

GALLATIN COUNTY, MONTANA

Fiscal Year Ended June 30, 2021

AUDIT REPORT

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GALLATIN COUNTY, MONTANA

Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION



County of Gallatin

311 W. Main, Courthouse • Bozeman, Montana 59715

March 29, 2023

To the Board of County Commissioners and the Citizens of Gallatin County, Montana:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We hereby issue the annual financial report (AFR) of Gallatin County (hereafter referred to as County) for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse, to compile sufficient reliable information for the preparation of the County's financial statements and comply with laws and regulations in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the County designed our comprehensive framework of internal controls to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the County have been audited by Denning, Downey & Associates, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions over the County's basic financial statement opinion units, as listed in the accompanying table of contents for the fiscal year ended June 30, 2021. The independent auditor's report is presented at the front of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also an opinion on the audited government’s internal controls with legal requirements, with special emphasis on internal controls, and render an opinion on compliance involving the administration of major federal awards.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and Title 2 of the United States Code of Federal Regulations part 200 (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards (SEFA) and the auditor’s reports on internal control over financial reporting and compliance with other matters under Government Auditing Standards and in accordance with Title 2 are included in the single audit section of this report.

Management is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County’s MD&A can be found immediately following the report of the independent auditors.

Profile of Gallatin County

The County, established as a commission form of government in 1863, is located in the southwestern part of the State of Montana. The County government is comprised of a three-member Commission. Commissioners are elected at-large and serve staggered six-year terms. There are twelve other elected officials, with nine serving four-year terms and three district court judges serving six-year terms. The County seat is located in Bozeman.

The County has a land area of approximately 2,632 square miles and an estimated population of 117,268. The population of the County is predominantly urban, with the majority of the residents living within a twenty-mile radius of Bozeman. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

Government

Gallatin County government provides a full range of services to its residents and visitors. General governmental functions include judicial and legal services, public records administration, election services, financial services, planning services and public and home school support. Public safety activities include law enforcement (Sheriff), fire protection, coroner, search and rescue, emergency services, dispatch and detention services. The County provides public works functions associated with transportation (road and bridge) maintenance, lighting districts, weed control, building maintenance, solid waste services and cemetery services. The public health activity supports the rest home, environmental health, human services, mental health, water quality, mosquito control and predatory animal control. Finally, the County supports recreational and other functions through agriculture extension agents (4-H), fair, senior programs, open space, parks, libraries and conservation services.

The annual budget serves as the foundation for the County's financial planning and control. The County begins the budget process by developing a 'Start-Up' budget that takes into consideration available resources and decisions made in prior years that obligate this year. The 'Start-Up' budget is sent to all agencies. Then elected officials, department heads and managers of the County are required to submit requests for appropriation to the Finance Department before June 10th of each year, or on a date designated by the County Commission. The County Finance Department uses these requests to identify changes requiring additional funding above the 'Start-Up' Budget. The County Commission holds all-day work sessions in mid-June to approve, amend, table, or deny requests. The Commission adopts, by resolution, the preliminary budget in early July and holds public hearings on the preliminary budget through July and into August. Upon receipt of the Certified Taxable Valuation and actual cash available, the Commission makes decisions on any requests received during the public hearings as well as on any items tabled during final work sessions. On the last Tuesday of August, the final operating and capital budget is adopted by resolution, along with the approval of the mills needed to fund the budget. Appropriated budgets are prepared by fund (General Fund), function (General Government) and department (Commission). The Commission approves any increase or decrease in the budget or a transfer of appropriation between personnel, operations, debt, and capital outlay.

The objective of the County's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Commission. Activities of the general fund, all special revenue funds, debt service funds, capital project funds, enterprise and interdepartmental funds and trust and agency funds have budgets adopted annually. These budgets delineate the total amount of expenditures budgeted by fund total with the exception of the general, public health and public safety funds which include department totals. Budgetary comparisons are presented in fund and activity detail.

Factors Affecting Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment in which the County operates.

In the last ten years, the County saw steady growth. Property tax revenues have grown at an average of 5.04% percent per year since 2012. The largest growth in property taxes occurred in FY 2021 with the increase of voted mills for 911 Dispatch and increase of 2 voted mills for Search & Rescue, and the lowest change being -2.68 percent in FY 2016. The tax increase for FY 2021 is 15.34% compared to 8.95% the previous year.

The County has seen unemployment go from the low in 2006 of 1.9 percent to a high in 2020 of 12.7 percent, and was 2.7 percent in June of 2021. The County's unemployment rate is lower than the State's rate of 3.5 percent, and the national rate of 5.9 percent. Bozeman's economy is expanding due to growth at Montana State University, increased visitation to Yellowstone National Park, and recreational opportunities throughout the year for the area and there are still a high number of jobs that are not currently filled in the County.

Strategic Process

The County continues to use planning processes (long-term, mid-term and short-term) to help guide the government and ensure decisions are made in the best interest of the organization as a whole and with an eye toward the future. Efforts ensure each planning component process is in alignment with one another. This creates a linkage that assures short-term decisions are consistent with the values of the County as identified in the mid-term and long-term plan adopted by the County.

The elements of the County's planning process have unique purposes and timeframes. The County's Mission, Vision Statements and Growth Policy are the most far reaching in nature (20 to 25 years). The Capital Improvement Program, Core Rolling Stock and Bridge Replacement programs along with the Five-Year Financial Forecast are mid-term in nature (5 to 10 years). The Annual Operating and Capital Budget have short-term (1 to 2 year) timeframe. The most important requisite is that each of these processes continue to be coordinated.

The three mid-term programs started with the creation of the Capital Improvement Plan (CIP). Each department is asked to identify and prioritize future needs along with identifying any potential funding for the request. The capital requests are reviewed and analyzed by staff who then present the requests to the Commission in March of each year as part of the budget process. The CIP is an essential tool for managing future capital improvements and replacements. Since the CIP deals with large capital expenditures valued greater than \$50,000 and a useful life of 5 years or greater, staff identified several other major areas that needed to be considered. The first was the identification and funding of 'Core' vehicle replacement for sheriff vehicles, fire engines, road and bridge vehicles, etc. The County approved the 'Core Vehicle Replacement' program in 2010. The program identified vehicles that were needed to maintain County operations on an ongoing basis with a minimum value of \$25,000 inclusive of equipment and had a useful life of 5 years or greater. The plan currently funds up to \$704,944 per year from taxes. The next program, approved in 2012, was the Bridge Replacement Plan. This plan funds up to \$400,000 per year in taxes to replace bridges with a span of greater than 30 feet, or to support the Bridge Department's need to replace bridges in an emergency. The next need identified and funded with \$500,000 of taxes was a building account to support the upkeep, expansion or replacement of county buildings.

Finance / Budget

Financial policies are guidelines for operational and strategic decision making related to financial matters, as they identify acceptable and unacceptable courses of action, establish parameters within which the government can operate and provide a standard against which the government's fiscal performance can be judged. The County's annual budget is developed in accordance with the policies and priorities set forth in the Commission's goals, identified needs of the County, and state and federal laws. Program/project priorities and service levels are established during the budget preparation and approval process.

In FY 2015, the County adopted a resolution approving a 'Sustainable and Resilient' budget policy. The County seeks to maintain a diversified and stable revenue base to protect itself from short-term fluctuations in any one revenue source. In addition, the Commission sets a goal of maintaining operating reserves at the same percentage as previous years for tax supported funds and encourage other funds to establish operating reserves.

The County aggressively collects real and personal property taxes throughout the year. The tax year 2020 real property tax collections for FY21 were 97.32% of the current levy. The total tax collections were 99.54% of the total taxes levied in FY21. The County will aggressively pursue opportunities for private, federal and state grants for all activities, which assures citizens that the County is striving to obtain all funds. These grants may reduce the reliance on the local taxpayer in the short-term for the support of needed public services.

The County makes current expenditures from current revenues, avoiding procedures that balances current budgets by postponing needed expenditures, accruing future revenues or rolling over short-term debt. The County sets fees and rates at levels which fully recover the total direct and indirect costs, including personnel, operations, capital outlay and debt, as allowed within the law. The County recognizes that accounting principles generally accepted for local governments discourage “earmarking” of General Fund revenues, and accordingly, the County minimizes the practice of designating General Fund revenues for specific programs. This applies to the Public Safety fund as well.

Revenues are estimated in a conservative, but realistic manner based on historic changes and current department experiences. Revenue estimates minimize the adverse impact of revenue shortfalls and reduce the need for mid-year spending reductions.

The County ordinarily uses one-time revenues to fund capital assets or other one-time expenditures. In this context, one-time revenues include the appropriation of cash balances from the previous fiscal year, excluding operating reserves. Using one-time revenues to fund on-going expenditures may result in incurring future year expenditure obligations, which may be unfunded. Using one-time revenues to fund capital assets or other non-recurring expenditures adheres to the Commission’s goal and enables future Commissions to cope with financial problems when these revenue sources are discontinued, since these expenditures can more easily be delayed or eliminated.

The County operates an investment pool for idle cash belonging to the County, all school districts, all fire districts and other small local agencies. The Investment Pool is managed by the County Treasurer, with investment committee support. The County formally adopted an investment policy established by the Treasurer and Committee, which outlines investment goals and strategies. It is the intent of the County to add stability for the overall portfolio by creating a “laddering strategy” using repurchase agreements, State Investment Pool, treasury bills, agency notes and certificates of deposit.

Although the County has an expanding economic base, the increased demand for government services that accompanies development has exceeded the growth in revenues. Several decisions by the State have compounded the issue including the decision to remove motor vehicle fees, gaming revenues, and banking license tax from county revenue and replace them with ‘State Entitlement’. Senate Bill 176, in conjunction with HB 124 transferred the responsibility for District Court, Public Assistance, Youth Probation and Public Defenders to the State. For Gallatin County, which has seen significant growth in all areas, the effect has been a reduction in available revenues from what would have been received before House Bill 124. This is partially because entitlement share has been frozen in the past and only grows based on the legislature’s approval of a population and consumer price index adjustment.

In a positive move, the legislature recognized that the cost of health insurance for local governments was prohibitive in light of restrictions associated with 15-10-420 Montana Code Annotated (MCA) and authorized increasing mills to cover premium increases. The Gallatin County Commission has and will continue to use the Permissive Medical Levy to cover rising health insurance premiums.

Debt Service

The Commission submitted two Open Space Bond issues and the Detention Center Bond issue to voters. The first Open Space Bond of \$10 Million was approved in November, 2000 with the second Open Space Bond of \$10 Million approved in November, 2004. The Open Space program allowed the County to purchase 100 acres for a regional park and authorized conservation easements throughout the County through the ability to leverage private and federal funds.

The \$32 Million Detention Center Bond was approved in November, 2008. This bond allowed the County to replace an aging facility with occupancy of 45-60, with a newly constructed facility with 160 beds and a capacity of 200 before additional construction is necessary. In addition, the voters approved an increase from 1.5 to 5 mills, plus growth allowed by state law, for the County libraries. This allows the County to adequately support the five city/town libraries in the County. The voters also approved the levying of 15 mills, plus growth allowed by state law, for Enhanced Dispatch activities. This allowed for ongoing funding from a reliable revenue source for dispatch operations, as well as funding for the dispatch center. An additional ballot measure was passed to increase mills for Search and Rescue from 1 to 3.

In November of 2016 the Commission submitted a bond issue of \$68.3 million for the construction of a new Law Enforcement Building and a new Justice Building for use by both the City of Bozeman and Gallatin County. Unfortunately, voters rejected the bond issue. After the City of Bozeman received approval for their own building, the County went back to voters for a \$59 million bond issue for a building with reduced scope. This proposal was also rejected. A third ballot issue for \$29 million to construct a courts building was submitted to the voters and was approved in November of 2021.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the finance department staff. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Special thanks to Jill Therrien, Jay Bates, Michelle Bossert, Erin Cox, Brenda Statton and Kris Norby for their dedication towards the completion of this report. Credit must also be given to the Board of County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Gallatin County's finances.

Respectfully submitted:


Eric Semerad
Clerk and Recorder


James G. Doar
County Administrator


Justine Swanson
Chief Financial Officer

GALLATIN COUNTY, MONTANA

ORGANIZATION

Fiscal Year Ended June 30, 2021

BOARD OF COUNTY COMMISSIONERS

Scott McaFarlane
Joe P. Skinner
Zach Brown

Chairperson
Commissioner
Commissioner

COUNTY OFFICIALS

Justine Swanson
Marty Lambert
Erin Cox
Jennifer Blossom
Eric Semerad
Matthew Henry
Brian Gootkin
Holly Brown
Rienne Mcelyea
John Brown

Chief Financial Officer
Attorney
Auditor
Treasurer/Assessor
Clerk and Recorder
Superintendent of Schools
Sheriff/Corner
District Court Judge Dept. 1
District Court Judge Dept. 2
District Court Judge Dept. 3

FINANCIAL STATEMENTS

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

The Board of County Commissioners, with assistance from County Elected Officials, the County Administrator and their staffs, present the following Management Discussion and Analysis (MD&A). As management of Gallatin County, Montana, we have prepared Gallatin County's basic financial statements along with this comparative narrative overview and analysis of the financial activities of Gallatin County for the fiscal year ending June 30, 2021. We encourage readers to consider the information in this MD&A in conjunction with the rest of the annual report.

FINANCIAL HIGHLIGHTS:

The financial statements presented herein include all activities of Gallatin County, Montana, (the County) using the integrated approach as prescribed by the Government Accounting Standards Boards (GASB) Statement No. 34.

- As of June 30, 2021, Gallatin County's governmental funds reported combined ending fund balances of \$64,835,050, compared with \$61,563,618 at June 30, 2020. The fund balance for the General Fund is \$13,975,229, up \$6.67M from June 30, 2020 after restatements. The increase is attributed to revenue increases associated with land use and planned use of working capital, and the combination of the PILT Fund per GASB 54.
- Gallatin County continues to maintain a good financial standing because of positive growth in the property tax base, adoption of Growth Policy, setting aside most Newly Taxable Property for capital projects, adoption and full funding of 'Core Rolling Stock' Vehicle Replacement Program, Bridge Replacement Program and Building Replacement and Expansion Program.
- Gallatin County's primary government assets exceeded its liabilities at June 30, 2021 by \$191.0 million (net position), compared with \$178.8 million at June 30, 2020. Of this amount, \$12.4 million (6.51%) is unrestricted and may be used to meet the government's general obligations to citizens and creditors.
- The total net position increased by \$12.2 million. The increase is the result of charges for services coming in higher than estimated as well as expenses being below estimates.
- Revenues from Taxes/Assessment were \$50,127,861 for governmental funds, up \$6,665,850 from fiscal year 2020. This increase primarily comes from an increase in valuations associated with new construction and increases in mill levies as allowed by law, as well as the voted 6 mill increase for 911 Dispatch and voted 2 mill increase for Search & Rescue.
- The County Health Insurance Fund saw continued positive financial position as represented by unreserved cash in FY 2021 of \$6,653,203 (Cash \$7,537,182 less current liabilities \$883,978), compared to \$5.4M in FY 2020.
- The County's debt (excluding OPEB and Pension liability) for Governmental Activity decreased by \$4,060,025 to \$35,750,999 with Business-Type Activity debt increasing \$292,143 to \$3,337,557 and total debt decreasing by \$3,767,882 during FY 2021, excluding changes in OPEB or Pension Liability.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

OVERVIEW OF THE ANNUAL REPORT:

This discussion and analysis is intended to serve as an introduction to Gallatin County's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. These components are described below:

Government-Wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of Gallatin County's finances in a manner similar to a private-sector business. One of the most important questions asked about the County's finances is, "Is the County as a whole better off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets and liabilities, including long-term debt, using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, certain reductions have occurred as prescribed by the statements regarding inter-fund activity, payables and receivables.

These two statements report the County's net position and changes therein. The County's net position, the difference between assets and liabilities is one way to measure the financial position of the County. Over time, increases or decreases in the County's net position are an indicator of whether the financial health is improving or deteriorating. Non-financial factors such as changes in the County's property tax base or the condition of the County roads/bridges also need to be considered in assessing the financial position of the County.

The Statement of Net Position and the Statement of Activities distinguish between the following activities:

- Governmental Activities – most of the County's basic services are reported here, including general government, public safety, public works, public health and other governmental activities. Property taxes, state and federal grants and local option vehicle taxes finance most of these activities including internal services activities.
- Business-type Activities – the County charges a fee to customers to recover the cost of certain services. These activities include Gallatin County Solid Waste District, Gallatin County Rest Home and West Yellowstone/Hebgen Refuse District.
- Component Units - activity that the County supports and appoints a majority of the board (Airport Authority was previously a Component Unit). The County does not have any component units for FY 2021.

Fund Financial Statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the most significant funds, not the County as a whole. Some funds are required by State law or by bond covenants. Also, the Board of County Commissioners establishes funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, fees and other money. Examples include separate grant funds, Local Water Quality District and Rural Improvement District (RID) maintenance and bond funds.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

The County maintains two types of funds, governmental and proprietary, which use different accounting approaches.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. These funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds use the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services provided. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Gallatin County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the public safety fund, RID maintenance and bond compilation, which are considered major funds. Data from the other 84 non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements elsewhere in this report.

Proprietary Funds maintained by Gallatin County include two different types of funds; Enterprise funds and Internal Services funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the landfill, rest home and refuse district operations. *Internal Service funds* are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for motor pool, employee health insurance, facilities, copiers and liability/property insurance services. Because these services predominantly benefit governmental services rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, but provide more detail and additional information, such as cash flows.

Fiduciary Funds are used to account for resources held for the benefit of parties outside County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Gallatin County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information follows the basic financial statements. This is the supplementary information section. This section includes other information not included in the previous statements.

