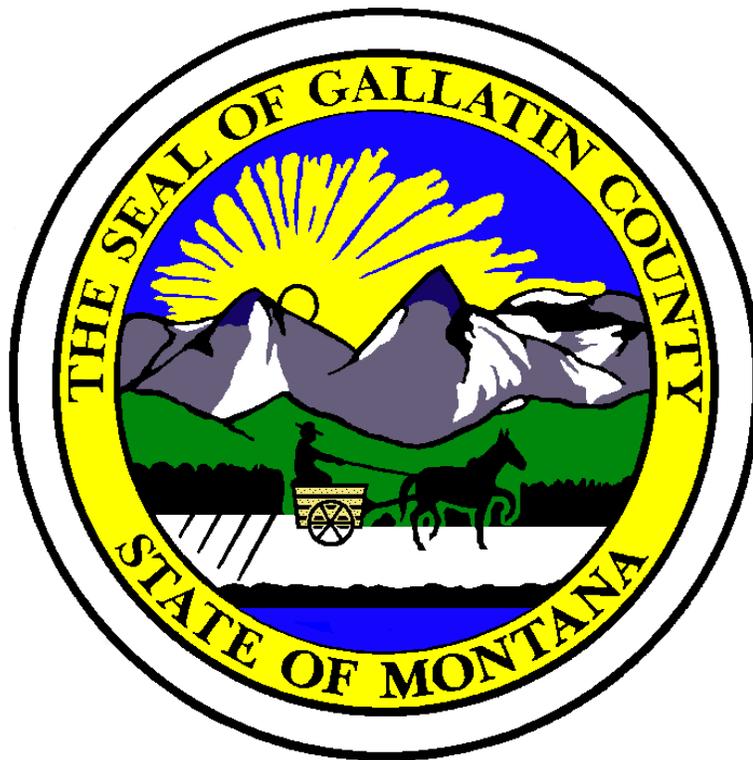


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# FINANCIAL SUMMARIES

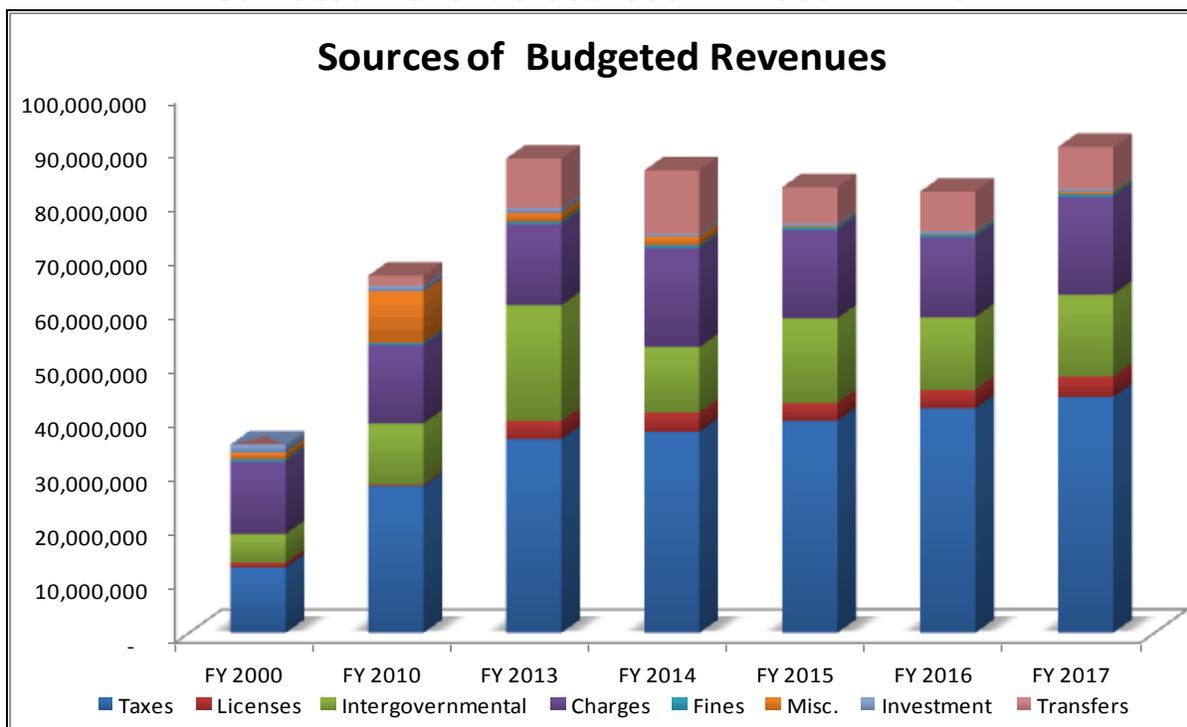
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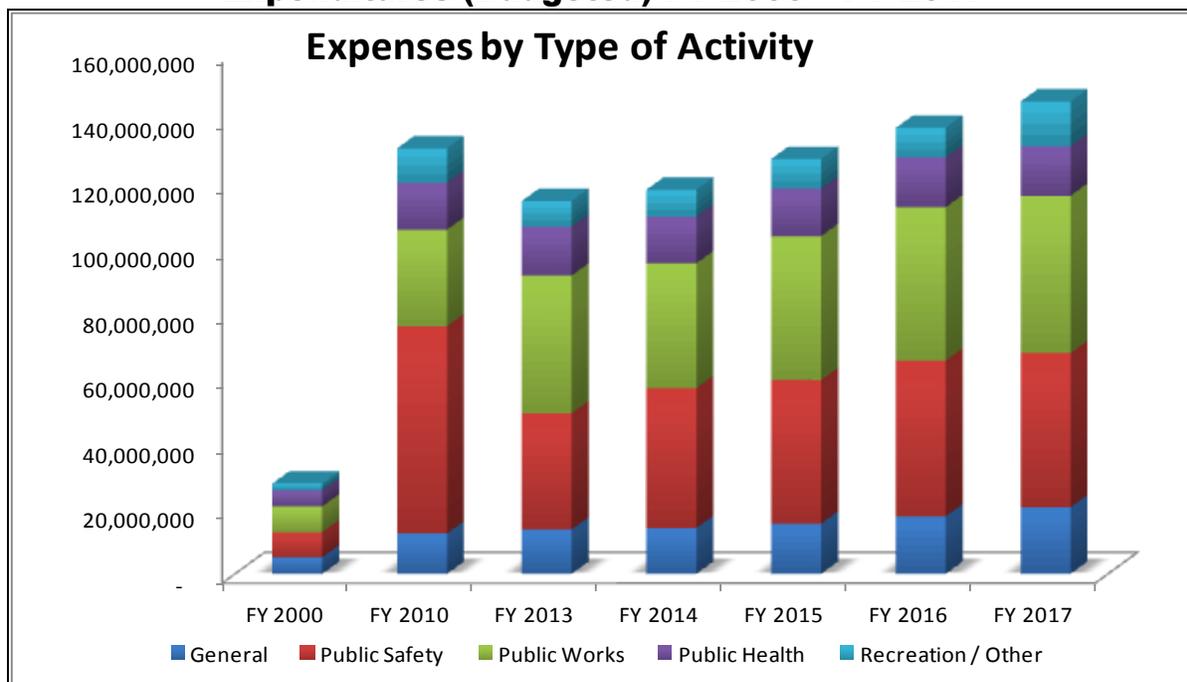
# FINANCIAL SUMMARIES

