,004.47
6000	INTERNAL SERVICE FUNDS (list)						
							0.00
							0.00
	TOTAL INTERNAL SERVICE FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
7000	TRUST FUNDS (list)						
7001	Police reserve						0.00
7002	Fire disability pension						0.00
							0.00
7010	Cemetery perpetual care						0.00
							0.00
							0.00
7100	CUSTODIAL FUNDS (list)						
7110	Bed tax collection						0.00
7120	Fire disability						0.00
7130	Protested tax						0.00
7140	Public administrator						0.00
7150	Redemptions						0.00
							0.00
7160	Clerk of district court						0.00
7170	Partial tax payments						0.00
							0.00
7190	Migratory stock						0.00
7200	SPECIAL DISTRICTS (list)						
							0.00
							0.00
							0.00
							0.00

ALL FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
FISCAL YEAR ENDING JUNE 30, 2023

Fund Number	Description	Cash balance 7/1/2022	Receipts	Transfers in	Disbursements	Transfers Out	Cash balance 6/30/2023
7400	Custodial - State (all)						0.00
7700	District schools (all)						0.00
7805	General School Elementary						0.00
7810	General School H.S.						0.00
7815	Community College						0.00
7820	Transportation H.S./Elementary						0.00
7830	Retirement H.S.						0.00
7840	Retirement elementary						0.00
7850	CUSTODIAL - CITIES AND TOWNS (list)						
7902	Ambulance Agency Fund	0.00	50,000.00	0.00	0.00	50,000.00	0.00
							0.00
							0.00
							0.00
7900	CUSTODIAL - OTHER						
7910	Payroll fund						0.00
7930	Claims fund	1,367.87		395,795.51	395,595.71		1,567.67
	TOTAL TRUST AND CUSTODIAL FUNDS	1,367.87	50,000.00	395,795.51	395,595.71	50,000.00	1,567.67
8000	PERMANENT FUNDS						
							0.00
							0.00
							0.00
	TOTAL PERMANENT FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
	TOTALS (to be accounted for)	333,184.96	425,909.02	396,089.30	409,259.20	396,089.30	349,834.78

****PROPERTY TAXES COLLECTED**

Fund number	Description	Receipts	Disbursements	Undisbursed receipts 06/30/20__
7820	Transportation H.S./Elementary			
7830	Retirement H.S.			
7840	Retirement elementary			

****THIS INFORMATION CAN BE TAKEN FROM FP-6b REPORT (TREASURER'S REPORT OF COUNTY WIDE SCHOOL FUNDS.)**

**ALL FUNDS
CASH RECONCILIATION
FISCAL YEAR ENDING JUNE 30, 2023**

Account Description (not full acct #)	BANK NAME				Cash in all depositories
	Checking- Opportunity Bank	Savings- Opportunity Bank			
BALANCE PER STATEMENTS	16,131.61	333,703.12			349,834.73
ADD					
Deposits in transit					0.00
Service charges					0.00
Other					0.00
bank error	0.05				0.05
					0.00
					0.00
Total to add	0.05	0.00	0.00	0.00	0.05
SUBTRACT					
Outstanding checks					0.00
Other					0.00
					0.00
					0.00
					0.00
					0.00
Total to subtract	0.00	0.00	0.00	0.00	0.00
TOTAL CASH IN DEPOSITS	16,131.66	333,703.12	0.00	0.00	349,834.78
ADD					
Investments					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Total to add	0.00	0.00	0.00	0.00	0.00
TOTAL IN DEPOSITORIES	16,131.66	333,703.12	0.00	0.00	349,834.78
ADD					
Cash and cash items on hand					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Total to add	0.00	0.00	0.00	0.00	0.00
**TOTAL ACCOUNTED FOR	16,131.66	333,703.12	0.00	0.00	349,834.78

***Total cash must agree with total cash reported within report**

Cash reconciles _____ Cash does not reconcile _____

**GENERAL
INFORMATION
SECTION**