THE COUNTY AS A WHOLE

The government-wide financial statements are found in the Basic Financial Statement Section of this report.

Government Activities – Most of Gallatin County's basic services are reported in this category, including:

General Government:

Elected Offices

County Attorney, Auditor, Clerk & Recorder/Surveyor, Commission, Justice of the Peace, Clerk of District Court/Public Administrator, and Treasurer/Assessor.

Departments

County Administrator, Compliance, Court Services, Finance, Human Resources, Innovation & Technology, and Community Development/Planning.

Public Safety:

Elected Offices

County Sheriff, Coroner.

Departments

Emergency Management, Dispatch Services, Fire Marshal, Detention Services (Adult & Juvenile), Hazardous Materials Incident Services, Search & Rescue.

Public Works:

Departments

Airport at Three Forks, Bridge, Operations & Procurement, Junk Vehicle, Noxious Weed Control, Road, Facilities, Rural Improvement Maintenance, and Refuse/Solid Waste.

Public Health:

Departments/Agencies –

Alcohol Rehabilitation, City/County Health (Administration, Human Services and Environmental Services), Mental Health, Senior Citizens, Cemetery Districts, Mosquito Control, and Water Quality.

Economic Development:

Economic Development, Extension Agents.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

Culture and Recreation:

Library, Fair, and Parks.

Conservation and Natural Resources:

Open Lands Board, Open Space Bond, Open Space Bond Repayment.

Debt Service:

General Obligation Bonds, Loans Payable, Lease Purchases, Rural Special Improvement Bonds and Compensated Balances.

Business Type Activities – In this activity, fees charged to users are designed to cover all or most of the cost of the services provided. The County uses fees as the principle revenue source for landfill, refuse and rest home services.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Gallatin County's Net Position (assets exceed liabilities) is \$190,982,003 as of June 30, 2021.

Gallatin County, State of Montana						
Statement of Net Position						
June 30, 2021						
	Primary Government - FY 2021			Prior Years		
	Governmental Activities	Business - Type Activities	TOTAL	FY 20 TOTAL	FY 19 TOTAL	FY 18 TOTAL
ASSETS						
Cash & Cash Equivalents	90,892,439	21,984,600	112,877,039	91,068,484	84,218,291	80,074,701
Other Assets	11,077,651	4,259,460	15,337,111	18,004,999	10,258,177	12,681,147
Capital Assets (net)	144,651,749	12,061,986	156,713,735	149,877,537	149,921,010	148,022,978
Total Assets	246,621,839	38,306,046	284,927,885	258,951,020	244,397,478	240,778,826
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows of resources	10,768,041	1,085,134	11,853,175	9,808,905	11,631,621	13,030,154
LIABILITIES						
Current Liabilities	25,031,920	1,494,060	26,525,980	12,768,172	10,976,577	10,513,890
Long-Term Liabilities	30,711,752	3,402,133	34,113,885	38,687,017	41,785,226	46,626,629
OPEB and Pension Liabilities	36,600,817	4,858,947	41,459,764	31,523,988	29,835,702	32,581,612
Total Liabilities	92,344,489	9,755,140	102,099,629	82,979,177	82,597,505	89,722,131
DEFERRED INFLOWS OF RESOURCES						
Pension Deferrals	2,317,945	134,794	2,452,739	5,864,565	9,048,659	8,152,065
OPEB Health Benefit Assump. Chngs.	808,258	170,949	979,207	1,124,027	293,189	298,781
Rec in adv of payments	267,482	-	267,482	-	-	1,010,999
Total Deferred Inflows of Resources	3,393,685	305,743	3,699,428	6,988,592	9,341,848	9,461,845
NET POSITION						
Net Investment in Capital Assets	111,801,942	12,061,986	123,863,928	114,893,309	111,047,509	104,034,672
Restricted	51,571,376	3,116,142	54,687,518	24,870,420	21,975,018	21,567,423
Unrestricted	(1,721,612)	14,152,169	12,430,557	39,028,427	31,067,219	29,022,909
Total Net Position	161,651,706	29,330,297	190,982,003	178,792,156	164,089,746	154,625,004

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

The County provided condensed financial information for fiscal years 2018 through 2021. Comparative information is available for years 2018, 2019, 2020 and 2021 for Gallatin County. The analysis that follows focuses on the County's Net Position for governmental and business activities. Net Position– Unrestricted decreased by \$26.6M. This indicator requires several years of comparative information to show trends and variances. For Gallatin County, the following table shows the net amount assets exceeded liabilities.

Fiscal Year 2011 (June 30, 2011)	157,349,141
Fiscal Year 2012 (June 30, 2012)	159,047,106
Fiscal Year 2013 (June 30, 2013)	158,232,971
Fiscal Year 2014 (June 30, 2014)	161,190,325
Fiscal Year 2015 (June 30, 2015)	141,050,471
Fiscal Year 2016 (June 30, 2016)	149,029,973
Fiscal Year 2017 (June 30, 2017)	150,208,351
Fiscal Year 2018 (June 30, 2018)	154,625,004
Fiscal Year 2019 (June 30, 2019)	164,089,746
Fiscal Year 2020 (June 30, 2020)	178,792,156
Fiscal Year 2021 (June 30, 2021)	190,982,003

Net Position is separated 69% Invested in Capital Assets, 32% Restricted, and -1% Unrestricted Net Position. Unrestricted assets are used to meet the County's ongoing obligations. At the end of the current fiscal year Gallatin County is able to report positive balances in two of three categories of net position for the government as a whole, and all three categories for its separate governmental and business-type activities.

The County's changes in net position are shown in the following table. The report shows that primary governmental activities increased net position to \$161,651,706. The Business-Type Activities portion shows an increase in net position to \$29,330,297, an increase of \$2,262,516. A table comparing the County's Net Position from FY 2012-2021 follows.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

Gallatin County, State of Montana Statement of Activities						
	For the Year Ended June 30, 2021 Net (Expenses) Revenues and Changes in Net Position			For the Year Ended June 30, 2020 Net (Expenses) Revenues and Changes in Net Position		
	Primary Government - FY 2021			Primary Government - FY 2020		
	Governmental Activities	Business - Type Activities	TOTAL	Governmental Activities	Business - Type Activities	TOTAL
Primary government net revenues	(41,314,843)	519,000	(40,795,843)	(36,563,098)	854,702	(35,708,396)
General revenues						
Property taxes for general purposes	\$ 41,434,895	\$ 1,958,991	\$ 43,393,886	\$ 44,044,481	\$ 1,043,584	\$ 45,088,065
Unrestricted grants and contributions	295,681	-	295,681	7,763	-	7,763
Investment Earnings	381,771	(33,389)	348,382	1,079,983	91,821	1,171,804
Miscellaneous	11,179,848	179,395	11,359,243	3,835,602	9,543	3,845,145
Gain (loss) on sale/disposal of fixed as	(520,530)	-	(520,530)	(77,178)	-	(77,178)
Transfer - net:	(2,519)	2,519	-	(9,750)	9,750	-
Total general revenues	52,769,146	2,107,516	54,876,662	48,880,901	1,154,698	50,035,599
Change in net position	11,454,303	2,626,516	14,080,819	12,317,803	2,009,400	14,327,203
Net position - beginning	152,088,455	26,703,781	178,792,236	139,395,365	24,694,381	164,089,746
Restatement	(1,891,052)	-	(1,891,052)	375,201	-	375,201
Net position - ending	161,651,706	29,330,297	190,982,003	152,088,369	26,703,781	178,792,150

<u>Fiscal Year</u>	<u>Net Position</u>
2021	190,982,003
2020	178,792,156
2019	164,089,746
2018	154,625,004
2017	150,208,351
2016	149,029,973
2015	141,050,471
2014	161,190,325
2013	158,232,971
2012	159,047,106

Government Activities

Gallatin County spent \$70,455,012 for governmental activities in fiscal year 2021. Significant events affecting Governmental activities are as follows:

- Governmental Activity increased due to costs associated with General Government wage increases and large capital projects completed in FY 2021.
- Total Governmental expenses decreased overall by 10.62% or \$6,763,462.

Gallatin County, Montana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

The following statement shows the amount paid by property taxpayers was \$41,434,895 or 58.81% of primary government activity expenses. The following table shows the changes in the percentage taxes are to governmental activity expenses:

Governmental Activities

<u>Year</u>	<u>Taxes</u>	<u>Expenses</u>	<u>Percentage</u>
2021	\$41,434,895	\$70,455,012	58.81%
2020	\$44,044,481	\$63,691,550	69.15%
2019	40,551,650	56,433,605	71.86%
2018	37,072,738	54,302,723	68.27%
2017	35,674,108	57,660,805	61.86%
2016	34,020,257	49,705,220	68.44%
2015	33,424,693	48,884,521	68.37%
2014	32,028,092	53,449,292	59.92%
2013	31,087,735	47,014,314	66.12%
2012	30,201,336	43,735,302	69.05%
2011	35,170,629	49,512,015	71.03%

Charges for Services accounted for \$12,148,419 (17.24%) of fiscal year 2021 Governmental Activity expenses. Operating Grants & Contributions and Capital Grants and Contributions (Intergovernmental Revenues) generated \$16,991,750, accounting for 22.43% of expenses. Other Revenue sources generated the balance of money needed.

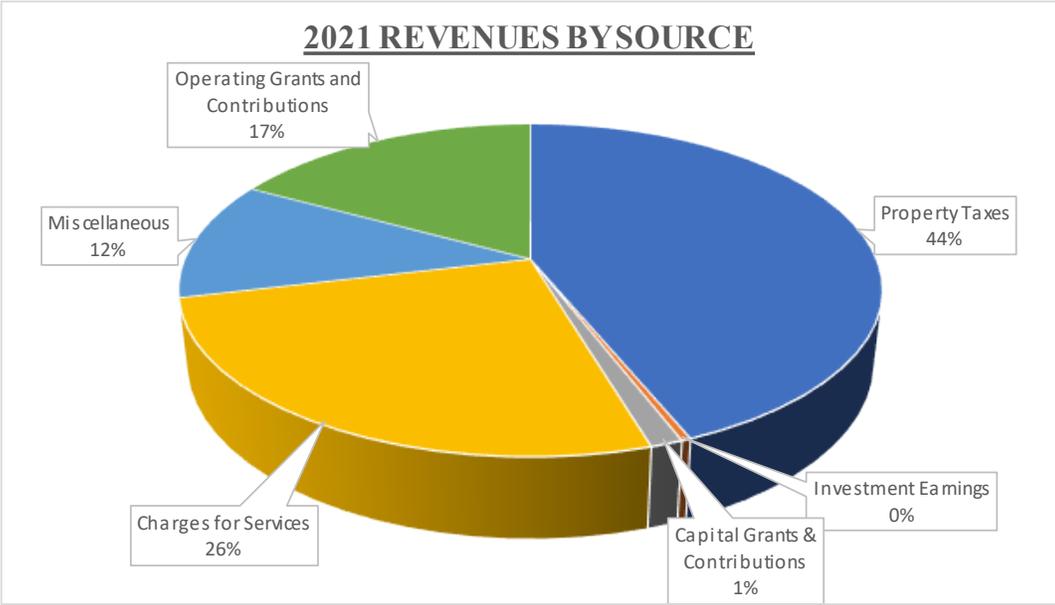
Overall, governmental program revenues, both primary government and business-type activity, generated \$24,570,018 from charges for services, while operating grants and contributions and capital grants and contributions equaled \$17,387,975. Because total primary government expenses were \$82,753,836, Program Revenues were \$40,795,843 less than it cost to provide services. The balance is required to be funded from other sources (Taxes). Program revenues do not include taxes, investment earnings, entitlements or sale of fixed assets, but are restricted to revenue generated by the individual departments for services, fees, fines, grants, contributions or other direct revenue sources.

Graph of Revenues by Source – Activities

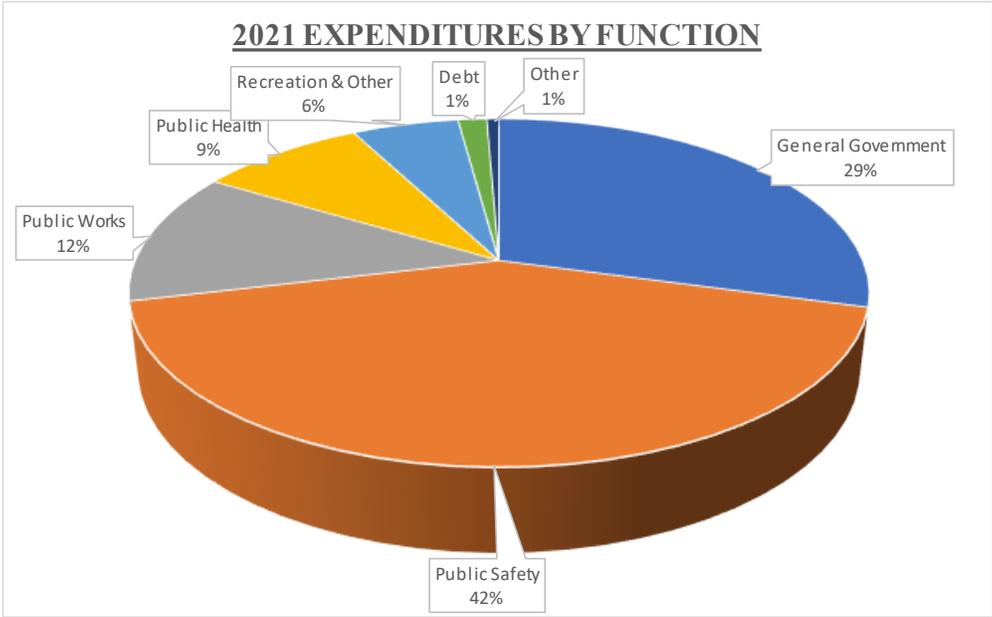
Gallatin County received \$81,909,315 in revenues to finance governmental operations. Total expenses for governmental activities were \$70,455,012 which resulted in a net position increase of \$11,454,303 after restatements.

After all activities are considered, net position increased from \$178,792,236 to \$190,982,003 for governmental activities and business type activities. The graphs that follow show revenues by source and expenditures by activity for all activities.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

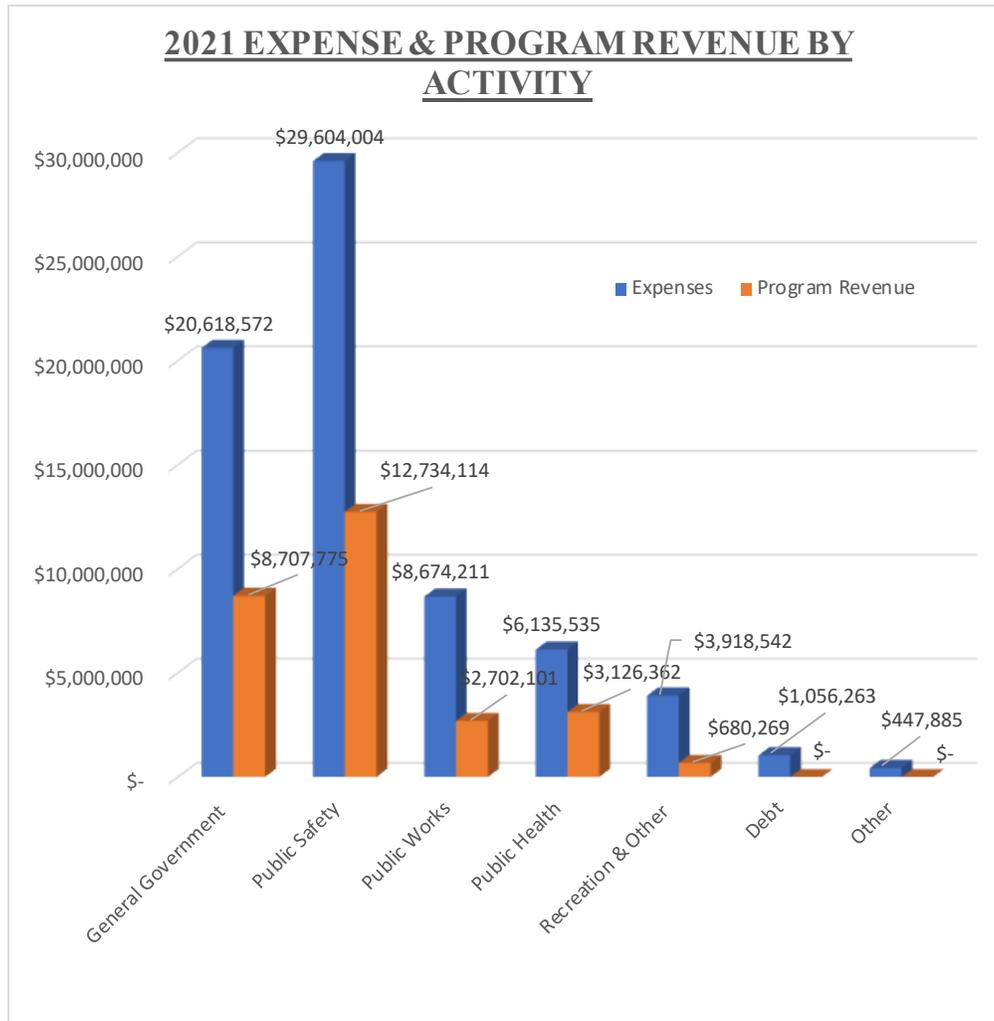


A list of departments included in each function section of the following pie chart is included later in the document.



The next graph compares expenses to the revenues generated by each activity.

Gallatin County, Montana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021



As this graph dramatically shows, the cost of providing services to residents and visitors of Gallatin County is not supported by the amount the state allows local governments to charge for providing services.