## Overview of Budgeted Resources

**Estimated Revenue Sources FY 2000 – FY 2017**



**Expenditures (Budgeted) FY 2000 – FY 2017**



# FINANCIAL SUMMARIES

## Overview of Budgeted Resources

### Actual Revenues and Expenses FY 2010 – FY 2015, BUDGET for FY 2016 and FY 2017

<b>SUMMARY OF MAJOR REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES/USES</b>						
<b>Actual Revenue &amp; Expenses FY 2010 - FY 2016 (Budget for FY 2017)</b>						
	Total All Funds	Total All Funds	Total All Funds	Total All Funds	Total All Funds	Total All Funds
	FY 2017 BUDGET	FY 2016 BUDGET	FY 2015 ACTUAL	FY 2014 ACTUAL	FY 2013 ACTUAL	FY 2010 ACTUAL
<b>Beginning / Adjusted</b>						
Fund Balance	\$ 80,476,364	\$ 70,362,988	\$ 60,054,519	\$ 54,396,972	\$ 45,239,555	\$ 75,111,644
<b>REVENUES</b>						
Taxes & Assessments	43,718,609	42,038,829	39,344,602	37,323,128	35,905,220	27,226,244
Licenses & Permits	3,834,400	4,249,126	3,310,500	3,491,658	3,419,871	244,025
Intergovernmental	15,191,793	12,131,009	15,688,079	12,149,754	16,119,264	11,366,707
Charges for Services	18,058,651	19,915,256	16,533,744	18,353,990	17,360,678	14,529,471
Fines & Forfeitures	580,000	632,063	507,500	514,474	474,086	409,118
Miscellaneous	470,853	5,240,863	203,749	1,656,161	258,753	9,543,195
Investment Earnings	431,333	445,449	479,391	509,673	650,749	993,924
Transfers	7,816,389	1,220,283	6,739,292	11,744,186	7,535,373	1,946,405
Total Revenues	90,102,028	85,872,878	82,806,857	85,743,024	81,723,994	66,259,089
<b>EXPENSES</b>						
General Government	15,367,281	11,884,167	13,065,268	12,608,620	11,837,108	8,778,433
Public Safety	36,078,102	19,522,794	30,412,637	26,434,816	18,955,080	12,717,007
Public Works	28,746,286	14,450,723	27,307,623	16,608,752	14,509,372	10,744,187
Public Health	13,724,127	11,969,590	12,925,267	9,578,870	10,739,235	13,203,518
Recreation & Other	5,651,028	3,428,472	5,180,476	4,239,634	5,008,885	7,516,522
Debt Service	9,448,298	7,344,038	8,421,130	4,670,515	6,981,798	4,275,917
Transfers (out)	-	-	-	-	-	1,946,404
Capital Outlay	36,248,127	5,135,815	30,289,165	5,912,684	4,535,098	24,783,969
Total Expenses	145,263,249	73,735,599	127,601,565	80,053,891	72,566,577	83,965,957
Projected Change in						
Fund Balance/Cash	(55,161,221)	12,137,279	(44,794,708)	5,689,133	9,157,417	(17,706,868)
<b>Projected / Ending</b>						
Fund Balance/Cash	\$ 25,315,143	\$ 82,500,267	\$ 15,260,028	\$ 60,054,519	\$ 54,396,972	\$ 57,404,776

# FINANCIAL SUMMARIES

## Overview of Budgeted Resources

### Final FY 2017 Budgeted Revenue and Expense SUMMARY OF MAJOR REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES/USES Final Budget - July 1, 2016 through June 30, 2017

	Governmental Fund Types			Capital Project	Proprietary Fund Types	Fiduciary Fund Types	Total All Funds
	General	Special Revenue	Debt Service		Enterprise & Internal Service	Trust & Agency	
<b>Beginning Fund</b>							
Balance/Cash	\$5,532,427	\$25,605,043	\$1,954,745	\$14,587,018	\$22,033,833	\$10,763,298	\$80,476,364
<b>Estimated Revenues</b>							
Taxes & Assessments	5,270,334	21,228,903	4,903,060	2,766,432	-	9,549,880	43,718,609
Licenses & Permits	1,752,900	2,081,500	-	-	-	-	3,834,400
Intergovernmental	1,203,425	6,701,648	11,000	671,855	2,090,197	4,513,668	15,191,793
Charges for Services	2,221,994	3,799,500	-	-	10,904,708	1,132,449	18,058,651
Fines & Forfeitures	525,000	55,000	-	-	-	-	580,000
Miscellaneous	85,300	254,577	-	130,976	-	-	470,853
Investment Earnings	100,000	63,843	15,500	11,000	96,990	144,000	431,333
Transfers	550,035	978,696	509,488	297,373	5,479,111	-	7,814,703
<b>Total Estimated Revenues</b>	<b>11,708,988</b>	<b>35,163,667</b>	<b>5,439,048</b>	<b>3,877,636</b>	<b>18,571,006</b>	<b>15,339,997</b>	<b>90,100,342</b>
	-	(1,685)	-	-	-	-	
<b>Approved Budget</b>							
General Government	9,743,379	3,653,884	-	3,969,629	2,707,566	391,146	20,465,604
Public Safety	1,185,747	22,129,634	2,389,088	1,267,320	2,686,659	17,794,483	47,452,931
Public Works	1,495,138	17,808,010	2,627,731	5,196,836	16,928,141	4,308,267	48,364,123
Public Health	-	6,746,859	-	-	8,505,798	-	15,252,656
Recreation & Other	2,067,151	4,086,890	1,966,929	4,884,805	294,101	428,058	13,727,934
<b>Total Approved Budget</b>	<b>14,491,415</b>	<b>54,425,277</b>	<b>6,983,748</b>	<b>15,318,591</b>	<b>31,122,264</b>	<b>22,921,954</b>	<b>145,263,248</b>
<b>Projected Change in Fund Balance/Cash</b>	<b>(2,782,427)</b>	<b>(19,261,610)</b>	<b>(1,544,700)</b>	<b>(11,440,955)</b>	<b>(12,551,258)</b>	<b>(7,581,957)</b>	<b>(55,162,907)</b>
<b>Fund Balance/Cash</b>	<b>\$2,750,000</b>	<b>\$6,343,433</b>	<b>\$410,045</b>	<b>\$3,146,063</b>	<b>\$9,482,575</b>	<b>\$3,181,341</b>	<b>\$25,313,457</b>

# FINANCIAL SUMMARIES

## Overview of Budgeted Resources

### Final FY 2016 Budgeted Revenue and Expense SUMMARY OF MAJOR REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES/USES Final Budget - July 1, 2015 through June 30, 2016

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Total All Funds
	General	Special Revenue	Debt Service	Capital Project	Enterprise & Internal Service	Trust & Agency	
<b>Beginning Fund</b>							
Balance/Cash	\$4,256,859	\$24,277,984	\$1,894,968	\$9,186,672	\$20,009,569	\$10,736,936	\$70,362,988
<b>Estimated Revenues</b>							
Taxes & Assessments	5,054,879	19,534,698	4,447,366	2,937,549	-	9,654,556	41,629,048
Licenses & Permits	1,600,900	1,845,000	-	-	-	-	3,445,900
Intergovernmental	970,733	6,026,722	25,000	912,684	1,948,336	3,589,168	13,472,643
Charges for Services	2,004,010	1,146,353	-	-	10,503,312	1,132,449	14,786,124
Fines & Forfeitures	515,801	-	-	-	-	-	515,801
Miscellaneous	85,300	77,127	-	-	-	-	162,427
Investment Earnings	95,000	62,000	30,000	10,000	96,903	144,000	437,903
Transfers	513,664	425,987	512,285	351,000	5,562,833	-	7,365,769
<b>Total Estimated Revenues</b>	<b>10,840,287</b>	<b>29,117,887</b>	<b>5,014,651</b>	<b>4,211,233</b>	<b>18,111,384</b>	<b>14,520,173</b>	<b>81,815,615</b>
	9,074	(2,449,634)	-	-	-	-	
<b>Approved Budget</b>							
General Government	9,462,471	4,068,876	-	1,242,671	2,582,530	372,575	17,729,123
Public Safety	1,132,200	20,901,405	2,399,146	2,991,280	2,438,931	18,008,142	47,871,105
Public Works	1,438,336	15,582,471	2,373,314	6,279,663	16,641,193	4,857,783	47,172,760
Public Health	-	6,499,269	-	117,988	8,760,740	-	15,377,997
Recreation & Other	1,318,023	3,424,659	1,757,159	1,846,302	258,857	432,536	9,037,536
<b>Total Approved Budget</b>	<b>13,351,030</b>	<b>50,476,680</b>	<b>6,529,619</b>	<b>12,477,905</b>	<b>30,682,251</b>	<b>23,671,036</b>	<b>137,188,521</b>
<b>Projected Change in</b>							
Fund Balance/Cash	(2,510,743)	(21,358,793)	(1,514,968)	(8,266,672)	(12,570,867)	(9,150,863)	(55,372,906)
Fund Balance/Cash	\$1,746,116	\$2,919,191	\$380,000	\$920,000	\$7,438,702	\$1,586,073	\$14,990,082

