

REQUIRED SUPPLEMENTARY INFORMATION

**YELLOWSTONE COUNTY, MONTANA
EMPLOYEE GROUP BENEFITS PLAN - OTHER POSTEMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTAL SCHEDULES**

<u>Actuarial Valuation Date</u>	Actuarial Value of <u>Assets</u> (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b-a)	Funded Ratio (%) (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) (b-a/c)	
June 30, 2010	\$0	\$5,203,967	\$5,203,967	0.00%	\$15,970,662	32.60%	(a)
June 30, 2011	\$0	\$5,664,460	\$5,664,460	0.00%	\$16,337,206	34.70%	(b)
June 30, 2012	\$0	\$5,664,460	\$5,664,460	0.00%	\$16,337,206	34.70%	(b)
June 30, 2013	\$0	\$5,240,702	\$5,240,702	0.00%	\$17,192,014	30.50%	(c)
June 30, 2014	\$0	\$5,240,702	\$5,240,702	0.00%	\$17,192,014	30.50%	(c)
June 30, 2015	\$0	\$5,416,702	\$5,416,702	0.00%	\$18,342,599	29.50%	(d)
June 30, 2016	\$0	\$5,416,702	\$5,416,702	0.00%	\$18,342,599	29.50%	(d)
June 30, 2017	\$0	\$4,100,230	\$4,100,230	0.00%	\$19,783,855	20.70%	(e)

- (a) This schedule is based on the actuarial values as of July 1, 2008. Information for prior years is not available.
The actuarial values are for the period of July 1, 2008 to June 30, 2010.
- (b) This schedule is based on the actuarial values as of July 1, 2010.
The actuarial values are for the period of July 1, 2010 to June 30, 2012.
- (c) This schedule is based on the actuarial values as of July 1, 2012.
The actuarial values are for the period of July 1, 2012 to June 30, 2014.
- (d) This schedule is based on the actuarial values as of July 1, 2014.
The actuarial values are for the period of July 1, 2014 to June 30, 2016.
- (e) This schedule is based on the actuarial values as of July 1, 2016.
The actuarial values are for the period of July 1, 2016 to June 30, 2018.

**YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION**

PERS:	2017	2016	2015
Employer's proportion of the Net Pension Liability as a percentage	1.155600%	1.112963%	1.123574%
Employer's proportionate share of the Net Pension Liability as an amount	\$ 19,683,035.00	\$ 15,557,794.00	\$ 13,999,854.00
State of Montana's proportionate share of the Net Pension Liability associated with the Employer	\$ 240,504.00	\$ 191,101.00	\$ 170,960.00
Total	\$ 19,923,539.00	\$ 15,748,895.00	\$ 14,170,814.00

Employer's Pensionable Payroll	\$ 13,841,480.00	\$ 12,988,499.00	\$ 12,718,839.00
Employer's proportionate share of the Net Pension Liability as a percentage of its Pensionable Payroll	142.20%	119.78%	110.07%
Plan fiduciary net position as a percentage of the total Pension Liability	74.71%	78.40%	79.90%

**YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

PERS:	2017	2016	2015
Contractually Required DB Contributions	\$ 1,197,695.00	\$ 1,191,173.00	\$ 1,128,489.00
Plan Choice Rat Required Contributions	\$ -	\$ 33,765.00	\$ 58,185.00
Contributions in Relation to the Contractually Required Contributions	\$ 1,197,695.00	\$ 1,191,173.00	\$ 1,128,489.00
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Payroll	\$ 14,309,208.00	\$ 13,841,480.00	\$ 12,988,499.00
Contributions as a percentage of Covered Payroll	8.370%	8.606%	8.688%

YELLOWSTONE COUNTY, MONTANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017
REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms

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

2013 Legislative Changes:

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

Guaranteed Annual Benefit Adjustment (GABA) - for PERS

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

- 3% for members hired **prior to** July 1, 2007
- 1.5% for members hired **on or after** July 1, 2007 and **before** July 1, 2013
- Members hired **on or after** July 1, 2013
 - a. 1.5% each year PERS is funded at or above 90%;
 - b. 1.5% reduced by 0.1% for each 2% PERS is funded below 90%; and,
 - c. 0% whenever the amortization period for PERS is 40 years or more.

2015 Legislative Changes:

General Revisions - House Bill 101, effective January 1, 2016

Second Retirement Benefit - for PERS

1) Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:

- refund of member's contributions from second employment plus regular interest (currently 0.25%);
- no service credit for second employment;
- start same benefit amount the month following termination; and
- GABA starts again in the January immediately following second retirement.