As a local government, Gallatin County uses tax revenues to support mandated services, as is the case with all county governments in Montana. To some extent, the County will need to increase tax levies from the inflationary mill to maintain service levels. To increase service levels, the following options are available:

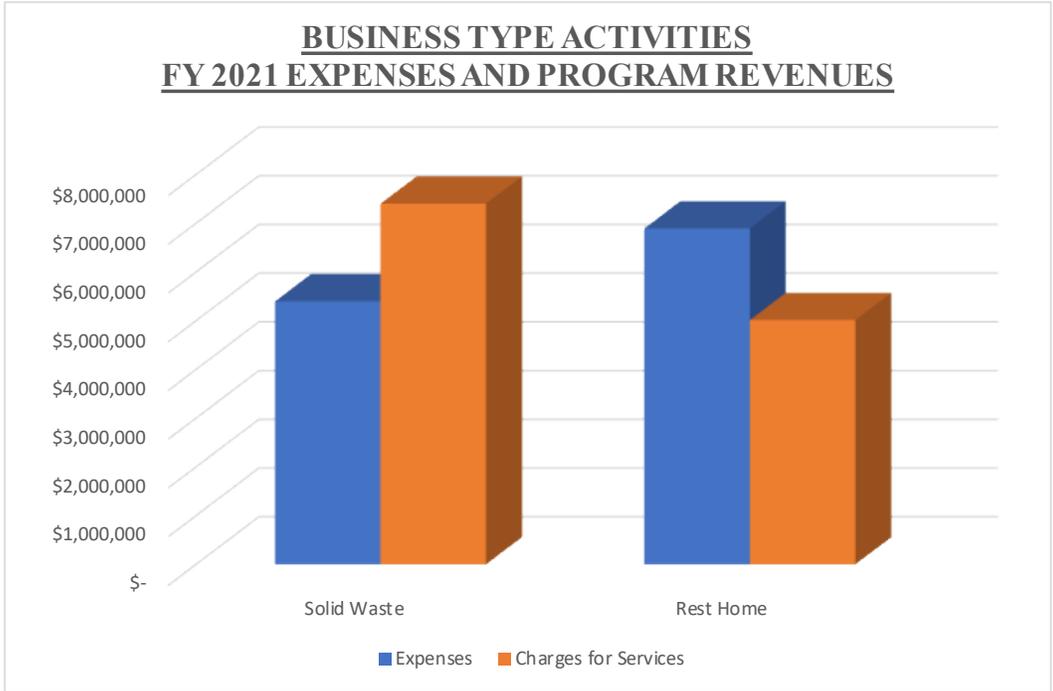
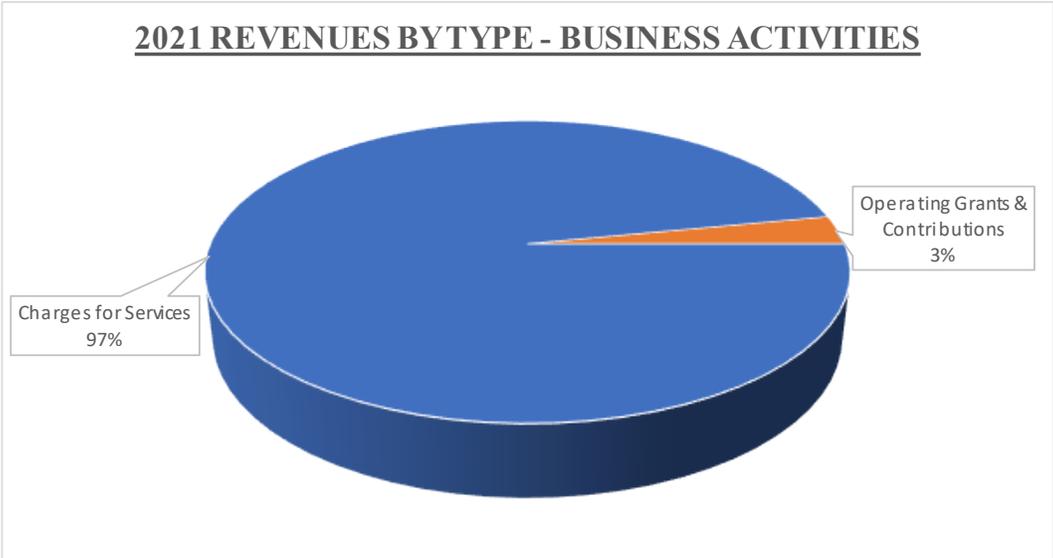
- 1) Receive authorization from the state legislature to increase local government's ability to charge the true cost of services, or authorize changes in current methods of funding local government (local option taxes).
- 2) Increase taxes - County Commission would need to use current taxing authority (inflationary mills / permissive medical levy), or request voter approval for an increase in taxes.
- 3) Or use a combination of these options.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

Business Type Activities

The cost (expenses) for all proprietary (business type) activities for FY 2021 was \$12,298,824. The amount paid by users of the Rest Home, Landfill and Refuse District was \$12,421,599.

Total resources for fiscal year 2021 to finance proprietary funds (business type) were \$12,817,824 (Charges for Services \$12,421,599 and Grants / Contributions \$396,225).



Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

Funds of the County

The following is an analysis of balances in the County's major funds. The FY 2020 column is for comparison purposes only and shows prior year revenues and expenses.

General Major Governmental Functions

The information below compares revenues in FY 2021 to FY 2020:

Gallatin County, State of Montana
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2021

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	FEDERAL GRANT	RID BOND DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2020 TOTAL
REVENUES									
Property Taxes	\$ 10,681,942	\$ 19,479,765	\$ 1,926,542	\$ -	\$ 824,967	\$ 985,223	\$ 16,229,422	\$ 50,127,861	\$ 43,462,011
Licenses & Permits	800	80,801	-	-	-	-	389,300	470,901	399,857
Intergovernmental Revenues	3,519,454	981,232	-	778,244	-	900	15,247,870	20,527,700	18,864,670
Charges for Services	4,017,360	3,187,662	-	-	-	114,410	1,318,666	8,638,098	7,177,867
Fines & Forfeitures	470,990	50,569	-	-	-	-	54,106	575,665	593,375
Miscellaneous	441,526	29,065	-	-	-	2,061	1,177,401	1,650,053	3,835,602
Investment Earnings (loss)	76,234	(5,852)	18,035	(15)	820	35,068	264,178	388,468	950,650
Contributions/Donations	-	-	-	-	-	-	-	-	7,763
Total revenues	\$ 19,208,306	\$ 23,803,242	\$ 1,944,577	\$ 778,229	\$ 825,787	\$ 1,137,662	\$ 34,680,943	\$ 82,378,746	\$ 75,291,795

The following table shows where the County spent the money received (activity) for Major Funds as stated above.

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	FEDERAL GRANT	RID BOND DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2020 TOTAL
EXPENDITURES									
Current:									
General Government	\$ 14,262,168	\$ -	\$ -	\$ -	\$ -	\$ 177,058	\$ 697,435	\$ 15,136,661	13,802,205
Public Safety	1,640,215	16,706,552	-	-	-	-	9,320,718	27,667,485	24,561,455
Public Works	586,352	-	1,087,398	515,008	-	111	4,362,767	6,551,636	7,414,105
Public Health	-	-	-	-	-	-	6,117,390	6,117,390	5,169,740
Social & Economic Services	518,473	-	-	-	-	-	-	518,473	571,366
Culture & Recreation	-	-	-	-	-	-	2,662,646	2,662,646	2,857,953
Housing & Community Development	-	-	-	-	-	-	224,244	224,244	184,174
Conservation of Natural Resources	-	-	-	267,993	-	-	2,986	270,979	273,006
Principal retirement	375,896	-	-	-	461,995	-	2,901,921	3,739,812	4,544,493
Interest	67,918	525	-	-	289,147	-	984,334	1,341,924	1,460,391
Capital Outlay	94,898	841,136	-	-	-	8,534,096	2,926,380	12,396,510	5,979,512
Other	384,538	-	16,000	-	-	-	47,347	447,885	-
Total expenditures	\$ 17,930,458	\$ 17,548,213	\$ 1,103,398	\$ 783,001	\$ 751,142	\$ 8,711,265	\$ 30,248,168	\$ 77,075,645	\$ 66,818,400

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

The General Fund is always a 'Major Fund'. Public Safety, RID Maintenance and Federal Grant Funds are 'Major Funds' because liabilities, revenues and expenditures are all greater than 10% of the Special Revenue Funds. The RID Bonds Fund is considered a 'Major Fund' because it has greater than 10% assets and also has greater than 10% of the Assets and Liabilities of debt service funds. The Capital Project Fund is considered a 'Major Fund' because it has greater than 10% assets and also has greater than 10% of the Assets and Liabilities of the Capital Project funds.

Proprietary Funds

The County has four proprietary funds comprised of Internal Service Funds and three major Enterprise Funds: Rest Home, Gallatin County Solid Waste District (Logan Landfill) and West Yellowstone/Hebgen Refuse District. The following statement gives an overview of all business type proprietary funds. Internal Service Funds are part of Governmental Activities.

Gallatin County, State of Montana
Summarized Comparative Schedule of Proprietary Funds
For the Year Ended June 30, 2021

	For the Year Ended June 30, 2021				For the Year Ended June 30, 2020			
	Gallatin County Rest Home	West Gallatin County Landfill	Yellowstone Refuse District	Total Proprietary Funds	Gallatin County Rest Home	West Gallatin County Landfill	Yellowstone Refuse District	Total Proprietary Funds
Operating Revenues	5,055,439	6,788,076	622,072	12,465,587	5,525,601	6,001,365	660,305	12,187,271
Operating Expenses	6,897,020	4,326,329	1,075,475	12,298,824	6,859,462	4,070,098	1,061,531	11,991,091
Operating income (loss)	(1,841,581)	2,461,747	(453,403)	166,763	(1,333,861)	1,931,267	(401,226)	196,180
Nonoperating revenues (expenses)	2,412,712	30,673	13,849	2,457,234	1,673,155	104,630	25,685	1,803,470
Transfers In	-	2,519	-	2,519	-	9,750	-	9,750
Change in net position	571,131	2,494,939	(439,554)	2,626,516	339,294	2,045,647	(375,541)	2,009,400
Total net position - beginning	(738,252)	24,151,116	3,290,917	26,703,781	(1,077,546)	22,105,469	3,666,458	24,694,381
Rstatement due to OPEB	-	-	-	-	-	-	-	-
Total net position - ending	\$ (167,121)	\$ 26,646,055	\$ 2,851,363	\$ 29,330,297	\$ (738,252)	\$ 24,151,116	\$ 3,290,917	\$ 26,703,781

The following table shows a comparison of net income to net position of business type activities since they have a focus on cost of service measurement or capital measurement.

	----- PRIOR YEARS -----				CURRENT
	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>
Total Assets	28,640,013	30,139,445	32,313,787	34,795,252	39,391,180
Net Position	<u>21,180,262</u>	<u>21,993,071</u>	<u>24,694,381</u>	<u>26,703,781</u>	<u>29,330,297</u>
TOTAL LIABILITIES/DEFERS	7,459,751	8,146,374	8,419,725	8,091,471	10,060,883
Change in Net Position – Business Activities	1,279,797	812,809	2,701,310	2,009,400	2,626,516
(DIVIDED BY)					
Ending Net Position	21,180,262	21,993,071	24,694,381	26,703,781	29,330,297
(EQUALS)					
Return On Ending Net Position	6.04%	3.70%	10.94%	7.52%	8.95%

Gallatin County, Montana
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

Debt Administration

Gallatin County maintained its bond rating from S&P Global Ratings at AA+, based on the 2016 General Obligation Bond, bonds, lease/purchase instruments and similar obligations of Gallatin County that are considered a liability of governmental activities. S&P withdrew their rating from Gallatin County in June of 2021 as a result of not receiving adequate and timely financial information.

As a whole, Governmental Activities debt decreased in fiscal year 2021 by \$4,060,025 because of regular payments on bonds, capital leases, and RID bonds. The cost per capita for governmental debt outstanding decreased to \$304.87 in fiscal year 2021 (\$37,750,999 divided by estimated population of 117,268). Governmental activity debt summary for fiscal year 2021 is presented below.

	----- PRIOR YEARS -----				CURRENT
	FY 17	FY 18	FY 19	FY 20	FY 21
DEBT PAYABLE ON (June 30)					
BEGINNING BALANCE	54,994,722	52,218,388	48,465,191	43,659,294	39,881,024
ADD: Intercap Loan / Notes/Bonds	-0-	-0-	-0-	-0-	-0-
Special Assessment Bonds	363,000	-0-	-0-	732,000	-0-
G. O Bonds	-0-	-0-	-0-	-0-	-0-
Bond Premiums	-0-	-0-	-0-	-0-	-0-
Compensated Absences (INC)	132,946	200,475	205,289	407,840	-0-
Capital Lease Agreements	1,499,999	186,489	-0-	-0-	-0-
LESS: Loan/Lease Payments	792,762	394,173	1,219,489	631,841	157,817
Special Assessment Payments	812,845	487,735	4429,695	932,653	461,995
Compensated Absence (DEC)	-0-	-0-	-0-	157,955	34,552
G.O. Payment/Refinancing	2,791,250	2,891,250	2,995,000	2,980,000	3,120,000
Bond Premiums	375,421	367,004	367,002	285,661	285,661
DEBT PAYABLE (June 30)	52,218,388	48,465,190	43,659,294	39,811,024	37,750,999
Cost Per Capita	\$504.60	\$449.50	\$391.87	\$344.88	\$304.87

Debt includes compensated absences (amount due to employees for accrued leave, including 1/4 sick leave, all vacation and compensatory time) of \$2,901,192 down \$34,552 from FY 2020. The decrease represents a change of 1.17%. Debt does not include Governmental Activities Other Post-Employment Benefits (OPEB) of \$3,366,404.

The County, by statute, can have debt of 2.50% of Assessed Valuation. For fiscal year 2021 this equals \$588,927,974. County debt of \$30,599,297 (\$35,750,999 less Special Assessment Bonds (RID) \$5,151,702) means the County has used 5.20% of its borrowing capacity through fiscal year 2021, with unused borrowing capacity being \$558,328,677. Special assessment bonds (RID Bonds) are not included when calculating debt limit. Debt from business-type activities does not affect the County’s debt limit.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

Capital Assets

Capital assets (non-current assets) of the County are those assets used in the performance of the County's functions, including infrastructure assets.

	CAPITAL ASSETS					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,208,880	\$ 4,233,880	\$ 1,661,552	\$ 1,661,552	\$ 7,870,432	\$ 5,895,432
Buildings	63,098,452	59,758,790	8,482,589	8,457,306	71,581,041	68,216,096
Improvements other than buildings	4,003,238	4,003,082	5,505,971	5,505,971	9,509,209	9,509,053
Machinery and Equipment	30,000,543	30,472,294	8,131,319	7,430,156	38,131,862	37,902,450
Intangibles	22,791,171	22,086,412	-	145,468	22,791,171	22,231,880
Infrastructure	149,955,366	149,960,492	-	-	149,955,366	149,960,492
Construction in Progress	9,799,768	5,884,486	1,440,700	610,360	11,240,468	6,494,846
Less Accumulated Depreciation	(141,205,669)	(137,920,234)	(13,160,145)	(12,412,478)	(154,365,814)	(150,332,712)
Total Assets	<u>\$ 144,651,749</u>	<u>\$ 138,479,202</u>	<u>\$ 12,061,986</u>	<u>\$ 11,398,335</u>	<u>\$ 156,713,735</u>	<u>\$ 149,877,537</u>

At the end of 2021 the County had invested in a broad range of capital assets, including law enforcement equipment, roads and road equipment, bridges, County facilities and other infrastructure. Major additions(deletions) during 2021 included:

	<u>Governmental</u>	<u>Business-Type</u>
Land	\$ 1,975,000	\$ -0-
Building Improvements	3,339,662	25,283
Improvements Not Buildings	156	-0-
Intangibles	(471,751)	701,163
Infrastructure	704,759	(145,000)
Machinery & Equipment	(5,126)	-0-
Construction in Progress	(3,915,282)	830,340

As the previous table shows, Gallatin County is committed to the upkeep, maintenance and replacement/expansion of the County's assets.

Gallatin County, Montana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

County General and Public Safety Fund Budget Highlights and Variances

The fiscal year 2021 adopted and final budgets for the General and Public Safety Funds totaled \$41,736,916. These budgets increased by \$714,729 during the year. Individual department budgets were amended throughout the year without affecting the total budget.

Original Budget	+	Continuing Appropriations	+	Encumbrances	=	Beg. Balance
<u>\$ 41,736,916</u>		\$ <u>-0-</u>		\$ <u>-0-</u>		<u>\$ 41,736,916</u>

Beg. Balance	+/-	Supplemental Changes	=	Final Budget
<u>41,736,916</u>		<u>\$714,729</u>		<u>\$ 42,451,645</u>

The beginning to final budget shows an increase of 1.7% from budget amendments. Changes were caused by receipt of detention center inmate revenues from the state and other counties, land use revenues and changes associated with normal budget amendments for grants and increases in fee revenue.

Budget Changes – FY 2021 Compared to FY 2022

The following information is provided to show the changes that have been made in the coming year's budget. The information is provided based on recommendations from the Governmental Accounting Standards Board.