# FINANCIAL SUMMARIES

## Overview of Budgeted Resources

### Final FY 2015 Budgeted - Revenue and Expense SUMMARY OF MAJOR REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES/USES

Final Budget - July 1, 2014 through June 30, 2015 (FY 2015)

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Total All Funds	
	General	Special Revenue	Debt Service	Capital Project	Enterprise & Internal Service		Trust & Agency
<b>Beginning Fund</b>							
Balance/Cash	\$3,470,300	\$21,583,637	\$ 1,765,959	\$ 6,624,338	\$ 18,389,985	\$ 8,220,300	\$ 60,054,519
<b>Estimated Revenues</b>							
Taxes & Assessments	5,320,260	19,067,320	4,458,533	1,556,772	-	8,941,717	39,344,602
Licenses & Permits	1,550,900	1,759,600	-	-	-	-	3,310,500
Intergovernmental	953,435	8,188,510	25,000	1,399,056	2,049,866	3,072,212	15,688,079
Charges for Services	1,872,263	2,675,259	-	-	10,088,653	1,897,569	16,533,744
Fines & Forfeitures	462,500	45,000	-	-	-	-	507,500
Miscellaneous	85,300	95,550	-	22,899	-	-	203,749
Investment Earnings	90,000	94,000	30,000	26,891	98,500	140,000	479,391
Transfers	517,824	335,704	-	91,000	5,756,163	38,600	6,739,292
<b>Total Estimated Revenues</b>	<b>10,852,482</b>	<b>32,260,943</b>	<b>4,513,533</b>	<b>3,096,618</b>	<b>17,993,182</b>	<b>14,090,098</b>	<b>82,806,856</b>
<b>Approved Budget</b>							
General Government	8,958,291	2,896,300	-	1,126,197	2,467,828	-	15,448,616
Public Safety	1,066,966	19,821,910	2,378,247	2,358,316	2,396,218	16,136,625	44,158,282
Public Works	1,503,726	17,069,018	2,272,258	3,779,022	15,613,724	4,003,830	44,241,578
Public Health	-	5,519,967	-	-	9,117,733	-	14,637,700
Recreation & Other	1,193,799	3,745,361	1,248,987	1,849,544	239,124	838,575	9,115,389
<b>Total Approved Budget</b>	<b>12,722,782</b>	<b>49,052,556</b>	<b>5,899,492</b>	<b>9,113,079</b>	<b>29,834,627</b>	<b>20,979,029</b>	<b>127,601,565</b>
<b>Projected Change in</b>							
Fund Balance/Cash	(1,870,300)	(16,791,394)	(1,385,959)	(6,016,461)	(11,841,445)	(6,888,931)	(44,794,490)
Fund Balance/Cash	\$1,600,000	\$ 4,792,243	\$ 380,000	\$ 607,877	\$ 6,548,540	\$ 1,331,369	\$ 15,260,029

## Assumptions, Estimates & Trends

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### Overview

Funding for services provided to Gallatin County residents comes from a variety of revenue sources. The County strives to maintain a diversified and stable revenue system that will provide shelter from short-term fluctuations in any one revenue source and ensure the ability to provide ongoing services, within the confines of Montana Law. Gallatin County is heavily reliant upon property tax levy for its general fund, public safety, fair, noxious weed, senior programs, library and road / bridge revenue, which is explained in greater detail on the following pages. The County will continue its policy of seeking alternative revenue sources to lower the tax burden for County services, charging users for specific services where feasible, and aggressively collecting all revenues due to the County. Enterprise fund revenues are generated through direct fees for service. Total estimated (budgeted) revenue, regardless of the source, amounts to \$90,102,028 for FY 2017.

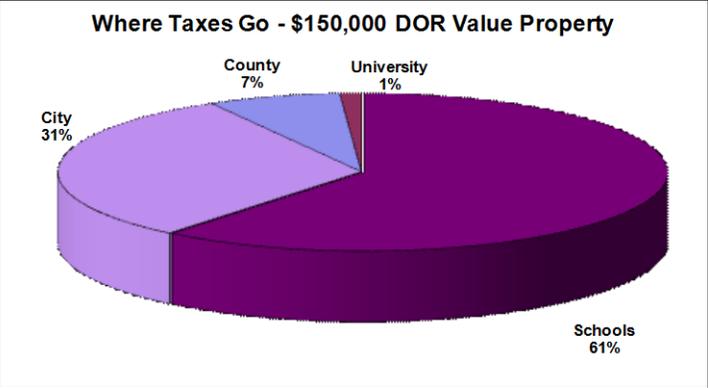
County revenues are divided into eight basic categories: Taxes and Assessments; Licenses and Permits; Intergovernmental Revenue; Charges for Services; Fines and Forfeitures; Miscellaneous Revenue; Investment Earnings; and Inter-fund Transfers.

- **Taxes and Assessments** – \$43,718,608 (48.52% of revenues) – comprised of taxes derived from the levying of taxes on real property, personal tangible property and assessments generated by charges within districts either based on value or a per unit fee. An example of taxes is real property taxes, while special assessment examples include Rural Improvement District (RID) maintenance fees and Fire Service Area Fees.
- **Licenses and Permits** – \$3,752,900 (4.26% of revenues) – generated through the issuance of local licenses and permits. This includes the Motor Vehicle local option tax along with items such as Wastewater Treatment Permits (Septic Permits).
- **Intergovernmental Revenue** – \$15,191,793 (16.86% of revenues) – generated by grants from federal, state and other local government sources, shared revenues, and payments in lieu of taxes (PILT). State entitlement and federal PILT are examples.
- **Charges for Services** – \$18,058,651 (20.04% of revenues) – revenues generated by this source are from fees for land use (Planning, Clerk & Recorder) with the largest amount coming from Enterprise and Internal Service Funds. Examples of charges for services are solid waste disposal fees, Rest Home per bed fees and charges collected by Clerk & Recorder, Planning and Zoning areas.
- **Fines and Forfeitures** – \$580,000 (0.64% of revenues) – received from Justice and District Court for fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Examples include: court fines, victim witness fines and bonds forfeited.
- **Miscellaneous Revenue** – \$470,853 (0.52% of revenues) – revenue from sources not otherwise provided in other categories. Rents and impact fees are examples of miscellaneous revenues.
- **Investment Earnings** – \$431,333 (0.48% of revenues) – revenue derived from the investment of available cash balances and delinquent taxes.
- **Inter-fund Transfers** – \$7,816,389 (8.68% of revenues) – transfers between individual funds of a governmental unit that are not repayable and are not considered charges for goods or services. An example is matching funds transferred from public safety to Drug Task Force for grant match and administrative costs.

# FINANCIAL SUMMARIES

## Assumptions, Estimates & Trends

County revenues account for only 20% of the revenue collected by the Treasurer. The majority of revenue is collected to be used by Trust and Agency accounts. These include 16 elementary school districts, 7 high school districts, 5 cities and towns and many state funds.