YELLOWSTONE COUNTY, MONTANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017
REQUIRED SUPPLEMENTARY INFORMATION

- 2) For members who retire **before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:**
- member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
 - GABA starts in the January after receiving recalculated benefit for 12 months.
- 3) For members who retire **on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:**
- refund of member's contributions from second employment plus regular interest (currently 0.25%);
 - no service credit for second employment;
 - start same benefit amount the month following termination; and,
 - GABA starts again in the January immediately following second retirement.
- 4) For members who retire **on or after January 1, 2016, return to PERS-covered employment and accumulate five or more years of service credit before retiring again:**
- member receives same retirement benefit as prior to return to service;
 - member receives second retirement benefit for second period of service based on
 - GABA starts on both benefits in January after member receives original and new

Revise DC Funding Laws - House Bill 107, effective July 1, 2015

Employer Contributions and the Defined Contribution Plan – for PERS and MUS-RP
The PCR was paid off effective March 2016 and the contributions of 2.37%, .47%, and the

**YELLOWSTONE COUNTY, MONTANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017
REQUIRED SUPPLEMENTARY INFORMATION**

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following addition to the actuarial assumptions was adopted in 2014 based upon

Admin Expense as % of Payroll	0.27%
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There were no changes following the 2013 Economic Experience study:

The following Actuarial Assumptions were adopted from the June 2010 Experience Study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Merit increase	0% to 6.0%
Investment rate of return	7.75 percent, net of pension plan investment
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

**YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION**

SRS:	2017	2016	2015
Employer's proportion of the Net Pension Liability as a percentage	9.276300%	9.202068%	9.021873%
Employer's proportionate share of the Net Pension Liability as an amount	\$ 16,296,484.00	\$ 8,870,691.00	\$ 3,754,635.00
Employer's Pensionable Payroll	\$ 6,934,156.00	\$ 6,261,595.00	\$ 5,834,683.00
Employer's proportionate share of the Net Pension Liability as a percentage of its Pensionable Payroll	248.860%	141.668%	64.350%
Plan fiduciary net position as a percentage of the total Pension Liability	63.000%	75.400%	87.200%

**YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

SRS:	2017	2016	2015
Contractually Required Contributions	\$ 701,390.00	\$ 678,720.00	\$ 635,168.00
Contributions in Relation to the Contractually Required Contributions	\$ 701,390.00	\$ 678,720.00	\$ 635,168.00
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Pensionable Payroll	\$ 6,934,156.00	\$ 6,548,480.00	\$ 6,261,595.00
Contributions as a percentage of Pensionable Payroll	10.110%	10.365%	10.144%

**YELLOWSTONE COUNTY, MONTANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

Changes of Benefit Terms

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

2015 Legislative Changes: none

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following change to the actuarial assumptions was adopted in 2016:

SRS Discount rate - Used to measure the TPL	5.93 percent, which is a blend of the assumed long-term expected rate of return of 7.75% on System's investments and a municipal bond index rate of 3.01%.
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The following change to the actuarial assumptions was adopted in 2015:

SRS Discount rate - Used to measure the TPL	6.86 percent, which is a blend of the assumed long-term expected rate of return of 7.75% on System's investments and a municipal bond index rate of 3.80%.
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The following addition to the actuarial assumptions was adopted in 2014 based upon implementation of GASB Statement 68:

Admin Expense as % of Payroll	0.17%
SRS Discount rate - Used to measure the TPL	7.75 percent, which is the assumed long-term expected rate of return on System's investments.

The following change to the actuarial assumptions was adopted in 2013:

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

**YELLOWSTONE COUNTY, MONTANA
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2017**

The following Actuarial Assumptions were adopted from the June 2010 Experience Study:

General Wage Growth*	4.00%
*Includes inflation at	3.00%
Merit increase	0% to 7.3%
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open

SUPPLEMENTARY INFORMATION

YELLOWSTONE COUNTY, MONTANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR GOVERNMENTAL DEBT SERVICE AND CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	RSID Bond Fund				Capital Improvement Fund			
	BUDGET		Actual	Variance with Final Budget - Positive (Negative)	BUDGET		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final Revised			Original	Final Revised		
REVENUES:								
Special assessments	\$275,000	\$275,000	\$181,424	(93,576)	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0	19,500	19,500	23,986	4,486
Other	400	400	209	(191)	114,048	114,048	48,531	(65,517)
Total revenues	275,400	275,400	181,633	(93,767)	133,548	133,548	72,517	(61,031)
EXPENDITURES:								
Current:								
Capital outlay	0	0	0	0	8,048,128	8,048,128	5,536,418	2,511,710
Debt service:								
Principal	250,000	250,000	178,000	72,000	0	0	0	0
Interest	56,050	56,050	58,855	(2,805)	0	0	0	0
Total expenditures	306,050	306,050	236,855	69,195	8,048,128	8,048,128	5,536,418	2,511,710
Excess (deficiency) of revenues over (under) expenditures	(30,650)	(30,650)	(55,222)	(24,572)	(7,914,580)	(7,914,580)	(5,463,901)	2,450,679
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	25,000	25,000	1	(24,999)	1,800,000	1,800,000	3,525,000	1,725,000
Interfund transfers out	(5,000)	(5,000)	(1)	4,999	0	0	0	0
Total other financing sources (uses)	20,000	20,000	0	(20,000)	1,800,000	1,800,000	3,525,000	1,725,000
Net change in fund balances	(\$10,650)	(\$10,650)	(55,222)	(\$44,572)	(\$6,114,580)	(\$6,114,580)	(1,938,901)	\$4,175,679
Fund balance July 1, 2016			226,461				16,171,000	
Fund balance June 30, 2017			\$171,239				\$14,232,099	