No major changes in operational budgets occurred between fiscal year 2021 and fiscal year 2022 by the County Commission. Changes in staffing were:

Office/Department	Staffing Changes (FTE)	Net Increase (Decrease)
911 Communications		6.00
Bridge		1.95
Clerk & Recorder		0.92
Clerk of District Court		0.75
Court Services		0.25
Detention Center		1.00
Extension		0.12
Finance - Grants		3.89
Health - Administration		0.50
Miscellaneous - Temporary		-0.38
Open Space		-0.40
Parks		-0.33
Planning		0.75
Road		-2.00
Search & Rescue		1.00
Sheriff		2.05
Treasurer		-0.83
TOTAL COUNTY TAX SUPPORTED PERSONNEL		<u>15.24</u>
Health Grants		0.50
Operations & Procurement		-0.25
Other Grants		1.50
Rest Home		1.85
Sheriff Grants		-0.01
TOTAL NON TAX SUPPORTED PERSONNEL		<u>3.59</u>
TOTAL CHANGES IN PERSONNEL		<u><u>18.83</u></u>

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

The following Capital Outlay / Capital Projects table identifies estimated costs of projects and the amount budgeted for FY 2022. The table includes CIP Programs that are funded ongoing, a listing of Major CIP Projects over \$250,000 approved in the current budget, a summary of Minor CIP projects by capital type, and a listing of Reserves held throughout the County.

Gallatin County, Montana
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2021

CAPITAL OUTLAY / CAPITAL PROJECTS		
Summary of 2022 FINAL Capital Projects & Outlay		
CIP Programs	Annual Allocation	FY 2022 BUDGET
Core Rolling Stock Equipment (FY 2011)	704,944	1,330,595
Bridge Replacement (FY 2013)	400,000	2,200,000
Building Replacement Program	500,000	3,927,223
Transportation Infrastructure (FY 2021)	600,000	900,000
Sub-total CIP Programs	2,204,944	8,357,818
Major CIP Projects (+\$250K)	Project	FY 2022 BUDGET
Land for Gravel Pit	850,000	850,000
Open Space Land Conservation Easements	1,282,542	1,282,542
Meridian Bridge	2,400,000	912,084
Public Waste Disposal Area	4,000,000	4,000,000
Fairgrounds Surface Treatment - Grand Road	320,000	320,000
911 Radio Project Contingency	800,000	800,000
Law Enforcement Building	1,274,361	1,274,361
Detention Center Expansion	1,471,130	1,471,130
Landfill Expansion	300,000	300,000
Sub-total Major CIP Projects	12,698,033	11,210,117
Minor CIP Projects	Project	FY 2022 BUDGET
Land	376,713	376,713
Intangibles	380,157	380,157
Buildings	1,041,766	1,041,766
Improvements Other Than Buildings	756,658	756,658
Equipment	2,289,212	2,289,212
Sub-total Minor CIP Projects	4,844,506	4,844,506
Reserves	Project	FY 2022 BUDGET
Buildings	100,000	100,000
Improvements Other Than Buildings	608,393	608,393
Equipment	91,494	91,494
Undesignated Fund Reserves	3,529,828	3,529,828
Road Department	2,019,428	2,019,428
Search & Rescue	1,092,889	1,092,889
Open Space Fund	3,487,430	3,487,430
911 Dispatch	853,948	853,948
Junk Vehicle	200,000	200,000
Rest Home	150,000	150,000
Logan Landfill	18,078,634	18,078,634
WY Compost	572,776	572,776
Operations & Procurement	902,823	902,823
Copier Reserves	116,962	116,962
Sub-total Minor CIP Projects	31,804,605	31,804,605
TOTAL	51,552,088	56,217,046

Gallatin County, Montana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2021

Capital Projects in FY 2022 were estimated at \$56.2 million. This is a significant increase over FY 2021 (\$39.2M) largely related to growing capital reserves for future expansion and replacement projects. The previous table shows funding for all capital projects, capital outlay and capital reserves.

Summary

The fiscal year 2022 budget sees increases in taxes for operations and debt service. A comparison of budgeted taxes and mill levies for fiscal year 2010 through fiscal year 2022 shows:

Comparison of Budgeted Taxes

<u>Taxes Budgeted</u>	<u>FY 2010</u>	<u>FY 2015</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
County Operating Taxes	\$ 16,343,857	\$ 18,808,855	\$ 21,761,399	\$ 23,082,863	\$ 25,345,937	\$ 28,932,591	\$ 30,513,388
Road and Library Taxes	3,153,566	3,762,770	4,437,478	4,626,481	4,857,714	5,018,596	5,221,346
Open Space & Park Voted Levy	-	-	-	1,331,823	1,589,033	1,650,211	1,966,727
Permissive/Bond Funds	3,941,648	5,077,427	5,867,951	6,202,096	6,606,316	6,647,028	7,452,507
 <u>Mill Levies</u>							
County Operating Taxes	73.20	74.35	75.84	78.04	71.83	78.96	69.82
Road and Library Taxes	25.23	76.29	27.30	27.75	24.59	24.53	21.47
Open Space & Park Voted Levy	-	-	-	4.50	4.50	4.50	4.50
Debt Service / Insurance Taxes	17.80	20.15	20.52	21.02	18.74	18.16	17.66
 <u>Taxable Valuations</u>							
County Operating Valuations	223,244	252,964	286,963	295,802	352,837	366,377	437,051
Open Space & Park Voted Levy	-	-	-	295,802	352,837	366,377	437,051
Road and Library Valuations	125,025	143,113	162,547	166,725	197,527	204,664	243,193

This table shows increase in the taxable valuation of property for FY 2022 of 19.29% due to growth. The County Commission did not maximize the number of mills levied for the Permissive Medical levy. However, they did increase the mills and taxes levied for this Levy. In addition, the Commission did not maximize taxes for county operating as authorized by state law. This results in the county not assessing taxes of \$3,396,009. The Commission may impose these taxes in future years if they deem it is in the best interest of the County.

Contacting the County Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of Gallatin County's finances and the County's accountability for the money it receives. If you have any questions about this report or want additional information, contact the Finance Department - Accounting Office at 311 West Main Street, Bozeman, MT 59715, phone 406-551-3563 or e-mail jill.therrien@gallatin.mt.gov.

Respectfully submitted,


 James G. Doar
 County Administrator


 Justine Swanson
 Chief Financial Officer

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

INDEPENDENT AUDITOR'S REPORT

County Commissioners
Gallatin County
Bozeman, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, Montana, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, Montana, as of and for the year ended June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2021, the County adopted new accounting guidance, GASB No. 84 *Fiduciary Activities*. This created restatements in the financial statements in both the Governmental Fund and the Fiduciary Activities in the amount of \$5,562,187. The restatements are further described in Note 18 to the Financial Statements. Our opinion is not modified with respect to this matter as we determined it to be appropriate.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2021, the County has changed their method of reporting the PILT fund. In past years, these funds were reported as separate governmental fund. In accordance with GASB statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the PILT Fund is now combined with the County general funds. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the total OPEB liability and related ratios, schedules of proportionate share of the net pension liability, and schedules of contributions on pages 8 through 24, and 98 through 105, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S., *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the financial statements.

The accompanying schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section, other supplementary information, including combining fund statements, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, on our consideration of the Gallatin County, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gallatin County, Montana's internal control over financial reporting and compliance.

Denning, Downey and Associates, CPA's, P.C.

March 29, 2023

FINANCIAL STATEMENTS

Gallatin County, Montana
Statement of Net Position
June 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 90,892,439	\$ 21,984,600	\$ 112,877,039
Taxes and assessments receivable, net	1,815,375	72,426	1,887,801
Other receivables	3,486,404	1,070,892	4,557,296
Inventories	140,295	-	140,295
Total current assets	<u>\$ 96,334,513</u>	<u>\$ 23,127,918</u>	<u>\$ 119,462,431</u>
Noncurrent assets			
Restricted cash and investments	\$ 85,450	\$ 3,116,142	\$ 3,201,592
Capital assets - land	6,208,880	1,661,552	7,870,432
Capital assets - construction in progress	9,799,768	1,295,232	11,095,000
Capital assets - depreciable, net	128,643,101	9,105,202	137,748,303
Deferred assessment receivables	5,550,127	-	5,550,127
Total noncurrent assets	<u>\$ 150,287,326</u>	<u>\$ 15,178,128</u>	<u>\$ 165,465,454</u>
Total assets	<u>\$ 246,621,839</u>	<u>\$ 38,306,046</u>	<u>\$ 284,927,885</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	\$ 10,282,808	\$ 982,507	\$ 11,265,315
Deferred outflows of resources - OPEB	485,233	102,627	587,860
Total deferred outflows of resources	<u>\$ 10,768,041</u>	<u>\$ 1,085,134</u>	<u>\$ 11,853,175</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 257,389,880</u>	<u>\$ 39,391,180</u>	<u>\$ 296,781,060</u>
LIABILITIES			
Current liabilities			
Warrants payable	\$ 2,450,345	\$ -	\$ 2,450,345
Accounts payable	4,427,263	1,153,377	5,580,640
Accrued interest payable	21,432	-	21,432
Accrued payroll	1,804,237	291,489	2,095,726
Revenues collected in advance	11,118,107	-	11,118,107
Other liabilities	171,289	-	171,289
Current portion of long-term capital liabilities	4,463,467	-	4,463,467
Current portion of compensated absences payable	290,119	49,194	339,313
Current portion of bond premium liabilities	285,661	-	285,661
Total current liabilities	<u>\$ 25,031,920</u>	<u>\$ 1,494,060</u>	<u>\$ 26,525,980</u>
Noncurrent liabilities			
Deposits payable	\$ -	\$ 113,770	\$ 113,770
Landfill closure postclosure liability	-	2,845,617	2,845,617
Other post employment benefits	3,366,404	712,003	4,078,407
Noncurrent portion of long-term capital liabilities	25,857,150	-	25,857,150
Noncurrent portion of compensated absences	2,611,073	442,746	3,053,819
Net pension liability	33,234,413	4,146,944	37,381,357
Noncurrent portion of bond premium liabilities	2,243,529	-	2,243,529
Total noncurrent liabilities	<u>\$ 67,312,569</u>	<u>\$ 8,261,080</u>	<u>\$ 75,573,649</u>
Total liabilities	<u>\$ 92,344,489</u>	<u>\$ 9,755,140</u>	<u>\$ 102,099,629</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	\$ 2,317,945	\$ 134,794	\$ 2,452,739
Deferred inflows of resources - OPEB	808,258	170,949	979,207
Deferred inflows of resources - other	267,482	-	267,482
Total deferred inflows of resources	<u>\$ 3,393,685</u>	<u>\$ 305,743</u>	<u>\$ 3,699,428</u>
NET POSITION			
Net investment in capital assets	\$ 111,801,942	\$ 12,061,986	\$ 123,863,928
Restricted for capital projects	1,593,567	-	1,593,567
Restricted for debt service	7,007,928	-	7,007,928
Restricted for special projects	42,969,881	-	42,969,881
Restricted for other purposes	-	3,116,142	3,116,142
Unrestricted	(1,721,612)	14,152,169	12,430,557
Total net position	<u>\$ 161,651,706</u>	<u>\$ 29,330,297</u>	<u>\$ 190,982,003</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 257,389,880</u>	<u>\$ 39,391,180</u>	<u>\$ 296,781,060</u>

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business- type Activities	
Primary government:							
Governmental activities:							
General government	\$ 20,618,572	\$ 5,009,656	\$ 3,698,119	\$ -	\$ (11,910,797)	\$ -	\$ (11,910,797)
Public safety	29,604,004	3,650,942	9,083,172	-	(16,869,890)	-	(16,869,890)
Public works	8,674,211	2,034,937	667,164	1,189,548	(4,782,562)	-	(4,782,562)
Public health	6,135,535	791,398	2,334,964	-	(3,009,173)	-	(3,009,173)
Social and economic services	520,696	-	-	-	(520,696)	-	(520,696)
Culture and recreation	2,867,697	615,236	8,626	-	(2,243,835)	-	(2,243,835)
Housing and community development	248,737	-	-	-	(248,737)	-	(248,737)
Conservation of natural resources	281,412	46,250	10,157	-	(225,005)	-	(225,005)
Debt service - interest	1,056,263	-	-	-	(1,056,263)	-	(1,056,263)
Internal services	59,507	-	-	-	(59,507)	-	(59,507)
Miscellaneous	388,378	-	-	-	(388,378)	-	(388,378)
Total governmental activities	\$ 70,455,012	\$ 12,148,419	\$ 15,802,202	\$ 1,189,548	\$ (41,314,843)	\$ -	\$ (41,314,843)
Business-type activities:							
Rest Home	\$ 6,897,020	\$ 5,015,895	\$ 317,855	\$ -	\$ -	\$ (1,563,270)	\$ (1,563,270)
Landfill	4,326,329	6,783,631	65,060	-	-	2,522,362	2,522,362
West Yellowstone Refuse District	1,075,475	622,073	13,310	-	-	(440,092)	(440,092)
Total business-type activities	\$ 12,298,824	\$ 12,421,599	\$ 396,225	\$ -	\$ -	\$ 519,000	\$ 519,000
Total primary government	\$ 82,753,836	\$ 24,570,018	\$ 16,198,427	\$ 1,189,548	\$ (41,314,843)	\$ 519,000	\$ (40,795,843)
General Revenues:							
Property taxes for general purposes					\$ 41,434,895	\$ 1,958,991	\$ 43,393,886
Miscellaneous					880,663	10,138	890,801
Interest/investment earnings					381,771	(33,389)	348,382
Local option taxes					5,967,703	-	5,967,703
State entitlement					3,304,769	-	3,304,769
Grants and entitlements not restricted to specific programs					295,681	-	295,681
State contribution to pensions					778,844	135,406	914,250
Contributions & donations					247,869	33,851	281,720
Gain (loss) on sale of capital assets					(520,530)	-	(520,530)
Transfers - net					(2,519)	2,519	-
Total general revenues, special items and transfers					\$ 52,769,146	\$ 2,107,516	\$ 54,876,662
Change in net position					\$ 11,454,303	\$ 2,626,516	\$ 14,080,819
Net position - beginning					\$ 152,088,455	\$ 26,703,781	\$ 178,792,236
Restatements					(1,891,052)	-	(1,891,052)
Net position - beginning - restated					\$ 150,197,403	\$ 26,703,781	\$ 176,901,184
Net position - end					\$ 161,651,706	\$ 29,330,297	\$ 190,982,003

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Balance Sheet
Governmental Funds
June 30, 2021

	General	RID Maintenance	RID Debt Service	Public Safety	Federal Grant	County Building - Cap Projects	Other Governmental Funds	Total Governmental Funds
ASSETS								
Current assets:								
Cash and investments	\$ 17,590,094	\$ 9,371,073	\$ 140,512	\$ 12,674,154	\$ 11,409,965	\$ 7,190,378	\$ 22,178,868	\$ 80,555,044
Taxes and assessments receivable, net	299,608	79,837	83,113	639,618	-	41,731	671,468	1,815,375
Other receivables	168,652	-	-	1,046,397	121,893	39,726	1,925,551	3,302,219
Due from other funds	99,153	-	-	365,161	-	-	71,774	536,088
Inventories	89,289	-	-	-	-	-	51,006	140,295
Total current assets	\$ 18,246,796	\$ 9,450,910	\$ 223,625	\$ 14,725,330	\$ 11,531,858	\$ 7,271,835	\$ 24,898,667	\$ 86,349,021
Noncurrent assets:								
Restricted cash and investments	\$ -	\$ -	\$ 85,450	\$ -	\$ -	\$ -	\$ -	\$ 85,450
Deferred assessment receivables	-	-	5,550,127	-	-	-	-	5,550,127
Total noncurrent assets	\$ -	\$ -	\$ 5,635,577	\$ -	\$ -	\$ -	\$ -	\$ 5,635,577
TOTAL ASSETS	\$ 18,246,796	\$ 9,450,910	\$ 5,859,202	\$ 14,725,330	\$ 11,531,858	\$ 7,271,835	\$ 24,898,667	\$ 91,984,598
LIABILITIES								
Current liabilities:								
Warrants payable	\$ 2,450,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,450,345
Accounts payable	509,482	402,104	-	416,479	43,762	780,400	1,300,661	3,452,888
Accrued interest payable	15,651	4,998	-	-	-	-	783	21,432
Accrued payroll	569,943	-	-	735,628	745	-	460,099	1,766,415
Due to other funds	-	16,000	-	-	-	-	520,088	536,088
Revenues collected in advance	-	-	-	-	11,113,732	-	4,375	11,118,107
Other liabilities	159,056	12,233	-	-	-	-	-	171,289
Total liabilities	\$ 3,704,477	\$ 435,335	\$ -	\$ 1,152,107	\$ 11,158,239	\$ 780,400	\$ 2,286,006	\$ 19,516,564
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows of resources - taxes and assessments	\$ 299,608	\$ 79,837	\$ 5,633,240	\$ 639,618	\$ -	\$ 41,731	\$ 671,468	\$ 7,365,502
Deferred inflows of resources - other	267,482	-	-	-	-	-	-	267,482
Total deferred inflows of resources	\$ 567,090	\$ 79,837	\$ 5,633,240	\$ 639,618	\$ -	\$ 41,731	\$ 671,468	\$ 7,632,984
FUND BALANCES								
Nonspendable	\$ 89,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,006	\$ 140,295
Restricted	864,786	-	225,962	108,070	373,619	3,109	7,376,878	8,952,424
Committed	12,990,351	8,935,738	-	12,799,458	-	6,338,609	14,658,462	55,722,618
Assigned	30,803	-	-	26,077	-	107,986	126,315	291,181
Unassigned fund balance	-	-	-	-	-	-	(271,468)	(271,468)
Total fund balance	\$ 13,975,229	\$ 8,935,738	\$ 225,962	\$ 12,933,605	\$ 373,619	\$ 6,449,704	\$ 21,941,193	\$ 64,835,050
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 18,246,796	\$ 9,450,910	\$ 5,859,202	\$ 14,725,330	\$ 11,531,858	\$ 7,271,835	\$ 24,898,667	\$ 91,984,598