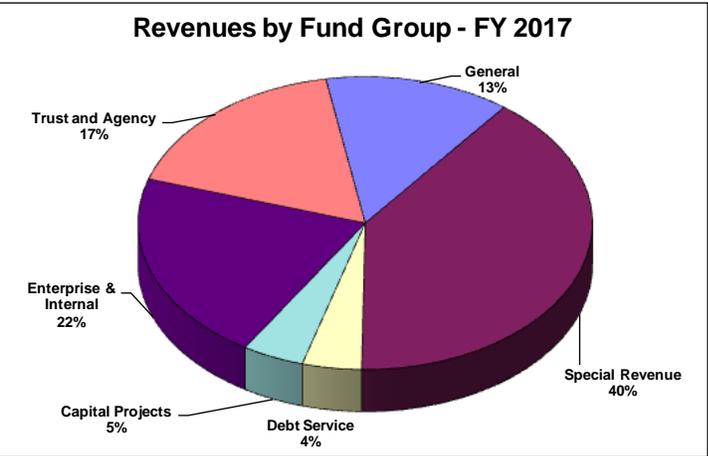
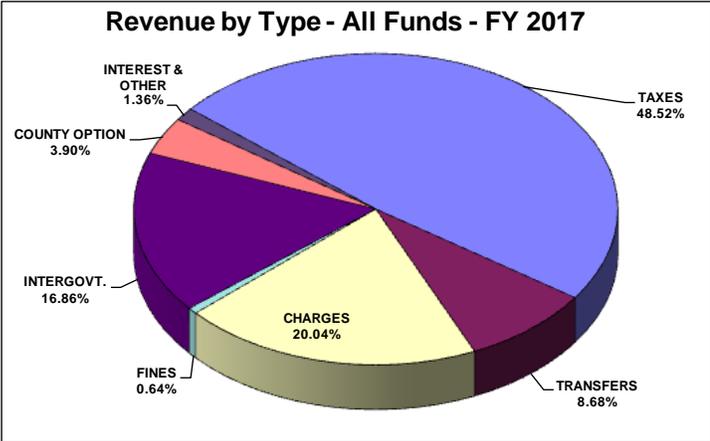


A graph of Where Taxes Go - FY 2016, shows Schools received 61%, the City of Bozeman received 31%, and Gallatin County collects 7%.

A County-Wide graph for other areas would show comparable break downs, with schools generally receiving 72% of taxes, County 18%, cities 9% and state university 1% for the County as a whole.

Shown in the following graphs are two pie charts giving an overview of County revenues—one by Type and the other by Fund Group.

As depicted by the graph of revenues by type, taxes and charges for services are the two largest categories of revenues for the FY 2017 budget – 70% for FY 2017 vs. 69% for FY 2016. Intergovernmental payments and Transfers are the next largest section at 24%, compared to 26% in FY 16. Finally, County Option accounts for 4% of all revenues in FY 2017. These five revenue types constitute 98% of County revenues for FY 2017.



The graph of Revenues by Fund Group gives a look at the 'Big Picture' of County revenues. The graph on the left shows the general fund accounts for 14% of revenues, Enterprise and Internal Service Funds generate 22%, Special Revenue Funds are 40% and Capital Projects account for 5%. These four Fund Groups account for 81% of estimated revenues for County Funds in FY 2017.

### Assumptions, Estimates & Trends

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#### Revenue Forecast Assumptions & Methodology

Forecasting, as used in the budget, refers to the methodology used in projecting future changes in revenues. It provides an estimate of revenue amounts that will be available and the resources required to meet current service levels and programs over the forecast period. The value of forecasts is in estimating whether (given assumptions about local financial policies and economic trends) the County will have sufficient resources to meet the resource requirements of ongoing, planned, or mandated programs. Forecast models have the added value of providing a planning tool for capital projects and indicating whether bonded indebtedness will be required for capital funding. In short, forecasting provides an estimate of the financial flexibility of the County, as well as insight into tax, revenue, and service options the Commission must address. Our forecasting methodology reflects a combination of internal analysis and locally generated consensus forecasts covering such factors as population growth, revenue trends, and inflation. Specifically, for revenue forecasts, we begin with models that include prior year actual collections and project the balance of the current fiscal year based on prior year patterns.

In general, the County seeks to match revenue sources with economic and/ or demographic variables that most directly affect year-to-year changes in those revenues. Methods to project revenues used in the budget vary depending upon the type of revenue examined. However, the most common method used is **Trend Analysis** and especially a year-to-date approach. Examination of a variety of revenue sources on a monthly basis has revealed consistent patterns in monthly collections. Trends are identified, along with an analysis of whether or not the trend is likely to continue. These have been good indicators of revenue collections during the course of a year and help to set a basis for future projections. Forecasting variances are analyzed and used to improve forecasting in future periods. **Expert Judgment** is a projection methodology that relies upon individual department directors and financial managers to make projections for the revenues that effect their operations.

#### Revenue Estimates

The National Advisory Council on State and Local Budgeting prepared a set of recommended practices relating to governmental revenue estimates. Stated below are some excerpts from their recommended practices, along with Gallatin County's revenue estimate practices.

Projection of revenues and other resources is critical in order to understand the level of funding available for services and capital acquisition. Projections for future budget periods help determine the likelihood that services can be sustained and highlight future financial issues to be addressed. Preparing revenue projections also enhances our understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees.

One key analytical tool used by the County to assist in the development of revenue estimates is the comprehensive five-year financial forecast. This forecast considers key revenue and expenditure projection factors such as population, changes in the Consumer Price Index (CPI) and other growth factors. The trending of these key factors and their effect on revenues and expenditures for the past ten years provides a historical basis for the five-year financial forecast. The forecast was initially prepared in 2001, and is updated annually during the mid-year budget review process.

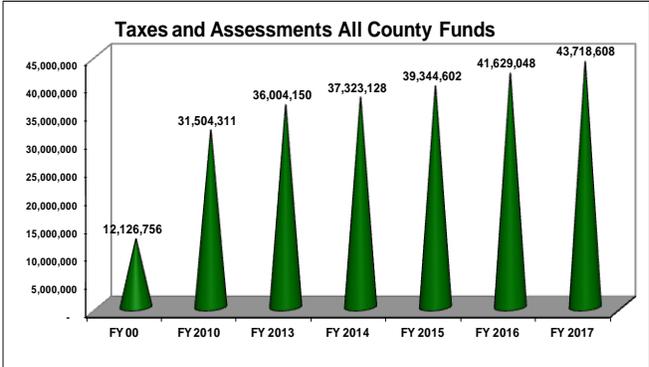
# FINANCIAL SUMMARIES

## Assumptions, Estimates & Trends

Overall, the County’s practice is to budget revenues conservatively and to use as much information as possible to enhance the accuracy of revenue estimates. By identifying and utilizing several revenue-related variables in forecasting, we minimize the risks of over or under stating revenues that could arise from using only a few variables. Our approach to forecasting, in general, is to apply a conservative philosophy that will achieve our long-term goal of not overstating revenues. Most estimates involve two projections: an estimate for the amount to be collected in current year based on year-to-date activity; and an estimate for the increase or decrease in receipts anticipated for a future budget year. As part of the mid-year budget review process, the revenue assumptions included in the forecast are comprehensively re-examined based on actual results for the previous year, as well as emerging trends at the mid-point of the year.