**YELLOWSTONE COUNTY, MONTANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and demand investments, pooled	\$5,146,910	\$164,863	\$194,817	\$5,506,590
Cash investments, pooled	5,280,923	169,812	200,665	5,651,400
Receivables (net of allowance for uncollectibles):				
Property taxes	1,683,050	118	0	1,683,168
Accounts	854,374	0	0	854,374
Delinquent assessments	16,710	0	0	16,710
Accrued interest	6,147	0	0	6,147
Prepaid expenses	2,040	0	0	2,040
Inventories	72,274	0	0	72,274
Total assets	<u>\$13,062,428</u>	<u>\$334,793</u>	<u>\$395,482</u>	<u>\$13,792,703</u>
<u>LIABILITIES:</u>				
Accounts payable	\$1,076,997	\$0	\$57	\$1,077,054
Accrued liabilities	387,156	0	14,328	401,484
Due to other funds	6,000	0	0	6,000
Due to other taxing districts	189,389	0	0	189,389
Total liabilities	<u>1,659,542</u>	<u>0</u>	<u>14,385</u>	<u>1,673,927</u>
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Uncollected tax revenue	1,699,760	118	0	1,699,878
Total deferred inflow of resources	<u>1,699,760</u>	<u>118</u>	<u>0</u>	<u>1,699,878</u>
<u>FUND BALANCE:</u>				
Reserved for debt service	0	334,675	0	334,675
Reserved for capital improvements	0	0	381,097	381,097
Reserved for inventories	72,274	0	0	72,274
Unreserved	9,630,852	0	0	9,630,852
Total fund balance	<u>9,703,126</u>	<u>334,675</u>	<u>381,097</u>	<u>10,418,898</u>
Total liabilities, deferred inflows and fund balance	<u>\$13,062,428</u>	<u>\$334,793</u>	<u>\$395,482</u>	<u>\$13,792,703</u>

YELLOWSTONE COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue		Debt Service		Capital Projects		Total Nonmajor Governmental Funds	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:								
Taxes	\$14,148,223	\$13,155,397	\$0	\$0	\$0	\$0	\$14,148,223	\$13,155,397
Special assessments	750,750	936,705	0	0	0	0	750,750	936,705
Licenses and permits	169,344	169,344	0	0	0	0	169,344	169,344
Intergovernmental	2,396,539	2,251,968	0	0	10,574	11,047	2,407,113	2,263,015
Fines and forfeitures	100,000	95,216	0	0	0	0	100,000	95,216
Charges for services	2,045,849	2,338,318	0	0	109,000	115,672	2,154,849	2,453,990
Other	59,025	55,591	1	7,224	1	0	59,027	62,815
Total revenues	19,669,730	19,002,539	1	7,224	119,575	126,719	19,789,306	19,136,482
EXPENDITURES:								
Current:								
General government	122,000	75,333	0	0	355,437	284,627	477,437	359,960
Public safety	6,951,141	6,613,189	0	0	0	0	6,951,141	6,613,189
Public works	2,435,588	1,885,726	0	0	0	0	2,435,588	1,885,726
Public health	3,856,126	3,715,041	0	0	0	0	3,856,126	3,715,041
Social and economic services	1,824,820	1,726,476	0	0	0	0	1,824,820	1,726,476
Culture and recreation	1,657,767	1,474,841	0	0	0	0	1,657,767	1,474,841
Conservation of natural resources	108,773	92,838	0	0	0	0	108,773	92,838
Debt service:								
Principal	0	0	545,000	545,000	0	0	545,000	545,000
Interest	0	314	91,498	91,498	0	0	91,498	91,812
Capital outlay:								
General government	0	0	0	0	4,700	2,100	4,700	2,100
Public safety	205,000	76,151	0	0	0	0	205,000	76,151
Public works	3,295,150	1,525,233	0	0	0	0	3,295,150	1,525,233
Social and economic services	1,000	0	0	0	0	0	1,000	0
Culture and recreation	123,328	37,948	0	0	0	0	123,328	37,948
Total expenditures	20,580,693	17,223,090	636,498	636,498	360,137	286,727	21,577,328	18,146,315
Excess (deficiency) of revenues over (under) expenditures	(910,963)	1,779,449	(636,497)	(629,274)	(240,562)	(160,008)	(1,788,022)	990,167
OTHER FINANCING SOURCES (USES):								
Interfund transfers in	2,884,198	2,882,267	636,498	636,498	239,919	234,148	3,760,615	3,752,913
Interfund transfers out	(4,203,471)	(5,169,514)	(25,000)	0	0	0	(4,228,471)	(5,169,514)
Total other financing sources (uses)	(1,319,273)	(2,287,247)	611,498	636,498	239,919	234,148	(467,856)	(1,416,601)
Net change in fund balances	(\$2,230,236)	(507,798)	(\$24,999)	7,224	(\$643)	74,140	(\$2,255,878)	(426,434)
Fund balance July 1, 2016		10,210,924		327,451		306,957		10,845,332
Fund balance June 30, 2017		\$9,703,126		\$334,675		\$381,097		\$10,418,898