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2021

Total fund balances - governmental funds	\$	64,835,050
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		144,804,867
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		7,365,502
An internal service fund is 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 assets		8,807,856
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(39,117,731)
Net pension liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(32,538,365)
The changes between actuarial assumptions, differences in expected vs actual pension experiences, changes in proportionate share allocation, and current year retirement contributions as they relate to the net pension liability are a deferred outflow of resources and are not payable in current period, therefore are not reported in the funds.		10,117,898
The changes between actuarial assumptions, differences in projected vs actual investment earnings, and changes in proportionate share allocation as they relate to the net pension liability are a deferred inflows of resources and are not available to pay for current expenditures, there for are not reported in the funds.		(2,295,320)
The changes between actuarial assumptions and differences in projected vs actual liability as they relate to the total other post-employment benefits liability are a deferred outflows of resources and are not payable in the current period, therefore are not reported in the funds.		480,692
The changes between actuarial assumptions and differences in projected vs actual liability as they relate to the total other post-employment benefits liability are a deferred inflows of resources and are not available to pay for current expenditures, therefore are not reported in the funds.		(808,743)
Total net position - governmental activities	\$	<u>161,651,706</u>

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>General</u>	<u>RID Maintenance</u>	<u>RID Debt Service</u>	<u>Public Safety</u>	<u>Federal Grant</u>	<u>County Building - Cap Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES								
Taxes and assessments	\$ 10,681,942	\$ 1,926,542	\$ 824,967	\$ 19,479,765	\$ -	\$ 985,223	\$ 16,229,422	\$ 50,127,861
Licenses and permits	800	-	-	80,801	-	-	389,300	470,901
Intergovernmental	3,519,454	-	-	981,232	778,244	900	15,247,870	20,527,700
Charges for services	4,017,360	-	-	3,187,662	-	114,410	1,318,666	8,638,098
Fines and forfeitures	470,990	-	-	50,569	-	-	54,106	575,665
Miscellaneous	441,526	-	-	29,065	-	2,061	1,177,401	1,650,053
Investment earnings	76,234	18,035	820	(5,852)	(15)	35,068	264,178	388,468
Internal services	-	-	-	-	-	-	7,415	7,415
Total revenues	<u>\$ 19,208,306</u>	<u>\$ 1,944,577</u>	<u>\$ 825,787</u>	<u>\$ 23,803,242</u>	<u>\$ 778,229</u>	<u>\$ 1,137,662</u>	<u>\$ 34,688,358</u>	<u>\$ 82,386,161</u>
EXPENDITURES								
General government	\$ 14,262,168	\$ -	\$ -	\$ -	\$ -	\$ 177,058	\$ 697,435	\$ 15,136,661
Public safety	1,640,215	-	-	16,706,552	-	-	9,320,718	27,667,485
Public works	586,352	1,087,398	-	-	515,008	111	4,362,767	6,551,636
Public health	-	-	-	-	-	-	6,117,390	6,117,390
Social and economic services	518,473	-	-	-	-	-	-	518,473
Culture and recreation	-	-	-	-	-	-	2,662,646	2,662,646
Housing and community development	-	-	-	-	-	-	224,244	224,244
Conservation of natural resources	-	-	-	-	267,993	-	2,986	270,979
Debt service - principal	375,896	-	461,995	-	-	-	2,901,921	3,739,812
Debt service - interest	67,918	-	289,147	525	-	-	984,334	1,341,924
Internal services	-	16,000	-	-	-	-	43,507	59,507
Miscellaneous	384,538	-	-	-	-	-	3,840	388,378
Capital outlay	94,898	-	-	841,136	-	8,534,096	2,926,380	12,396,510
Total expenditures	<u>\$ 17,930,458</u>	<u>\$ 1,103,398</u>	<u>\$ 751,142</u>	<u>\$ 17,548,213</u>	<u>\$ 783,001</u>	<u>\$ 8,711,265</u>	<u>\$ 30,248,168</u>	<u>\$ 77,075,645</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,277,848</u>	<u>\$ 841,179</u>	<u>\$ 74,645</u>	<u>\$ 6,255,029</u>	<u>\$ (4,772)</u>	<u>\$ (7,573,603)</u>	<u>\$ 4,440,190</u>	<u>\$ 5,310,516</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from the sale of general capital asset disposition	\$ 5,547	\$ -	\$ -	\$ 2,595	\$ -	\$ 29,200	\$ 66,980	\$ 104,322
Transfers in	1,670,028	-	-	345,689	-	700,211	1,962,082	4,678,010
Transfers out	(1,338,056)	-	-	(1,034,784)	-	(384,295)	(4,064,281)	(6,821,416)
Total other financing sources (uses)	<u>\$ 337,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (686,500)</u>	<u>\$ -</u>	<u>\$ 345,116</u>	<u>\$ (2,035,219)</u>	<u>\$ (2,039,084)</u>
Net Change in Fund Balance	<u>\$ 1,615,367</u>	<u>\$ 841,179</u>	<u>\$ 74,645</u>	<u>\$ 5,568,529</u>	<u>\$ (4,772)</u>	<u>\$ (7,228,487)</u>	<u>\$ 2,404,971</u>	<u>\$ 3,271,432</u>
Fund balances - beginning	\$ 7,307,210	\$ 8,094,559	\$ 151,317	\$ 7,365,076	\$ 378,391	\$ 13,678,191	\$ 24,588,874	\$ 61,563,618
Restatements	5,052,652	-	-	-	-	-	(5,052,652)	-
Fund balances - beginning, restated	<u>\$ 12,359,862</u>	<u>\$ 8,094,559</u>	<u>\$ 151,317</u>	<u>\$ 7,365,076</u>	<u>\$ 378,391</u>	<u>\$ 13,678,191</u>	<u>\$ 19,536,222</u>	<u>\$ 61,563,618</u>
Fund balance - ending	<u>\$ 13,975,229</u>	<u>\$ 8,935,738</u>	<u>\$ 225,962</u>	<u>\$ 12,933,605</u>	<u>\$ 373,619</u>	<u>\$ 6,449,704</u>	<u>\$ 21,941,193</u>	<u>\$ 64,835,050</u>

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds \$ 3,271,432

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 12,396,510
- Depreciation expense (5,445,993)

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:

- Proceeds from the sale of capital assets (104,322)
- Gain on the sale of capital assets (520,530)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

- Long-term receivables (deferred inflows) (732,641)

The change in compensated absences is shown as an expense in the Statement of Activities 13,241

Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:

- Long-term debt principal payments 3,739,812

Termination benefits are shown as an expense in the Statement of Activities and not reported on the Statement of Revenues, Expenditures and Changes in Fund Balance:

- Post-employment benefits other than retirement liability (170,470)

Internal service funds are used by management to share the costs of certain activities, 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. 338,905

Pension expense related to the net pension liability is shown as an expense on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance (2,396,146)

State aid revenue related to net pension liability is shown as a revenue on the Statement of Activities and not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance 778,844

The amortization of bond premium is shown as an expenditure on the Statement of Activities and is not shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance. 285,661

Change in net position - Statement of Activities \$ 11,454,303

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Rest Home	Landfill	Non-major Enterprise	Totals	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 1,431,205	\$ 19,074,994	\$ 1,478,401	\$ 21,984,600	\$ 10,337,395
Taxes and assessments receivable, net	70,126	-	2,300	72,426	-
Other receivables	246,883	703,763	120,246	1,070,892	184,185
Total current assets	<u>\$ 1,748,214</u>	<u>\$ 19,778,757</u>	<u>\$ 1,600,947</u>	<u>\$ 23,127,918</u>	<u>\$ 10,521,580</u>
Noncurrent assets:					
Restricted cash and investments	-	3,116,142	-	3,116,142	-
Capital assets - land	6,902	1,654,650	-	1,661,552	-
Capital assets - construction in progress	42,974	1,094,991	157,267	1,295,232	-
Capital assets - depreciable, net	1,466,902	6,161,919	1,476,381	9,105,202	335,185
Total noncurrent assets	<u>\$ 1,516,778</u>	<u>\$ 12,027,702</u>	<u>\$ 1,633,648</u>	<u>\$ 15,178,128</u>	<u>\$ 335,185</u>
Total assets	<u>\$ 3,264,992</u>	<u>\$ 31,806,459</u>	<u>\$ 3,234,595</u>	<u>\$ 38,306,046</u>	<u>\$ 10,856,765</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - pensions	\$ 622,323	\$ 299,012	\$ 61,172	\$ 982,507	\$ 164,910
Deferred outflows of resources - OPEB	78,118	20,778	3,731	102,627	9,757
Total deferred outflows of resources	<u>\$ 700,441</u>	<u>\$ 319,790</u>	<u>\$ 64,903</u>	<u>\$ 1,085,134</u>	<u>\$ 174,667</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,965,433</u>	<u>\$ 32,126,249</u>	<u>\$ 3,299,498</u>	<u>\$ 39,391,180</u>	<u>\$ 11,031,432</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 228,235	\$ 833,026	\$ 92,116	\$ 1,153,377	\$ 974,375
Accrued payroll	203,804	71,974	15,711	291,489	37,822
Current portion of compensated absences payable	31,637	13,395	4,162	49,194	5,165
Total current liabilities	<u>\$ 463,676</u>	<u>\$ 918,395</u>	<u>\$ 111,989</u>	<u>\$ 1,494,060</u>	<u>\$ 1,017,362</u>
Noncurrent liabilities:					
Deposits payable	-	113,770	-	113,770	-
Landfill closure postclosure liability	-	2,845,617	-	2,845,617	-
Other post employment benefits	541,963	144,155	25,885	712,003	67,690
Noncurrent portion of compensated absences	284,727	120,558	37,461	442,746	46,483
Net pension liability	2,626,686	1,262,065	258,193	4,146,944	696,048
Total noncurrent liabilities	<u>\$ 3,453,376</u>	<u>\$ 4,486,165</u>	<u>\$ 321,539</u>	<u>\$ 8,261,080</u>	<u>\$ 810,221</u>
Total liabilities	<u>\$ 3,917,052</u>	<u>\$ 5,404,560</u>	<u>\$ 433,528</u>	<u>\$ 9,755,140</u>	<u>\$ 1,827,583</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - pensions	\$ 85,379	\$ 41,023	\$ 8,392	\$ 134,794	\$ 22,625
Deferred inflows of resources - OPEB	130,123	34,611	6,215	170,949	16,252
Total deferred inflows of resources	<u>\$ 215,502</u>	<u>\$ 75,634</u>	<u>\$ 14,607</u>	<u>\$ 305,743</u>	<u>\$ 38,877</u>
NET POSITION					
Net investment in capital assets	\$ 1,516,778	\$ 8,911,560	\$ 1,633,648	\$ 12,061,986	\$ 335,185
Restricted for other purposes	-	3,116,142	-	3,116,142	-
Unrestricted	(1,683,899)	14,618,353	1,217,715	14,152,169	8,829,787
Total net position	<u>\$ (167,121)</u>	<u>\$ 26,646,055</u>	<u>\$ 2,851,363</u>	<u>\$ 29,330,297</u>	<u>\$ 9,164,972</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 3,965,433</u>	<u>\$ 32,126,249</u>	<u>\$ 3,299,498</u>	<u>\$ 39,391,180</u>	<u>\$ 11,031,432</u>

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Rest Home	Landfill	Non-major Enterprise	Totals	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 5,015,895	\$ 6,777,463	\$ 620,572	\$ 12,413,930	\$ 136,981
Miscellaneous revenues	39,544	10,613	1,500	51,657	65,299
Internal services	-	-	-	-	9,438,337
Total operating revenues	<u>\$ 5,055,439</u>	<u>\$ 6,788,076</u>	<u>\$ 622,072</u>	<u>\$ 12,465,587</u>	<u>\$ 9,640,617</u>
OPERATING EXPENSES					
Personal services	\$ 4,555,621	\$ 1,570,051	\$ 280,847	\$ 6,406,519	\$ 784,560
Supplies	472,870	471,861	27,306	972,037	165,428
Purchased services	1,322,631	1,425,190	481,613	3,229,434	1,257,463
Fixed charges	399,765	425,880	62,416	888,061	1,785,319
Loss/bad debt expense	(7,801)	-	-	(7,801)	-
Depreciation	153,934	433,347	223,293	810,574	171,295
Medical claims expense	-	-	-	-	6,843,264
Total operating expenses	<u>\$ 6,897,020</u>	<u>\$ 4,326,329</u>	<u>\$ 1,075,475</u>	<u>\$ 12,298,824</u>	<u>\$ 11,007,329</u>
Operating income (loss)	<u>\$ (1,841,581)</u>	<u>\$ 2,461,747</u>	<u>\$ (453,403)</u>	<u>\$ 166,763</u>	<u>\$ (1,366,712)</u>
NON-OPERATING REVENUES (EXPENSES)					
Taxes/assessments revenue	\$ 1,958,991	\$ -	\$ -	\$ 1,958,991	\$ -
Intergovernmental revenue	453,261	65,060	13,310	531,631	35,881
Interest revenue	460	(34,387)	539	(33,388)	20,627
Total non-operating revenues (expenses)	<u>\$ 2,412,712</u>	<u>\$ 30,673</u>	<u>\$ 13,849</u>	<u>\$ 2,457,234</u>	<u>\$ 56,508</u>
Income (loss) before contributions and transfers	\$ 571,131	\$ 2,492,420	\$ (439,554)	\$ 2,623,997	\$ (1,310,204)
Transfers in	-	2,519	-	2,519	2,140,887
SPECIAL AND EXTRAORDINARY ITEMS					
Gain (loss) on sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 2,538
Change in net position	<u>\$ 571,131</u>	<u>\$ 2,494,939</u>	<u>\$ (439,554)</u>	<u>\$ 2,626,516</u>	<u>\$ 833,221</u>
Net Position - Beginning of the year	\$ (738,252)	\$ 24,151,116	\$ 3,290,917	\$ 26,703,781	\$ 8,826,066
Restatements	-	-	-	-	(494,315)
Net Position - Beginning of the year - Restated	<u>\$ (738,252)</u>	<u>\$ 24,151,116</u>	<u>\$ 3,290,917</u>	<u>\$ 26,703,781</u>	<u>\$ 8,331,751</u>
Net Position - End of the year	<u>\$ (167,121)</u>	<u>\$ 26,646,055</u>	<u>\$ 2,851,363</u>	<u>\$ 29,330,297</u>	<u>\$ 9,164,972</u>

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Combined Statement of Cash Flows
All Proprietary Fund Types
Fiscal Year Ended June 30, 2022

	Business - Type Activities				Governmental
	Rest Home	Landfill	Non-Major Enterprise	Totals	Internal
					Service Funds
Cash flows from operating activities:					
Cash received from providing services	\$ 5,458,241	\$ 6,858,600	\$ 570,747	\$ 13,083,708	\$ 196,120
Cash received from internal services provided	-	-	-	9,438,337	9,438,337
Cash received from miscellaneous sources	39,544	10,613	1,500	116,956	65,299
Cash payments to suppliers	(420,257)	(471,861)	(27,306)	(1,084,852)	(165,428)
Cash payments for medical claims	-	-	-	(6,772,430)	(6,772,430)
Cash payments for professional services	(1,974,278)	(1,286,532)	(516,568)	(6,851,502)	(3,074,124)
Cash payments to employees	(4,430,714)	(1,364,672)	(268,494)	(6,754,412)	(690,532)
Net cash provided (used) by operating activities	<u>\$ (1,327,464)</u>	<u>\$ 3,746,148</u>	<u>\$ (240,121)</u>	<u>\$ 1,175,805</u>	<u>\$ (1,002,758)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	\$ (166,025)	\$ (1,161,903)	\$ (147,563)	\$ (1,494,332)	\$ (18,841)
Proceeds from sale of assets	-	-	-	3,201	3,201
Net cash provided (used) by capital and related financing activities	<u>\$ (166,025)</u>	<u>\$ (1,161,903)</u>	<u>\$ (147,563)</u>	<u>\$ (1,491,131)</u>	<u>\$ (15,640)</u>
Cash flows from non-capital financing activities:					
Tax levies and contributions from the County	\$ 1,919,179	\$ 2,519	\$ -	\$ 4,062,585	\$ 2,140,887
Intergovernmental revenues	317,977	-	-	317,977	-
Interfund loan payment received	-	200,000	-	200,000	-
Net cash provided (used) from non-capital financing activities	<u>\$ 2,237,156</u>	<u>\$ 202,519</u>	<u>\$ -</u>	<u>\$ 4,580,562</u>	<u>\$ 2,140,887</u>
Cash flows from investing activities:					
Interest on investments	\$ 460	\$ (33,388)	\$ 683	\$ (11,618)	\$ 20,627
Net cash provided (used) by investing activities	<u>\$ 460</u>	<u>\$ (33,388)</u>	<u>\$ 683</u>	<u>\$ (11,618)</u>	<u>\$ 20,627</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ 744,127</u>	<u>\$ 2,753,376</u>	<u>\$ (387,001)</u>	<u>\$ 4,253,618</u>	<u>\$ 1,143,116</u>
Cash and cash equivalents at beginning	<u>\$ 513,148</u>	<u>\$ 19,376,536</u>	<u>\$ 1,851,640</u>	<u>\$ 30,901,834</u>	<u>\$ 9,160,510</u>
Cash and cash equivalents at end	<u><u>\$ 1,257,275</u></u>	<u><u>\$ 22,129,912</u></u>	<u><u>\$ 1,464,639</u></u>	<u><u>\$ 35,155,452</u></u>	<u><u>\$ 10,303,626</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,841,581)	\$ 2,461,747	\$ (453,403)	\$ (1,199,949)	\$ (1,366,712)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	153,934	433,347	223,293	981,869	171,295
Other post-employment benefits expense	(75,801)	12,678	955	(46,211)	15,957
Pension expense	190,585	159,898	11,778	457,590	95,329
Landfill closure/postclosure expense	-	292,170	-	292,170	-
Changes in assets and liabilities:					
Accounts receivable	434,545	(32,633)	(49,825)	411,226	59,139
Deposits payable	-	113,770	-	113,770	-
Accounts payable	52,613	446,928	41,026	608,474	67,907
Other accrued payables	(251,882)	(174,560)	(13,565)	(468,422)	(28,415)
Compensated absences	(19,751)	22,053	(2,329)	(21,338)	(21,311)
Payroll payable	29,874	10,750	1,949	46,626	4,053
Net cash provided (used) by operating activities	<u>\$ (1,327,464)</u>	<u>\$ 3,746,148</u>	<u>\$ (240,121)</u>	<u>\$ 1,175,805</u>	<u>\$ (1,002,758)</u>
Noncash non-capital financing activities:					
On behalf public employees retirement system payments	<u>\$ 135,406</u>	<u>\$ 65,060</u>	<u>\$ 13,310</u>	<u>\$ 249,657</u>	<u>\$ 35,881</u>