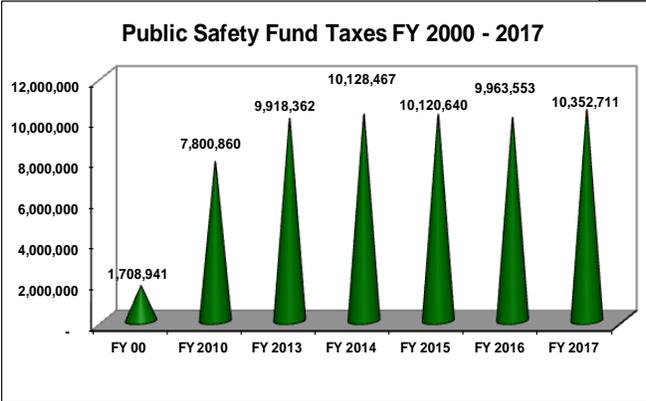
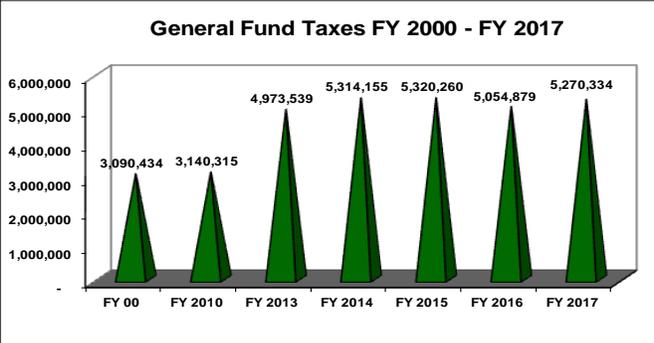
The following revenue categories, their trends, and estimates represent 86.06% of total County revenues.

### Key Revenue Estimates and Trends



Taxes / Assessments generate 48.52% of the County’s revenues. The graph on the left shows Taxes and Assessments for all County Funds over a 17-year period, with estimates for the previous year and budgeted revenues for FY 2017. The increase in revenues comes from the effects of reappraisal, new construction, voted levy increases for the Open Land Bond, 9 mills for Dispatch, new taxes for fire districts and fire service areas, new rural improvement districts and taxes authorized by the legislature.

The graph on the right shows actual General Fund Taxes for a 17-year period, together with estimates for the previous year and budgeted revenues for FY 2017. The General Fund in FY 2017 continues to include activities previously in separate funds including Bridge, Three Forks Airport, County Extension and Senior Programs.

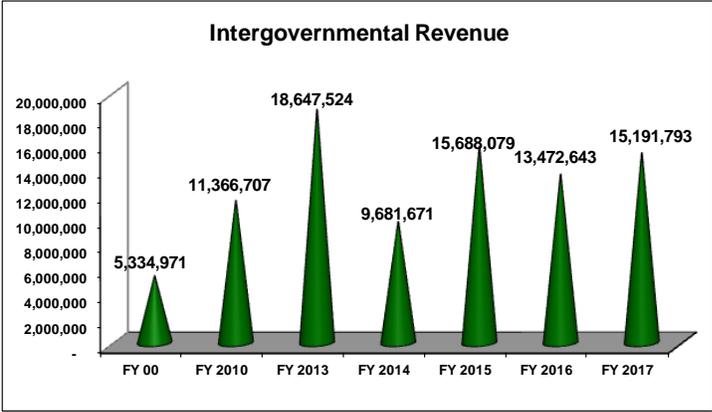
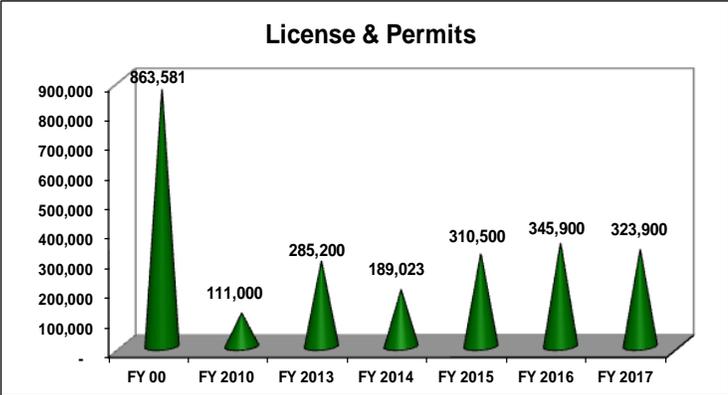


The Public Safety Fund tax is the single largest taxing activity of County government. The rapid growth of taxes comes from yearly decisions made by the County Commission to emphasize Public Safety with a corresponding increase in taxes. The majority of the increase comes from inflation mills and decreases in millage to other County tax supported funds. The Commission continued an increase in millage for the Dispatch activity to support a needed enhancement to county wide radio capability and maintenance.

# FINANCIAL SUMMARIES

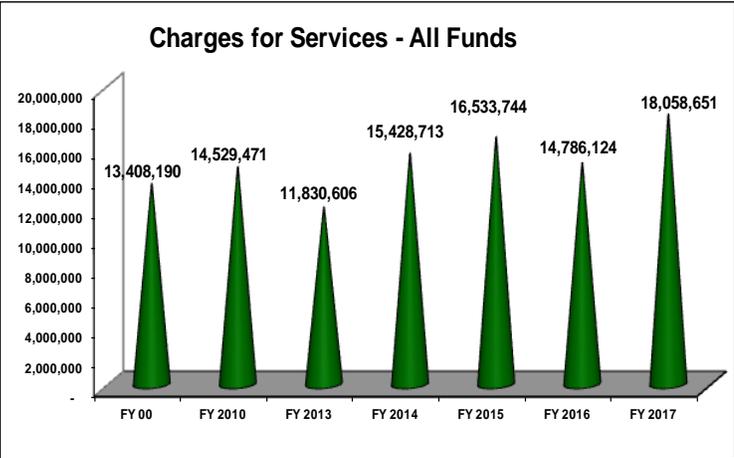
## Assumptions, Estimates & Trends

**License & Permit** revenues are 0.36%. The decline from FY 2000 reflects legislative changes (including Motor Vehicle Fees, Bank License taxes, Gambling Revenues and others). The change included the state transferring a portion of the revenue back in Entitlement. Projections are based on historic trends with septic permits and zoning permits increasing for the next several years. The graph to the right does not include the local option motor vehicle tax in order to be consistent.



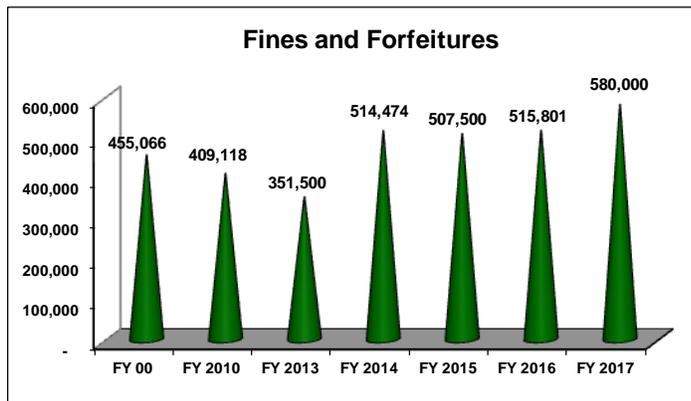
**Intergovernmental** revenue is 16.86% of revenues. The decrease from FY 2015 is primarily from decreases associated with grants received by the City/County Health Department. Other changes include the implementation of Senate Bill 96 involving approximately \$200,000 in revenue previously funded by taxes and the completion of the TIGER IV project.

**Charges for Services** - for all funds, represents 20.04% of Gallatin County revenues. The largest component of this source is charges generated by Enterprise activity. These are for the County Solid Waste District, West Yellowstone Refuse and County Rest Home. Growth for other fees is primarily based on estimated property activity including mortgages, subdivision, zoning and property splits. This revenue has seen an increase with the actual amount received in FY 2016 expected to be higher than the amount received in FY 2015.