See accompanying notes to the financial statements

Gallatin County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds	
	Custodial Funds	External Investment Pool Fund
ASSETS		
Cash and short-term investments	\$ 38,375,096	\$ 140,046,723
Taxes receivable	7,228,773	-
TOTAL ASSETS	\$ 45,603,869	\$ 140,046,723
LIABILITIES		
Due to others	\$ 8,509,765	\$ -
Total liabilities	\$ 8,509,765	\$ -
NET POSITION		
Restricted for:		
Pool participants	\$ -	\$ 140,046,723
Individuals, organizations, and other governments	\$ 37,094,104	-
Total net position	\$ 37,094,104	\$ 140,046,723
TOTAL NET POSITION AND LIABILITIES	\$ 45,603,869	\$ 140,046,723

See accompanying Notes to the Financial Statements

Gallatin County, Montana
Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Custodial Funds	
	Custodial Funds	External Investment Pool Fund
ADDITIONS		
Contributions:		
Contributions to Investment Pool	\$ -	\$ 180,088,856
Interest and change in fair value of investments	-	200,510
Taxes, licenses, and fees collected for other governments	91,414,072	-
Property taxes collected for school districts	117,673,090	-
Intergovernmental grants and entitlements collected for school districts	102,365,800	-
Miscellaneous	68,643,405	-
School district transfers in	221,500	-
Investment pool distributions - net	24,413,342	-
Total additions	\$ 404,731,209	\$ 180,289,366
DEDUCTIONS		
Distributions from investment pool	\$ -	\$ 204,702,708
Taxes, licenses, and fees distributed to other governments	86,643,766	-
School district claims and payroll expense	286,334,026	-
School district transfers out	221,500	-
Total deductions	\$ 373,199,292	\$ 204,702,708
Change in net position	\$ 31,531,917	\$ (24,413,342)
Net Position - Beginning of the year	\$ -	\$ 164,460,065
Restatements	5,562,187	-
Net Position - Beginning of the year - Restated	\$ 5,562,187	\$ 164,460,065
Net Position - End of the year	\$ 37,094,104	\$ 140,046,723

See accompanying Notes to the Financial Statements

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

New Accounting Pronouncements

GASB No. 84 *Fiduciary Activities* is effective for years beginning after December 15, 2019. The Statement establishes accounting and financial reporting standards for fiduciary activities through defining specific criteria on the types of fiduciary activities that includes fiduciary component units and fiduciary activities. The criteria specifically defined in the statement determine the reporting of the fiduciary activities that include pension (and other employee benefit) trust funds, private purpose trust funds, investment trust funds, and custodial funds (previously reported as agency funds). At Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position required for all of the fiduciary activities previously mentioned above implemented this pronouncement in the current fiscal year.

Change in Accounting Principle

Beginning in fiscal year 2011, the County implemented the reporting requirements of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement was to clarify the reporting of governmental fund balance classifications and governmental fund type definitions. During fiscal year 2021, the County PILT Fund was combined with General Fund for reporting purposes as GASB No. 54 states the general fund should be the only fund that reports a positive unassigned fund balance. The County has committed these funds, but the underlying substance of the PILT Funds is there are no restrictions and they can be used for any governmental purpose. The beginning fund balances of the General Fund and PILT fund were restated for this change.

Financial Reporting Entity

In determining the financial reporting entity, the County complies with the provisions of GASB statement No. 14, *The Financial Reporting Entity*, as amended by GASB statement No. 61, *The Financial Reporting Entity: Omnibus*, and includes all component unit's of which the County appointed a voting majority of the component unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists. In addition, the County complies with GASB statement No. 39 *Determining Whether Certain Organizations Are Component Units* which relates to organizations that raise and hold economic resources for the direct benefit of the County.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Primary Government

The County is a political subdivision of the State of Montana governed by a three-member Board of Commissioners duly elected by the registered voters of the County. The County utilizes the commission form of government. The County is considered a primary government because it is a general-purpose local government. Further, it meets the following criteria; (a) it has a separately elected governing body (b) it is legally separate and (c) it is fiscally independent from the State and other local governments.

Basis of Presentation, Measurement Focus and Basis of Accounting

Government-wide Financial Statements:

Basis of Presentation

The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the County except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made in the consolidation of business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities for the County at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function. The County does not charge indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Measurement Focus and Basis of Accounting

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The County generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net position are available.

Fund Financial Statements

Basis of Presentation

Fund financial statements of the reporting County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the governmental funds statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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Measurement Focus and Basis of Accounting

Governmental Funds

Modified Accrual

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County defined the length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements as collection within 60 days of the end of the current fiscal period, except for property taxes and other state grants that are recognized upon receipt.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Major Funds:

The County reports the following major governmental funds:

General Fund – This is the County’s primary operating fund and it accounts for all financial resources of the County except those required to be accounted for in other funds.

RID Maintenance Fund – This fund accounts for financial resources for the maintenance costs associated with the rural improvement districts.

RID Debt Service – This fund accounts for the debt service funds of all the County Rural Improvement District assessments to pay the bonds obtained to make the improvements in these improvement districts.

GALLATIN COUNTY, MONTANA
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Public Safety Fund – A special revenue fund that is used to account for the revenues and expenditures for public safety.

Federal Grant – A special revenue fund used to account for federal grant programs in the County. The County receipted the first half of its American Rescue Plan Act direct allocation funds here.

County Building – Capital Projects Fund – A capital project fund to account for revenues and expenses associated with the County’s capital improvement activities.

Proprietary Funds:

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund’s principal ongoing operations. The principal operating revenues for enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Major Funds:

The County reports the following major proprietary funds:

Rest Home Fund – An enterprise fund that is used to account for the operating and non-operating revenues and expenses for the Rest Home operated by the County.

Landfill Fund – An enterprise fund that accounts for the operating and non-operating revenues and expenses of the landfill operated by the County.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies for the government on a cost-reimbursement basis. The County maintains six internal service funds relating to self-insurance fund activity, motor pool, central maintenance and communication, copiers, and liability insurance.

GALLATIN COUNTY, MONTANA
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Fiduciary Funds

Fiduciary funds presented using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment healthcare plans). The required financial statements are a statement of fiduciary net position and a statement of changes in fiduciary net position. The fiduciary funds are:

Custodial Funds – To report fiduciary activities that are not required to be reported in any of the other fiduciary categories in which the resources are held by the County in a custodial capacity. This fund primarily consists of resources held by the County as an agent for individuals, private organizations, other local governmental entities. The external portion of the investment pools that are not held in a trust are also reported here.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Composition

Composition of cash, deposits and investments at fair value on June 30, 2022, are as follows:

	Primary Government		
	County and Fiduciary Funds	Bozeman School Foundation 501(c)3 Fiduciary Fund	Total
<u>Cash on hand and deposits:</u>			
Cash in banks:			
Demand deposits	\$ 11,889,800	\$ -	\$ 11,889,800
Savings deposits	33,506	-	33,506
Time deposits	4,782,642	-	4,782,642
<u>Investments:</u>	-	-	-
State Short-Term Investment Pool (STIP)	186,923,333	-	186,923,333
Mutual Funds	-	1,022,982	1,022,982
U.S. Government Securities	77,100,633	-	77,100,633
Repurchase agreements	12,747,554	-	12,747,554
Total	\$ 293,477,468	\$ 1,022,982	\$ 294,500,450

Cash equivalents

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

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
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For purposes of the statement of cash flows, the enterprise and internal service funds consider all funds (including restricted assets) held in the County's cash management pool to be cash equivalents.

Fair Value Measurements

Investments, including pooled and non-pooled investments, are reported at fair value, with the following limited exceptions: 1) investments in non-negotiable certificates of deposit are reported at cost and 2) money market investments, including U.S Treasury and Agency obligations, which 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 markets participates at the measurement date. Fair value is determined annually at fiscal year-end and requires use of valuation techniques described below.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted account principles. The hierarchy, as follows, is based on the valuation inputs used to measure fair value. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs that include the following:

- (a) Level 1 Inputs – Quotes prices in active markets for identical assets; these investments are valued using prices quoted in active markets.
- (b) Level 2 Inputs – Significant other observable inputs other than quoted prices included within Level 1; these investments are valued using matrix pricing.
- (c) Level 3 Inputs – Significant unobservable inputs, these investments are valued using consensus pricing.

The U.S Government Securities are valued using quoted market prices (Level 1 inputs).

Repurchase Agreements

An agreement in which a governmental entity (buyer-lender) transfers cash to a broker dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities.

Credit Risk

As a means of limiting exposure to credit risk, the County is required to follow specific state statutes adding security to the deposits and investments. Below are the legal provisions provided in the state Montana Code Annotated (MCA).

Section 7-6-202, MCA, limits investments of public money of a local government in the following eligible securities:

- (a) United States government treasury bills, notes and bonds and in the United States treasury obligations, such as state and local government series (SLGLS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

GALLATIN COUNTY, MONTANA
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(b) United States treasury receipts in a form evidencing the holder’s ownership of future interest or principal payments on specific United States treasury obligations that, in the absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book entry form with the federal reserve bank of New York; or

(c) Obligations of the following agencies of the United States, subject to the limitations in subsection 2 (not included):

- (i) federal home loan bank;
- (ii) federal national mortgage association;
- (iii) federal home mortgage corporation; and
- (iv) federal farm credit bank.

With the exception of the assets of a local government group self-insurance program, investments may not have a maturity date exceeding 5 years except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

Section 7-6-205 and Section 7-6-206, MCA, state that demand deposits may be placed only in banks and public money not necessary for immediate use by a county, city, or town that is not invested as authorized in Section 7-6-202, MCA, may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in Section 7-6-213, MCA.

The government has no investment policy that would further limit its investment choices.

The government has no investments that require credit risk disclosure.

Short Term Investment Pool (STIP) Credit Quality ratings by the S&P’s rating services as of June 30, 2021, (in thousands):

<u>Security Investment Type</u>	Total Fixed Income Investments at <u>Fair Value</u>	Credit Quality <u>Rating</u>	WAM <u>(Days)</u>
Treasuries	\$ 789,021	A-1+	99
Agency or Government Related	724,008	A-1+	87
Corporate:			
Commercial Paper	913,481	A-1+	153
Notes	250,494	A-1	111
Certificates of Deposit	<u>405,071</u>	A-1	142
Total Investments	<u>\$ 3,082,075</u>		

Audited financial statements for the State of Montana’s Board of Investments are available at 2401 Colonial Drive 3rd Floor in Helena, Montana.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
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Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk other than that required by state statutes. All deposits are carried at cost plus accrued interest. As of June 30, 2021, the government’s bank balance was exposed to custodial credit risk as follows:

	June 30, 2021
	<u>Balance</u>
<u>Depository Account</u>	
Insured	\$ 2,221,395
- Collateralized deposits	13,664,048
- Uninsured and uncollateralized deposits	50,308
Total deposits and investments	<u>\$ 15,935,751</u>

Deposit Security

Section 7-6-207, MCA, states (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

- (a) 50% of such deposits if the institution in which the deposit is made has a net worth of total assets ratio of 6% or more; or
- (b) 100% if the institution in which the deposit is made has a net worth of total assets ratio of less than 6%.

The amount of collateral held for County deposits at June 30, 2021, equaled or exceeded the amount required by State statutes.

Concentration of Credit Risk

The government places no limit on the amount the entity may invest in any one issuer. The government’s concentration of credit risk percentages follow for each investment issued that is not issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments:

	<u>% of credit risk</u>
Repurchase agreements	4.32%

Interest Rate Risk

The government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but as stated above is limited to investment maturities of 5 years per MCA 7-6-202. The following is a list of individual investments as of June 30, 2021 alone with their related interest rates and maturity dates.

GALLATIN COUNTY, MONTANA
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<u>Investment</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Federal National Mortgage Association Note	0.345%	8/25/2023	\$ 997,040
Federal Home Loan Mortgage Corp. Note	0.320%	11/2/2023	1,998,080
Federal Home Loan Mortgage Corp. Note	0.320%	11/24/2023	998,950
Federal Farm Credit Bank Bond	0.310%	11/30/2023	998,460
Federal Home Loan Mortgage Corp. Note	0.300%	12/29/2023	997,410
Federal Home Loan Mortgage Corp. Note	0.300%	12/29/2023	997,460
Federal Farm Credit Bank Bond	0.330%	4/5/2024	996,910
Federal Home Loan Bank Bond	0.375%	5/30/2024	997,480
Federal Home Loan Mortgage Corp. Note	0.400%	6/10/2024	993,070
Federal Home Loan Mortgage Corp. Note	0.375%	7/15/2024	995,680
Federal Home Loan Mortgage Corp. Note	0.375%	7/29/2024	1,989,780
Federal Farm Credit Bank Bond	0.470%	8/19/2024	1,000,230
Federal Home Loan Bank Bond	0.330%	8/26/2024	993,930
Federal National Mortgage Association Note	0.450%	8/26/2024	1,000,030
Federal Home Loan Bank Bond	0.450%	8/27/2024	996,370
Federal Farm Credit Bank Bond	0.480%	9/3/2024	997,790
Federal Home Loan Bank Bond	0.500%	9/16/2024	994,950
Federal Home Loan Bank Bond	0.500%	9/30/2024	995,210
Federal Home Loan Bank Bond	0.500%	9/30/2024	499,720
Federal Home Loan Mortgage Corp. Note	0.450%	11/25/2024	1,989,240
Federal Home Loan Bank Bond	0.550%	11/26/2024	995,360
Federal National Mortgage Association Note	0.500%	11/26/2024	991,540
Federal Home Loan Bank Bond	0.500%	12/9/2024	994,260
Federal Home Loan Mortgage Corp. Note	0.420%	12/9/2024	994,340
Federal Home Loan Bank Bond	0.400%	12/10/2024	994,410
Federal Home Loan Bank Bond	0.500%	12/10/2024	996,170
Federal Home Loan Bank Bond	0.580%	12/13/2024	997,630
Federal Farm Credit Bank Bond	0.320%	12/23/2024	1,979,840
Federal Farm Credit Bank Bond	0.330%	12/23/2024	992,660
Federal Home Loan Mortgage Corp. Note	0.450%	12/24/2024	992,380
Federal Home Loan Bank Bond	0.625%	12/30/2024	1,498,590
Federal Home Loan Bank Bond	0.600%	12/30/2024	1,498,980
Federal Home Loan Mortgage Corp. Note	0.320%	1/6/2025	2,007,180
Federal Home Loan Bank Bond	0.625%	1/15/2025	999,690
Federal Home Loan Bank Bond	0.470%	2/25/2025	996,300
Federal Farm Credit Bank Bond	0.480%	3/3/2025	994,230
Federal Home Loan Mortgage Corp. Note	0.480%	3/28/2025	983,330
Federal Home Loan Bank Bond	0.710%	4/15/2025	1,000,020
Federal National Mortgage Association Note	0.550%	5/27/2025	982,410
Federal Home Loan Mortgage Corp. Note	0.480%	5/29/2025	1,968,100
Federal Home Loan Bank Bond	0.750%	6/30/2025	999,970
Federal Home Loan Mortgage Corp. Note	0.500%	6/30/2025	982,680
Federal Home Loan Bank Bond	0.530%	7/28/2025	988,330
Federal Home Loan Mortgage Corp. Note	0.510%	7/30/2025	990,510

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Federal National Mortgage Association Note	0.625%	8/25/2025	993,360
Federal Home Loan Mortgage Corp. Note	0.625%	9/15/2025	993,140
Federal Home Loan Bank Bond	0.700%	9/24/2025	997,770
Federal Home Loan Mortgage Corp. Note	0.500%	9/30/2025	987,920
Federal Home Loan Mortgage Corp. Note	0.570%	10/8/2025	1,978,180
Federal Home Loan Bank Bond	0.500%	10/28/2025	987,130
Federal National Mortgage Association Note	0.600%	10/29/2025	2,973,270
Federal Farm Credit Bank Bond	0.600%	11/24/2025	989,400
Federal Home Loan Mortgage Corp. Note	0.620%	12/1/2025	991,810
Federal Home Loan Bank Bond	0.900%	12/26/2025	995,330
Federal Home Loan Bank Bond	0.900%	12/30/2025	2,000,120
Federal Home Loan Mortgage Corp. Note	0.520%	1/7/2026	984,030
Federal Home Loan Mortgage Corp. Note	0.500%	1/7/2026	1,963,440
Federal Home Loan Bank Bond	0.625%	1/22/2026	986,830
Federal Home Loan Bank Bond	0.580%	1/28/2026	987,030
Federal Home Loan Bank Bond	0.625%	1/28/2026	990,870
Federal Home Loan Bank Bond	0.750%	2/24/2026	998,720
Federal Home Loan Bank Bond	0.850%	2/26/2026	997,070
Federal Home Loan Bank Bond	0.500%	6/15/2026	1,499,670
Federal Home Loan Bank Bond	0.750%	6/30/2026	1,061,261
Federal Home Loan Bank Bond	0.625%	12/30/2024	1,497,582
Total			\$ <u>77,100,633</u>

Cash and Investment Pool

The government maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and investments."