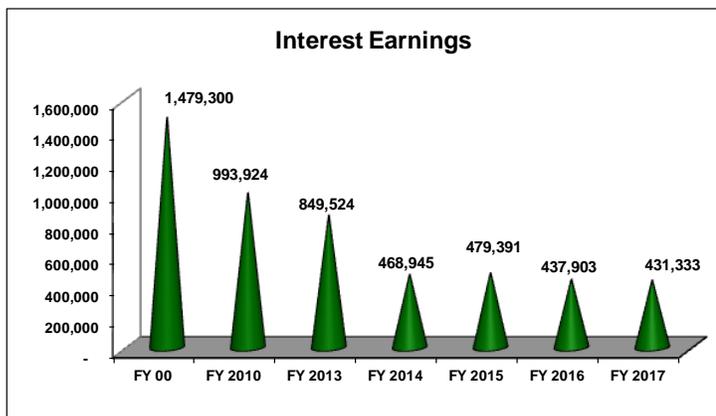
# FINANCIAL SUMMARIES

## Assumptions, Estimates & Trends



**Fines and Forfeitures** – come in at 0.64%. These revenues are generated primarily (97%) from two Justice Courts. Revenues increase and decrease based on a correlation between citations, criminal acts, felonies and bonds based on population and the number of active officers (Sheriff, City Police, Town Marshal, Highway Patrol and Rangers/Wardens). The decrease in FY 2013 brought the total below the FY 98 levels. The Justice Courts have projected an increase for FY 2017 based on the most up to date collections.

**Investment earnings** – 0.48% - reflect a combination of available cash balances together with the interest rate the County is able to obtain and delinquency for taxes. As shown by the graph, investment earnings have been volatile, with sharp declines and equally sharp increases, which correspond to interest rates in the national economy, and increases in cash available for the County to invest. The County General Fund receives about 25% of the interest generated by County funds, with the Public Safety, Capital Projects and Public Works areas receiving the balance of County investment earnings.



Overall, revenues are increasing for FY 2017 to \$90,102,027 compared to \$81,815,615 in FY 2016 and \$82,642,205 in FY 2015. Revenue generated by taxes increased from \$41,629,469 to \$43,718,608, an increase of \$2,089,560 (5.02%). The majority of this increase comes from newly taxable property (NTP) and approved use of inflationary taxes for FY 2017 and prior years.

## FINANCIAL SUMMARIES

### Assumptions, Estimates & Trends

The following is a comparison of taxes by type for the Final FY 2017 Budget:

Type	FY 2016	FY 2017	Difference	% Change	Explanation
<b>County Operations</b>	19,702,783	20,957,107	\$1,254,324	6.36%	Merit, Longevity, Dispatch & Capital
<b>County Rural</b>	3,944,991	4,224,927	279,936	7.09%	FY 2017 Inflationary
<b>Permissive / Debt</b>	5,206,857	5,597,857	391,000	7.51%	Perm. Med. Levy/Bonds
<b>Special Revenue</b>	567,269	544,893	(22,376)	(3.94%)	Planning Board / Zoning
<b>Fire Districts/Areas</b>	6,549,295	6,698,136	148,841	2.27%	Requested Budgets.
<b>Other Districts</b>	3,105,261	2,851,744	(253,517)	(8.16%)	Districts haven't requested budget
<b>RID Maint./Bonds</b>	<u>2,552,592</u>	<u>2,843,945</u>	<u>291,353</u>	11.41%	New Districts
<b>TOTAL</b>	\$41,629,048	\$43,718,608	2,089,560	5.02%	

The County Treasurer reported that tax collections for FY 2016 have been similar to the previous year, with delinquencies being paid. A review of all delinquencies shows Gallatin County returning to the high tax collections historically seen. This is in stark contrast to the lows experienced during the economic recession. The County is anticipating lower delinquencies to continue and that protests associated with re-appraisals have ended which will stabilize the billing and collections associated with all taxes collected for the state, County, school, city and special districts.

While lower delinquencies have been anticipated in relation to the FY 2017 budget, actual tax collections will continue to be monitored on a monthly basis throughout the year.

# FINANCIAL SUMMARIES

## Estimates, Projections and Mill Levy Information

### Department Summary

The following tables show the changes in expenditures (budget or actual) for Gallatin County by group (Personnel, Operations, Debt Service and Capital Outlay). The budgets for 'County Funds Supported by Tax Revenue' shows personnel increased by \$608,931 (2.12%). This includes a 1.5% wage adjustment and performance adjustments for qualifying employees. Operations saw an increase of \$979,269. Debt Service increased by \$107,007 and Capital increased by \$1,931,232. The total increase for County Tax Supported Funds comes to \$3,626,439 (5.66%) from Fiscal Year 2016.

Total Expenses saw Personnel increase by \$1,204,484 (3.23%) and Operations increase by (\$2,725,088) (4.67%). Total expenses increased by \$8,074,728 (5.89%).

DEPARTMENT SUMMARY LISTING								
FY 2017 FINAL OPERATING AND CAPITAL BUDGET								
DEPARTMENT	ACTIVITY	FY 2015 Actual	FY 2016 FINAL	FY 2016 Actual	FY 2017 REQUEST	FY 2017 PRELIMINARY	FY 2017 FINAL	Change FY 2016 To FY 2017
<b>TOTAL COUNTY FUNDS SUPPORTED BY TAX REVENUES</b>	Personnel	26,282,289	28,768,322	26,912,931	29,776,322	29,102,381	29,377,253	608,931
	Operations	14,750,467	17,605,599	14,615,941	18,526,115	18,118,065	18,584,868	979,269
	Debt Service	4,452,437	5,463,148	553,465	5,318,337	5,583,737	5,570,155	107,007
	Capital Outlay	2,044,242	12,275,116	961,582	19,671,488	13,782,650	14,206,348	1,931,232
	<b>TOTAL</b>	<b>47,529,435</b>	<b>64,112,185</b>	<b>43,043,919</b>	<b>73,292,262</b>	<b>66,586,833</b>	<b>67,738,624</b>	<b>3,626,439</b>
<b>TOTAL - GRANT, SPECIAL REVENUE AND OTHER FUNDS</b>	Personnel	1,713,482	1,907,683	1,669,902	2,210,836	2,213,200	2,230,539	322,856
	Operations	9,793,340	8,069,896	11,392,739	9,761,688	9,439,782	9,661,439	1,591,543
	Debt Service	129,788	669,211	133,400	385,325	385,325	868,600	199,389
	Capital Outlay	225,110	2,394,300	11,447,815	1,690,954	1,922,068	2,123,302	(270,998)
	<b>TOTAL</b>	<b>11,861,720</b>	<b>13,041,090</b>	<b>24,643,856</b>	<b>14,048,803</b>	<b>13,960,375</b>	<b>14,883,880</b>	<b>1,842,790</b>
<b>ENTERPRISE AND INTERDEPARTMENTAL FUNDS</b>	Personnel	1,620,764	1,785,476	1,717,585	1,802,870	1,833,679	1,877,540	92,064
	Operations	9,793,340	11,583,000	8,080,338	11,846,659	11,634,844	12,224,684	641,684
	Debt Service	129,788	133,400	130,004	133,300	133,300	133,300	(100)
	Capital Outlay	225,110	10,112,897	298,109	9,095,862	9,068,949	10,128,953	16,056
	<b>TOTAL</b>	<b>11,769,002</b>	<b>23,614,773</b>	<b>10,226,036</b>	<b>22,878,691</b>	<b>22,670,772</b>	<b>24,364,477</b>	<b>749,704</b>
<b>TOTAL - FIRE DISTRICTS AND FIRE SERVICE AREA</b>	Personnel	2,723,143	4,693,616	2,476,729	4,905,807	4,982,913	4,865,474	171,858
	Operations	4,561,169	8,011,440	(1,789,447)	6,728,196	8,450,948	8,060,747	49,307
	Debt Service	447,669	607,024	607,024	361,024	361,024	761,024	154,000
	Capital Outlay	469,275	4,696,062	924,389	4,617,869	4,496,771	4,107,238	(588,824)
	<b>TOTAL</b>	<b>8,201,256</b>	<b>18,008,142</b>	<b>2,218,695</b>	<b>16,612,896</b>	<b>18,291,656</b>	<b>17,794,483</b>	<b>(213,659)</b>
<b>TOTAL - OTHER DISTRICTS</b>	Personnel	144,795	162,889	153,793	165,542	168,164	130,807	(32,082)
	Operations	3,620,276	5,454,405	2,712,985	2,245,528	2,324,292	4,996,664	(457,741)
	Debt Service	-	512,285	512,285	-	-	-	(512,285)
	Capital Outlay	47,483	45,600	9,964	25,600	25,600	-	(45,600)
	<b>TOTAL</b>	<b>3,812,554</b>	<b>6,175,179</b>	<b>3,389,028</b>	<b>2,436,671</b>	<b>2,518,057</b>	<b>5,127,471</b>	<b>(1,047,708)</b>
<b>Intercap Loan Revolving</b>					509,488	509,488	509,488	509,488
<b>CAPITAL PROJECTS</b>	Capital Outlay	1,447,043	3,306,671	2,658,814	6,236,655	4,321,920	5,682,286	2,375,615
<b>RID MAINTENANCE</b>	Operations	840,002	7,602,926	941,500	6,724,978	7,618,641	7,564,809	(38,117)
<b>RID BOND</b>	Debt Service	1,250,281	1,327,555	1,327,555	931,874	1,176,227	1,597,731	270,176
	<b>TOTAL</b>	<b>3,537,325</b>	<b>12,237,152</b>	<b>4,927,869</b>	<b>14,402,995</b>	<b>13,626,276</b>	<b>15,354,314</b>	<b>3,117,162</b>
	<b>Personnel</b>	<b>32,484,473</b>	<b>37,317,986</b>	<b>32,999,992</b>	<b>38,861,377</b>	<b>38,300,337</b>	<b>38,522,470</b>	<b>1,204,484</b>
	<b>Operations</b>	<b>41,333,691</b>	<b>58,327,266</b>	<b>28,706,034</b>	<b>55,093,443</b>	<b>57,586,574</b>	<b>61,052,354</b>	<b>2,725,088</b>
	<b>Debt Service</b>	<b>6,431,649</b>	<b>8,712,623</b>	<b>7,177,916</b>	<b>7,129,860</b>	<b>8,149,101</b>	<b>9,440,298</b>	<b>727,675</b>
	<b>Capital Outlay</b>	<b>4,430,891</b>	<b>32,830,646</b>	<b>5,138,425</b>	<b>41,338,428</b>	<b>33,617,958</b>	<b>36,248,127</b>	<b>3,417,481</b>
	<b>TOTAL EXPENSES</b>	<b>84,680,704</b>	<b>137,188,521</b>	<b>74,022,367</b>	<b>142,423,108</b>	<b>137,653,970</b>	<b>145,263,249</b>	<b>8,074,728</b>

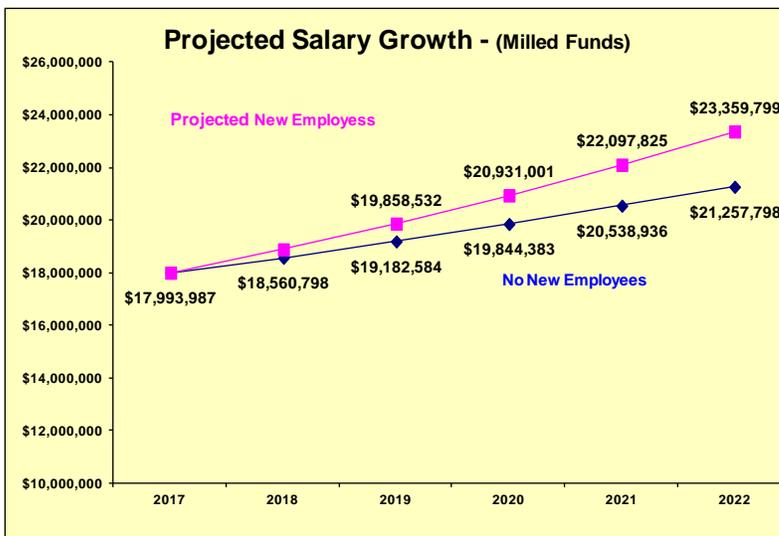
# FINANCIAL SUMMARIES

## Estimates, Projections and Mill Levy Information

### Projected Cost of Employee Wages

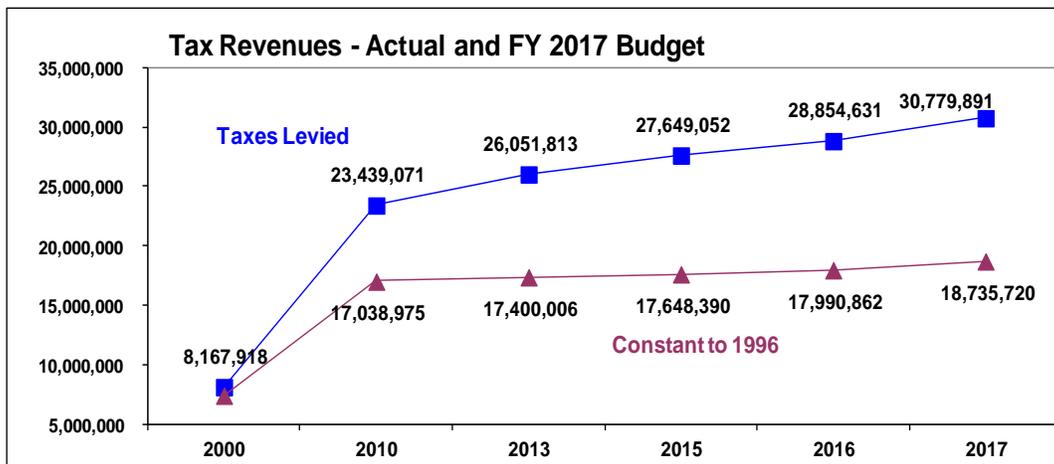
The County Finance Office prepares a yearly Financial Trend Analysis and Financial Forecast Report. This report uses information available at the mid-year point of the Fiscal Year (December 31st). The Analysis, Assumptions and Trends identified in the FY 16 Report are being used to show the projected changes in Expenditures, Revenues and Working Capital.

The information at right shows projected growth in wages and salaries based on the FY 2017 Budget, for Funds Levying Taxes. The graph is for tax-supported positions only, and does not include the Rest Home, Solid Waste Districts, Grants or other non-tax supported positions. For FY 2017 the increase comes from health insurance, retirement, a 1.5% wage adjustment, longevity and performance increase where appropriate.



The 'No New Employees' line projects the amount the County will need to meet current staffing levels. The 'Projected New Employees' takes into consideration historical increases in staffing patterns.

The next area reviewed is the County's Mill Levy and Valuations. The graph to the left shows County taxes levied to support County Wide mills and Rural Mills. The graph does not include special districts, rural improvement districts or other unique taxing authorities. The Constant dollar uses 1996 as the base year. During the period 1996 to 2015 population has grown from 60,157 to an estimated 99,352 (65.2%). Voters have approved tax increases for Library - 3.5 mills, 9 Mills for Dispatch, two Open Space Bonds, 1 mill for Search and Rescue and the Detention Center Bond. The County Taxable Valuation has grown from \$118,616 in 2000 to \$250,118 for FY 2017, a 111% increase.