Investment in the Treasurer's Pools

The County Treasurer invests on behalf of most funds of the County and external participants in accordance with the County's investment policy and Montana law. The County's pools are managed by the County Treasurer. The external portion of the County's investment pools are accounted for as custodial funds. There are two types of investment trust funds reported by the County, pooled and individually directed investment funds.

The County has a pooled investment fund, invested in STIP, repurchase agreements, non-negotiable certificates of deposits and U.S. Government Securities. The County invests funds as directed by several external entities. These are individual directed investments and are invested in non-negotiable certificates of deposits and mutual funds. The mutual funds are specifically invested to SD #7 Foundation, that is a 501(c)3. These investments are reported in an individually directed investment fund as described above.

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The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2021 to support the value of the shares in the pool. As stated previously, the fair value of the investments is determined annually following the fair value measurement hierarchy. The condensed statement below is measured at fair value at fiscal year ended June 30, 2021.

As noted above state statutes limit the type of investments but provide no other regulatory oversight, and the pool is not registered with the Securities and Exchange Commission.

Investment Income

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's month end cash balance in relation to total pooled investments.

Condensed statements of investments pools

The following represents a condensed statement of net position and changes in net position for the Treasurer's Pool as of June 30, 2021.

Statement of Net Position

Net position held in trust for all pool participants:

Equity of internal pool participants	\$ 141,712,200
Equity of external pool participants	<u>140,046,723</u>
Total equity	<u>\$ 281,758,923</u>

Condensed Statement of Changes in Net Position

	External	Internal
Investment earnings	\$ 502,787	\$ 520,448
Unrealized loss on investments	(302,277)	(315,563)
Contributions to trust	180,088,856	228,204,835
Distributions paid	<u>(204,702,708)</u>	<u>(171,052,746)</u>
Net change in net position	\$ (24,413,342)	\$ 57,356,974
Net position at beginning of year	<u>164,460,065</u>	<u>84,355,226</u>
Net position at end of year	<u>\$ 140,046,723</u>	<u>\$ 141,712,200</u>

NOTE 3. RESTRICTED CASH/INVESTMENTS

The following restricted cash/investments were held by the County as of June 30, 2021. These amounts are reported within the cash/investment account on the Statement of Net Position.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
RID Debt Service	Ousel Falls RID Cash Reserves	\$ 35,300
RID Debt Service	Clarkston & Logan Trident RID Cash Reserves	47,150
RID Debt Service	Amersterdam RID Cash Reserves	3,000
Landfill Fund	Closure and postclosure costs	<u>3,116,142</u>
Total		<u>\$3,201,592</u>

GALLATIN COUNTY, MONTANA
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NOTE 4. RECEIVABLES

Tax Receivables

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

Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, they become delinquent (and a lien upon the property). After three years, the County may exercise the lien and take title to the property. Special assessments are either billed in one installment due November 30 or two equal installments due November 30 and the following May 31. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves, the first due thirty days after billing; the second due September 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges.

Taxes that become delinquent are charged interest at the rate of 5/6 of 1% a month plus a penalty of 2%. Real property on which taxes remain delinquent and unpaid may be sold at tax sales. In the case of personal property, the property is to be seized and sold after the taxes become delinquent.

Deferred Assessment Receivables

The County has several special assessment bonds that were sold to perform rural improvements. These bonds are payable primarily from the collection of assessments against benefited property owners within the improvement districts. Below is the summary of the receivables that are deferred and current that were outstanding at the end of June 30, 2021. The County is aware of the excess resources available versus the debt owed and plans to correct through not assessing the property owners in the final year of the bonds.

Fund	Name of RID	Cash	Current Receivables	Deferred Assessment Receivable	Total Assets	Related Debt Outstanding
RID Debt Service	Bear Creek 2&3 Roads	\$ 20,491	\$ 1,339	\$ 84,278	\$ 106,108	\$ 90,000
RID Debt Service	Trail Creek Road	(38,942)	1,592	251,740	214,390	160,000
RID Debt Service	Ousel Falls Road	64,033	11,907	909,630	985,570	725,000
RID Debt Service	Clarkston & Logan Trident Road	101,964	62,748	2,765,054	2,929,766	2,680,000
RID Debt Service	Firelight and Franklin Hills	10,282	2,589	566,026	578,897	494,617
RID Debt Service	Sourdough Creek	3,056	-	80,162	83,218	70,867
RID Debt Service	Summer Ridge Subdivision, Olive Tree Way, and Sir George Lane	14,542	399	250,037	264,978	237,403
RID Debt Service	Nixon Bridge and Parview	47,261	2,539	643,200	693,000	693,815
RID Debt Service	Other RID	3,275	-	-	3,275	-
	Total	\$ 225,962	\$ 83,113	\$ 5,550,127	\$ 5,859,202	\$ 5,151,702

GALLATIN COUNTY, MONTANA
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Other Receivables

The other receivable balances as reported by the County include the following:

Fund	Accounts receivable, net	Due from other governments	Other miscellaneous receivables	Total
General	\$ 168,652	\$ -	\$ -	\$ 168,652
Public Safety Fund	982,538	43,869	19,990	1,046,397
Federal Grant	-	121,893	-	121,893
County Building - Capital Improvements	-	-	39,726	39,726
Other Governmental Funds	44,749	1,544,075	336,727	1,925,551
Internal Service	-	-	184,185	184,185
Total Governmental Activities	<u>\$ 1,195,939</u>	<u>\$ 1,709,837</u>	<u>\$ 580,628</u>	<u>\$ 3,486,404</u>

Fund	Accounts receivable, net	Due from other governments	Other miscellaneous receivables	Total
Rest Home	\$ 246,883	\$ -	\$ -	\$ 246,883
Landfill	703,763	-	-	703,763
Non-Major Enterprise	120,246	-	-	120,246
Total Business-Type Activities	<u>\$ 1,070,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,070,892</u>

No estimated uncollectible amount was determined in the Landfill and Yellowstone Refuse District as the collections are high and there is limited amount of outstanding receivables that are over 90 days old. There is a minor 2% estimate on the Rest Home in uncollectible receivables. The estimated uncollectible totaled \$3,171 at end of fiscal year. Remaining receivables are determined to collectible.

NOTE 5. INVENTORIES AND PREPAIDS

Inventories are valued at cost using the First In First Out (FIFO) method.

The cost of inventories are recorded as an expenditure when purchased.

NOTE 6. CAPITAL ASSETS

The County's assets are capitalized at historical cost or estimated historical cost. County policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings	15 – 40 years
Building Improvements	10 – 20 years
Infrastructure:	
Road	20 – 60 years
Bridge	50 – 75 years

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Vehicles	7 years
Equipment other than vehicles	5 – 20 years
Office Equipment	5 – 20 years
Computer Equipment	5 years
Intangibles:	
Software	7 years

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

Governmental activities:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Balance <u>June 30, 2021</u>
Capital assets not being depreciated:					
Land	\$ 4,233,880	\$ 1,975,000	\$ -	\$ -	\$ 6,208,880
Construction in progress	5,884,486	4,068,984	-	(153,702)	9,799,768
Total capital assets not being depreciated	<u>\$ 10,118,366</u>	<u>\$ 6,043,984</u>	<u>\$ -</u>	<u>\$ (153,702)</u>	<u>\$ 16,008,648</u>
Other capital assets:					
Buildings	\$ 59,758,790	\$ 3,420,970	\$ (81,308)	\$ -	\$ 63,098,452
Improvements other than buildings	4,003,082	12,159	-	(12,003)	4,003,238
Machinery and equipment	30,472,293	1,638,328	(2,110,078)	-	30,000,543
Infrastructure	149,960,493	500,625	(671,457)	165,705	149,955,366
Intangibles	22,086,411	799,285	(94,525)	-	22,791,171
Total other capital assets at historical cost	<u>\$ 266,281,069</u>	<u>\$ 6,371,367</u>	<u>\$ (2,957,368)</u>	<u>\$ 153,702</u>	<u>\$ 269,848,770</u>
Less: accumulated depreciation	<u>(137,920,234)</u>	<u>(5,617,288)</u>	<u>2,331,853</u>	<u>-</u>	<u>(141,205,669)</u>
Total	<u><u>\$ 138,479,201</u></u>	<u><u>\$ 6,798,063</u></u>	<u><u>\$ (625,515)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 144,651,749</u></u>

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 1,126,554
Public safety	1,936,519
Public works	2,122,575
Public health	18,145
Social and economic services	2,223
Culture and recreation	205,051
Housing and community development	24,493
Conservation of natural resources	10,433
Total governmental activities depreciation expense	<u>\$ 5,445,993</u>

The depreciation above only includes the governmental activities depreciation expense. The internal service funds when consolidated with the governmental activities is included in the total in the table above. The total depreciation for the internal service fund equals \$171,295 bringing the total to \$5,617,288.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

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

Business-type activities:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,661,552	\$ -	\$ -	\$ 1,661,552
Construction in progress	610,360	684,872	-	1,295,232
Total capital assets not being depreciated	<u>\$ 2,271,912</u>	<u>\$ 684,872</u>	<u>\$ -</u>	<u>\$ 2,956,784</u>
Other capital assets:				
Buildings	\$ 8,457,306	\$ 25,283	\$ -	\$ 8,482,589
Improvements other than buildings	5,505,971	-	-	5,505,971
Machinery and equipment	7,430,156	765,336	(64,173)	8,131,319
Construction work in progress	145,468	-	-	145,468
Total other capital assets at historical cost	\$ 21,538,901	\$ 790,619	\$ (64,173)	\$ 22,265,347
Less: accumulated depreciation	(12,412,477)	(810,574)	62,906	(13,160,145)
Total	<u>\$ 11,398,336</u>	<u>\$ 664,917</u>	<u>\$ (1,267)</u>	<u>\$ 12,061,986</u>

NOTE 7. LONG TERM DEBT OBLIGATIONS

In the governmental-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond issuance costs are expensed at the date of sale. Bond premiums are capitalized and amortized over the life of the debt.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Changes in Long-Term Debt Liabilities - During the year ended June 30, 2021, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance July 1, 2020	Deletions	Balance June 30, 2021	Due Within One Year
General obligation bonds	\$ 27,295,000	\$ (3,120,000)	\$ 24,175,000	\$ 2,985,000
Special assessment bond	5,613,697	(461,995)	5,151,702	484,552
GO Bond Premiums	2,814,851	(285,661)	2,529,190	285,661
Compensated absences	2,935,744	(34,552)	2,901,192	290,119
Capital leases	1,151,732	(157,817)	993,915	993,915
Total	<u>\$ 39,811,024</u>	<u>\$ (4,060,025)</u>	<u>\$ 35,750,999</u>	<u>\$ 5,039,247</u>

In prior years the General Fund was used to liquidate compensated absences and claims and judgments.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Business-type Activities:

	Balance			Balance		Due Within
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>	<u>One Year</u>	
Compensated absences	\$ 491,967	\$ -	\$ (27)	\$ 491,940	\$	49,194
Closure/postclosure liability	2,553,447	292,170	-	2,845,617	\$	-
Total	<u>\$ 3,045,414</u>	<u>\$ 292,170</u>	<u>\$ (27)</u>	<u>\$ 3,337,557</u>	<u>\$</u>	<u>49,194</u>

General Obligation Bonds - The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds outstanding as of June 30, 2021 were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2021</u>
Open Lands 2012 Series	10/23/12	2.00%	10 Yrs	7/1/23	\$ 2,450,000	Varies	\$ 520,000
Open Lands 2013 Series	6/9/13	1.00 - 3.00%	12 Yrs	7/1/26	3,390,000	Varies	1,750,000
Open Lands 2015 Series	11/19/15	2.00 - 4.00%	20 Yrs	7/1/36	5,830,000	Varies	4,100,000
Hope House 2010 Series Detention Center 2009 Series	7/1/10	2.00 - 4.00%	20 Yrs	7/1/30	1,000,000	Varies	535,000
I-90 Interchange	6/2/16	3.00 - 5.00%	12 Yrs	7/1/29	19,130,000	Varies	16,080,000
Fairgrounds Ice Facility 2013 Series	12/27/12	1.00 - 2.25%	10 Yrs	7/1/23	2,000,000	Varies	415,000
	8/6/13	0.85 - 4.00%	20 Yrs	7/1/33	1,150,000	Varies	775,000
					<u>\$ 34,950,000</u>		<u>\$ 24,175,000</u>

Reported in the governmental activities.

Annual requirement to amortize debt:

For Fiscal <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,985,000	\$ 894,920
2023	3,110,000	793,557
2024	2,770,000	670,487
2025	2,900,000	556,530
2026	3,040,000	424,910
2027	2,450,000	307,280
2028	2,535,000	231,150
2029	2,625,000	152,200
2030	315,000	70,400
2031	260,000	57,800
2032	265,000	47,400
2033	280,000	36,800
2034	205,000	25,600
2035	215,000	17,400
2036	220,000	8,800
Total	<u>\$ 24,175,000</u>	<u>\$ 4,295,234</u>

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

Special Assessment Debt - Special assessment bonds are payable from the collection of special assessments levied against benefited property owners within defined special improvement districts. The bonds are issued with specific maturity dates but must be called and repaid earlier at par plus accrued interest, if the related special assessments are collected. Rural special improvement districts bonds were issued with revolving fund backing. The County is obligated to levy and collect a general property tax on all taxable property in the County to provide additional funding for the debt service payments. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of bonds outstanding. Special assessment bonds outstanding as of June 30, 2021, were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Maturity Date</u>	<u>Bonds Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2021</u>
RID #391	2006	2.00 - 5.25%	20 yrs	2026	\$ 395,000	Varies	\$ 90,000
RID #393	2007	4.20 - 5.50%	19 yrs	2027	900,000	Varies	160,000
RID #395	2010	2.00 - 6.00%	20 yrs	2030	1,765,000	Varies	725,000
RID #396	2010	2.50 - 6.00%	20 yrs	2030	4,715,000	Varies	2,680,000
RID #2605-2606	2015	4.00%	20 yrs	2035	765,000	Varies	494,617
RID #2607	2016	3.55%	16 yrs	2032	107,000	Varies	70,867
RID #2608-2610	2017	3.15%	15 yrs	2031	363,000	Varies	237,403
RID #2612 & 2615	2020	3.35%	15 yrs	2035	732,000	Varies	693,815
					<u>\$ 9,742,000</u>		<u>\$ 5,151,702</u>

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 484,552	\$ 246,328
2023	539,516	224,400
2024	558,420	199,748
2025	527,523	164,795
2026	526,697	136,993
2027	550,055	113,275
2028	570,556	86,386
2029	485,266	58,577
2030	514,689	36,248
2031	115,643	12,874
2032	110,839	8,969
2033	57,045	5,451
2034	58,964	3,532
2035	51,937	1,540
Total	<u>\$ 5,151,702</u>	<u>\$ 1,299,116</u>

Capital Leases

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

The County has entered into several leases which meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee when all terms of the lease agreements are met. Capital lease obligations outstanding as of June 30, 2021, were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Balance June 30, 2021</u>
Grader Leases	10/7/15	Varies	6 yrs	10/7/21	\$ <u>1,678,500</u>	\$ <u>993,915</u>
	Reported in the governmental activities.					

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ <u>993,915</u>	\$ <u>-</u>
Total	\$ <u>993,915</u>	\$ <u>-</u>

Compensated Absences

Compensated absences are absences for which employees will be paid for time off earned for time during employment, such as earned vacation and sick leave. It is the County's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from County service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation, but the excess cannot be carried forward more than 90 days into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave.

Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation. Annual accumulations greater than this amount can be carried over, but no more than 90 days can be carried into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated.

The County also allows exempt employees to carry up to 20 hours in compensatory time. Only non-exempt employees are paid compensatory time at 100% upon termination.

The liability associated with governmental fund-type employees is reported in the governmental activities, while the liability associated with proprietary fund-type employees is recorded in the business-type activities/respective proprietary fund.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

At June 30, 2021, the County had contractual commitments of approximately \$16,808,384. Significant contracts are made up of the following:

Description	Commitment	Expended to Date	Outstanding at June 30, 2021
911 Radio Equipment Software And Maintenance	\$ 11,505,844	\$ 2,189,179	\$ 9,316,665
Hauling Recyclable Materials And Site Maintenance	1,960,002	664,002	1,296,000
Change Order #10 To 2018-144 Executime Timekeeping	1,144,135	93,032	1,051,103
2022-2027 Leased Vehicles - SO Changes	940,157	35,505	904,652
Janitorial Services	960,163	123,042	837,121
Processing/Marketing Recyclable Materials	902,658	282,558	620,100
FY2021 Agency Staffing Nurses, CNA's Contract	638,347	39,173	599,174
Construction of A New Comms Tower in W. Yellowstone	351,027	-	351,027
Heart of The Valley Animal Shelter And Gallatin Co	394,800	76,800	318,000
FY 2020-2024 Rid Engineering Services	248,639	10,280	238,359
Partial Facility Use Agreement NCS Q&I	379,488	193,024	186,464
Land Lease And Right of Way Easement Agreement	336,609	151,943	184,666
Axon Taser 5 Yr Contract For SO And DC	207,000	82,800	124,200
Total	\$ 19,968,869	\$ 3,941,338	\$ 16,027,531

The remaining \$780,854 is made up of various small contractual commitments. Future appropriations will fund these commitments as work is performed.

NOTE 12. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The healthcare plan provides for, as required by section 2-18-704, MCA, employees with at least 5 years of service and who are at least age 50, along with surviving spouses and dependents, to stay on the government's health care plan as long as they pay the same premium. This creates a defined benefit Other Post-Employment Benefits Plan (OPEB); since retirees are usually older than the average age of the plan participants, they receive a benefit of lower insurance rates. The OPEB plan is a single-employer defined benefit plan administered by the County. The government has not created a trust to accumulate assets to assist in covering the defined benefit plan costs, and covers these when they come due. The above described OPEB plan does not provide a stand-alone financial report.