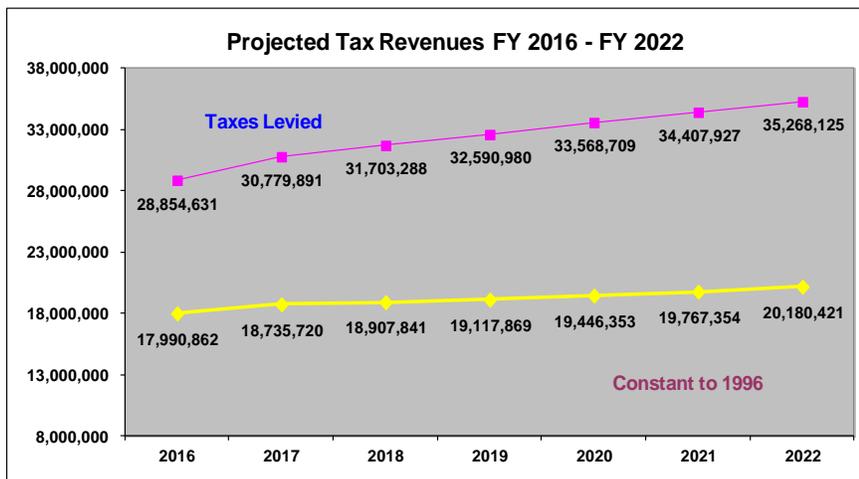
# FINANCIAL SUMMARIES

## Estimates, Projections and Mill Levy Information

### Market and Taxable Value History / Projections

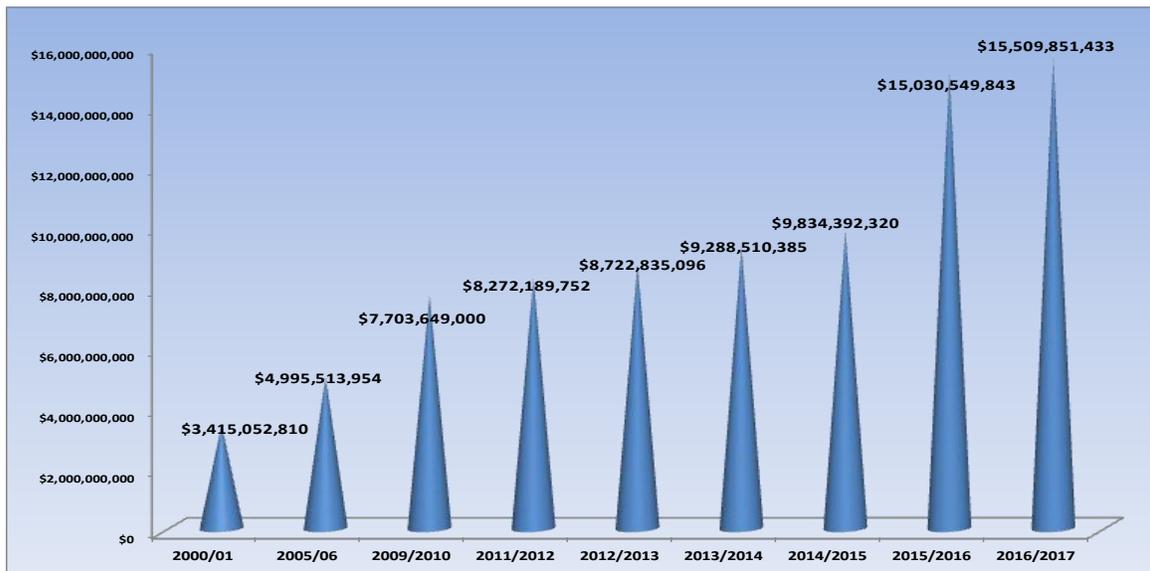
The FY 17 taxes levied shown in the graph to the right will be levied this year. The FY 2018 through FY 2022 numbers are projections. The growth rate is a conservative 2.5% to 3.0%.

The actual growth rate has been as low as 0.9% to a high of 4.36. 2015 was a reappraisal year and valuations were adjusted based on the current market.



The average selling price for a single-family home has increased from \$228,000 in 2009 (last reappraisal year) to an estimated \$278,000 in 2014. The effects of the 2015 reappraisal were a dramatic decrease in Commercial (20%) and Residential (10%). The County Commission adjusted the number of mills in order to maintain the total amount of taxes generated in previous years. The Final Budget shows that agriculture values decreased by 5.61%, Residential values decreased by 10.75% and Commercial values decreased by 20.13%. The average for the County saw a decrease of 11%. However, the actual changes in the amount of taxes will change by less than 1%. Individual property taxes for residential and agriculture will increase.

The following graph shows changes in certified market value from the Department of Revenue. The graph shows 97% growth of values from FY 05 through FY 15. The growth for FY 2016 was 52.86%, with FY 2017 seeing growth of an additional 3%. This brings the Assessed Market Value growth to 210% since FY 2006. This comes from the state removing a number of exemptions previously used on commercial and residential property. However to ensure that taxes for the State of Montana did not increase, the state adjusted the rate used to calculate Taxable Value.



# FINANCIAL SUMMARIES

## Estimates, Projections and Mill Levy Information

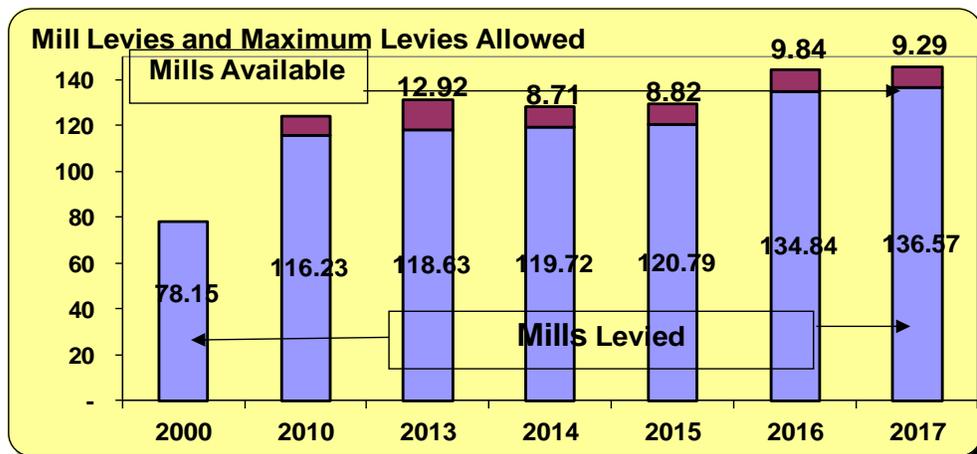
### Mill Levy History

Gallatin County has seen significant changes in mill levies. Changes occurred because of:

- Legislative changes
  - Loss of revenue allowed to be corrected through increases in taxes
  - Inflationary mill levy of ½ the three year average of Economic Growth for the State of Montana as a whole is allowed
  - Authorization for Mill Levy increase if health insurance premiums increase, adjusted in FY 2016 based on state's formula.
- Voted Mill Levy increases for Library and Enhanced Dispatch (9-1-1)
- Search & Rescue to maximum 1 mill (.49 mill increase) in FY 2014
- Two General Obligation Bonds approved for Open Space Activities (\$20 Million) and one for the Detention Center (\$32 Million)

The following graph shows the number of mills levied for Operating Funds (County Wide Mills), Rural Funds (taxes levied outside the boundaries of incorporated cities and towns) and Debt Service/Permissive Medical Levies.

Mill Levies have increased from 78.15 in FY 2000 to 136.57 for the FY 2017 Final Budget. The Commission has not levied inflationary taxes except as needed. For FY 2017 the Commission has authorized the use of inflation taxes for



increases in health premiums, for specific staffing needs, and for dispatch radio and microwave capital. Taxes not levied include: 1) County Operations \$1,497,343; 2) Rural (Road / Library) \$348; and 3) \$238,923 for special districts. The County will not be taxing the maximum amount for the Permissive Medical Levy in FY 2017, leaving \$825,615 available if needed in future years.

Pursuant to state statute and bond agreements, the County will be levying the amount required for bond payments. These include the Open Space Bonds and the Detention Center Bond, however, the number of mills for debt service has decreased from last year. Both of the bond issues were approved by a significant number of County voters.

## **FINANCIAL SUMMARIES**

### **Estimates, Projections and Mill Levy Information**

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