Benefits Provided. The government provides healthcare insurance benefits for retirees and their dependents upon reaching the age and service years defined in section 2-18-704, MCA. The benefit terms require that eligible retirees cover 100 percent of the health insurance premiums, but may pay the same premiums as the other members in the group health plan.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	27
Active employees	489
Total employees	516

Total OPEB Liability

The County's total OPEB liability of \$4,078,407 at June 30, 2021, and was determined by actuarial valuation using the actuarial entry age normal funding method. The measurement date of the determined liability was 30, 2020 and applying standard roll forward procedures to June 30, 2021.

Actuarial assumptions and other input. The total OPEB liability in the June 30, 2020 alternative measurement method was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Average age of retirement (based on historical data)	60 yrs
Discount rate (average anticipated rate)	2.45%
Average salary increase (Consumer Price Index)	3.00%
<u>Health care cost rate trend (Federal Office of the Actuary)</u>	

<u>Year</u>	<u>% Increase</u>
2020	Actual
2021	5.40%
2022	5.30%
2023-2026	5.20%
2027-2046	5.30%
2047	5.20%
2048-2049	5.10%
2050-2053	5.00%
2054-2059	4.90%
2060-2066	4.80%
2067	4.70%
2068	4.60%
2069	4.50%
2070-2071	4.40%
2072	4.30%
2073-2074	4.20%
2075	4.10%
2076 & later	4.00%

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

The discount rate was based on the 20-year General obligation (GO) bond index.

Mortality before retirements for PERS and SRS members is based on RP -2014 White Collar Employee mortality, male and female tables, base rates as of 2006.

Mortality after retirement for PERS and SRS members is based on RP -2014 White Collar Employee mortality, male and female tables, base rates as of 2006.

The turnover rates were determined from the periodic experience studies of the Montana public retirement systems for the covered groups as documented in the GASB 68 actuarial valuations.

Participation Rate

Active Employees:

- a) 35% of employees currently enrolled in the County's medical program who retire prior to age 68 (males) or 65 (females) are assumed to elect County healthcare and life insurance coverage in retirement. Upon reaching age 68 (males) and 65 (females), only 25% are assumed to continue coverage through the County for the remainder of their lifetime.
- b) Employees currently waiving (i.e., not enrolled in) County coverage are assumed to elect coverage in retirement at ½ (50% of) the rates assumed for currently enrolled employees.
- c) 25% of employees retiring at age 65 or over are assumed to elect County healthcare and life insurance coverage in retirement.

Current Retirees:

- a) All (100%) of male retirees under age 68 and female retirees under 65 are assumed to continue their existing healthcare coverage. Upon reaching age 68 (males) and 65 (females), only 25% are assumed to continue coverage through the County for the remained of their lifetime.
- b) All male retirees currently age 68 and older and female retirees currently 65 and older are assumed to continue their existing healthcare coverage until death.

Changes in the Total OPEB Liability

Balance at 6/30/2020	\$ <u>3,577,895</u>
Changes for the year:	
Service cost	\$ 269,271
Interest	117,746
Benefit payments	(170,637)
Change in assumptions	<u>284,132</u>
Net Changes	\$ <u>500,512</u>
Balance at 6/30/2021	\$ <u><u>4,078,407</u></u>

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

Sensitivity of the total OPEB liability to changes in the discount rate. The following summarizes the total OPEB liability reported, and how that liability would change if the discount rate used to calculate the OPEB liability were to decrease or increase 1%:

	1% Decrease <u>(1.45%)</u>	Discount Rate <u>(2.45%)</u>	1% Increase <u>(3.45%)</u>
Total OPEB Liability	\$ 4,545,193	\$ 4,078,407	\$ 3,668,991

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following summarizes the total OPEB liability reported, and how that liability would change if the healthcare trend rates used in projecting the benefit payments were to decrease or increase 1%:

	1% Decrease	Healthcare Cost Trends* <u></u>	1% Increase <u></u>
Total OPEB Liability	\$ 3,568,776	\$ 4,078,407	\$ 4,695,903

**Reference the assumptions footnotes to determine the healthcare cost trends used to calculate the OPEB liability.*

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

For the year ended June 30, 2021, the County recognized an OPEB expense of \$500,512.

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources - OPEB	Deferred Inflows of Resources - OPEB
Differences between expected and actual economic experience	\$ 163,213	-
Changes in actuarial assumptions	253,348	979,207
Deferred contributions	171,299	-
Total	<u>\$ 587,860</u>	<u>\$ 979,207</u>

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

OPEB: Year ended June 30:	Amount recognized in OPEB Expense as an increase or (decrease) to OPEB Expense
2023	\$ (91,462)
2024	\$ (91,462)
2025	\$ (91,462)
2026	\$ (91,462)
Thereafter	\$ (25,499)

NOTE 13. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require that Gallatin County place a final cover on its landfill when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the landfill reports a portion of these closure and postclosure care costs as an operating expense each period. The costs expensed during a period are based on landfill capacity used as of each balance sheet date. The \$2,845,617 reported as landfill closure and postclosure liability at June 30, 2021, represents the cumulative amount reported to date based on the use of 70.28% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,203,213 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure in 2021. Actual costs may be different due to inflation, deflation, technology, or changes in applicable laws or regulation. The County expects to close the landfill in the year 2026, therefore there are 5 years remaining of useful life. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to demonstrate financial assurance for the costs of closure and postclosure care costs. For the fiscal year ended June 30, 2021, Gallatin County demonstrated its ability to handle closure and postclosure care costs by passing the local government financial test. The total set aside and restricted for this purpose equaled \$3,116,142.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2021, was as follows:

Due to/from other funds			
<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Cover negative cash balance	General – Major Governmental	DNRC Grant – Nonmajor Governmental	\$ 1,770
Cover negative cash balance	General – Major Governmental	Detention Center – Nonmajor Governmental	81,383
Cover negative cash balance	PILT* - Major Governmental	Riverside Sewer/Water MTC – Nonmajor Governmental	16,000
Cover negative cash balance	Health – Nonmajor Governmental	WIC – Nonmajor Governmental	71,774
Cover negative cash balance	Public Safety – Major Governmental	Crime Control – Nonmajor Governmental	65,301
Cover negative cash balance	Public Safety – Major Governmental	Operation Freedom from Fear – Nonmajor Governmental	25,512
Cover negative cash balance	Public Safety – Major Governmental	Victim Witness – Nonmajor Governmental	114,987
Cover negative cash balance	Public Safety – Major Governmental	Law Enforcement Block Grant – Nonmajor Governmental	95,190
Cover negative cash balance	Public Safety – Major Governmental	Homeland Security Grant – Nonmajor Governmental	64,171
			<u>\$ 536,088</u>

*Combined with the General Fund per GASB 54 for accounting purposes.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Interfund Transfers

The following is an analysis of operating transfers in and out during fiscal year 2021:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Operating transfer	Noxious Weed – Nonmajor Governmental	General – Major Governmental	\$ 329,145
Operating transfer	Park – Nonmajor Governmental	General – Major Governmental	155,500
Fund capital costs	County Building - Capital Projects – Nonmajor Governmental	General – Major Governmental	211
Matching requirements	Victim Witness – Nonmajor Governmental	General – Major Governmental	113,604
Cost allocations	Victim Witness – Nonmajor Governmental	General – Major Governmental	25,402
Operating transfer	Public Safety – Major Governmental	General – Major Governmental	6,675
Transfer of capital assets	Park – Nonmajor Governmental	Fair – Nonmajor Governmental	30,000
Operating transfer	General – Major Governmental	County Wide Planning – Nonmajor Governmental	188,200
Operating transfer	Park – Nonmajor Governmental	Open Space Lands – Nonmajor Governmental	38,305
Operating transfer	County Emergency – Nonmajor Governmental	Health – Nonmajor Governmental	77,499
Matching requirements	Public Health Emergency Prep – Nonmajor Governmental	Health – Nonmajor Governmental	179,005
Bonus payment reimbursement	General – Major Governmental	Public Safety – Major Governmental	682,195
Grant administration	Crime Control – Nonmajor Governmental	Public Safety – Major Governmental	2,666
Matching requirements	Crime Control – Nonmajor Governmental	Public Safety – Major Governmental	18,221
Matching requirements	SW Regional Youth Detention Facility – Nonmajor Governmental	Public Safety – Major Governmental	59,785
Grant administration	SW Regional Youth Detention Facility – Nonmajor Governmental	Public Safety – Major Governmental	8,491
Grant administration	Operation Freedom from Fear – Nonmajor Governmental	Public Safety – Major Governmental	11,174

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Matching requirements	Operation Freedom from Fear – Nonmajor Governmental	Public Safety – Major Governmental	69,447
Grant administration	Cops Grant – Nonmajor Governmental	Public Safety – Major Governmental	10,340
General administration	Homeland Security Grant – Nonmajor Governmental	Public Safety – Major Governmental	5,508
Matching requirements	Drug Enforcement Grant – Nonmajor Governmental	Public Safety – Major Governmental	161,416
Grant administration	Drug Enforcement Grant – Nonmajor Governmental	Public Safety – Major Governmental	5,541
Health insurance transfer	General – Major Governmental	Permissive Medical Levy – Nonmajor Governmental	763,133
Health insurance transfer	Road – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	87,620
Health insurance transfer	Fair – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	18,626
Health insurance transfer	Health – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	103,734
Health insurance transfer	Public Safety – Major Governmental	Permissive Medical Levy – Nonmajor Governmental	339,014
Health insurance transfer	Employee Health Insurance – Nonmajor Governmental	Permissive Medical Levy – Nonmajor Governmental	2,140,887
Fund capital costs	Junk Vehicle - Capital Improvements – Nonmajor Governmental	Junk Vehicle – Nonmajor Governmental	61,461
Operating transfer	General – Major Governmental	County Land Information – Nonmajor Governmental	36,500
Operating transfer	Historic Preservation – Nonmajor Governmental	PILT* – Major Governmental	5,000
Fund capital costs	County Building - Capital Projects – Nonmajor Governmental	PILT*– Major Governmental	700,000
Operating transfer	Landfill – Nonmajor Governmental	PILT*– Major Governmental	2,519
Grant administration and matching requirements	TSEP - Construction Fund – Nonmajor Governmental	County Building - Capital Projects – Nonmajor Governmental	<u>384,295</u>
			<u>\$ 6,821,416</u>

*Combined with the General Fund per GASB 54 for accounting purposes.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 15. NET PENSION LIABILITY (NPL)

As of June 30, 2021, the County reported the following balances as its proportionate share of PERS and SRS and TRS, pension amounts:

County's Proportionate Share Associated With:	PERS	SRS	TRS	Pension Totals
Net Pension Liability	\$ 27,226,707	\$ 10,030,666	\$ 123,984	\$ 37,381,357
Deferred outflows of resources*	\$ 6,450,637	\$ 4,783,410	\$ 31,268	\$ 11,265,315
Deferred inflows of resources	\$ 884,990	\$ 1,564,478	\$ 3,271	\$ 2,452,739
Pension expense	\$ 5,508,924	\$ 947,798	\$ 26,672	\$ 6,483,394

*Deferred outflows for PERS and SRS, and TRS are reported as of the reporting date which includes employer contributions made subsequent to the measurement date of \$1,768,207 and \$965,145, and \$7,005, respectively. These amounts will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Total deferred inflows and outflows in the remainder of the note are as of the reporting date of June 30, 2021.

The following are the detailed disclosures for each retirement plan as required by GASB 68.

Public Employee's Retirement System – Defined Benefit Retirement Plan

Summary of Significant Accounting Policies

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

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Plan Descriptions

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

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

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature.

Summary of Benefits

Service retirement:

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

Early Retirement (actuarially reduced):

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

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

1) Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:

- a. A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
- b. No service credit for second employment;
- c. Start the same benefit amount the month following termination; and
- d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

2) Retire before January 1, 2016 and accumulate at least 2 years of additional service credit:

- a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
- b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.

3) Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:

- a. The same retirement as prior to the return to service;
- b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
- c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Vesting

- 5 years of membership service

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

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Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

Contributions

The state Legislature has the authority to establish and amend contributions 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

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

Fiscal Year	Member		Local Government	
	Hired < 07/01/11	Hired > 07/01/11	Employer	State
2021	7.900%	7.900%	8.770%	0.100%
2020	7.900%	7.900%	8.670%	0.100%
2019	7.900%	7.900%	8.570%	0.100%
2018	7.900%	7.900%	8.470%	0.100%
2017	7.900%	7.900%	8.370%	0.100%
2016	7.900%	7.900%	8.270%	0.100%
2015	7.900%	7.900%	8.170%	0.100%
2014	7.900%	7.900%	8.070%	0.100%
2012 – 2013	6.900%	7.900%	7.070%	0.100%
2010 – 2011	6.900%		7.070%	0.100%
2008 – 2009	6.900%		6.935%	0.100%
2000 - 2007	6.900%		6.800%	0.100%

1. Rates are specified by state law and are a percentage of the member's compensation.
 - a. Contributions are deducted from each member's salary and remitted by participating employers;
 - b. The State legislature has the authority to establish and amend contribution rates to the plan.
2. Member contributions to the system:
 - a. Plan members are required to contribute 7.90% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.
 - b. The 7.90% member contributions is temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
3. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

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- c. The portion of the 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.
- 4. Non-Employer Contributions
 - a. Special Funding
 - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
 - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
 - iii. The State contributed a statutory appropriation from its General Fund of \$33,951,150.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2020, was determined by taking the results of the June 30, 2019, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards and Practice issued by the Actuarial Standards Board.

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, 2021, and 2020 (reporting periods), are displayed below. The County 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 County recorded a liability of \$27,226,707 and the County's proportionate share was 1.032014 percent.

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 27,226,707	\$ 20,881,008	1.032014%	0.998943%	0.033071%
State of Montana Proportionate Share associated with Employer	8,582,137	6,795,037	0.325301%	0.325073%	0.000228%
Total	\$ 35,808,844	\$ 27,676,045	1.357315%	1.324016%	0.033299%

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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 lowered from 7.65% to 7.34%
2. The investment rate of return was lowered from 7.65% to 7.34%
3. The inflation rate was reduced from 2.75% to 2.40%

Changes in benefit terms:

There were no changes in benefit terms since the previous measurement date

Changes in proportionate share:

There were no changes 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. However, 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:

At June 30, 2021, the County recognized a Pension Expense of \$4,105,384 for its proportionate share of the pension expense. The County also recognized grant revenue of \$1,403,540 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the County.

	Pension Expense as of 6/30/21	Pension Expense as of 6/30/20
Employer Proportionate Share	\$ 4,105,384	\$ 2,818,949
State of Montana State Appropriation for the Employer	1,403,540	461,311
Total	\$ 5,508,924	\$ 3,280,260

Recognition of Beginning Deferred Outflow

At June 30, 2021, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2020 contributions of \$1,505,275.

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Recognition of Deferred Inflows and Outflows:

At June 30, 2021, the County reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 439,495	\$ 778,452
Actual vs. Expected Investment Earnings	2,357,590	-
Changes in Assumptions	1,885,345	-
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	-	106,538
Employer contributions subsequent to the measurement date - FY21*	1,768,207	-
Total	<u>\$ 6,450,637</u>	<u>\$ 884,990</u>

*Amounts reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date have been recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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

<u>For the Measurement Year ended June 30:</u>	<u>Recognition of Deferred Outflows and Deferred Inflows in Future years as an increase or (decrease) to Pension Expense</u>	
2021	\$	673,367
2022	\$	1,711,297
2023	\$	823,761
2024	\$	589,014
<u>Thereafter</u>	<u>\$</u>	<u>-</u>

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Actuarial Assumptions

The total pension liability used to calculate the NPL was determined by taking the results of the June 30, 2020 actuarial valuation which included the use of the following actuarial assumptions.

- Investment Return (net of admin expense) 7.34%
- Admin Expense as % of Payroll 0.30%
- General Wage Growth* 3.50%
- *includes Inflation at 2.40%
- Merit Increases 0% to 4.8%
- Postretirement Benefit Increase Below:

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Member hired on or after July 1, 2013:
 - 1.5% for each year PERS is funded at or above 90%;
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality assumptions among contributing members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among Disabled members are based on RP 2000 Combined Mortality Tables with no projections.

The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a report dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. The long-term rate of return as of June 30, 2020, was calculated using the average long-term capital market assumptions published by the Survey of Capital Market Assumptions, 2020 Edition by Horizon Actuarial Services, LLC, yielding a median real rate of return of 4.94%. The assumed inflation is based on the intermediate inflation of 2.4% in the 2020 OASDI Trustees Report by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.34%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020, are summarized in the table below.

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<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return Arithmetic Basis</u>
Cash Equivalents	2.00%	0.11%
Domestic Equity	30.00%	6.19%
Foreign Equity	16.00%	6.92%
Private Equity	14.00%	10.37%
Natural Resources	4.00%	3.43%
Real Estate	9.00%	5.74%
Core Fixed Income	20.00%	1.57%
Non-Core Fixed Income	<u>5.00%</u>	3.97%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the TPL was 7.34%. 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 coal severance tax and interest money from the general fund. The interest was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. 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.

1.0% Decrease (6.34%)	Current Discount Rate	1.0% Increase (8.34%)
\$ 37,475,951	\$ 27,226,707	\$ 18,617,413

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.34%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.34%) or 1.00% higher (8.34%) than the current rate.

PERS Disclosure for the defined contribution plan

Gallatin County contributed to the state of Montana Public employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

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All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contributions rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2020, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 329 employers that have participants in the PERS-DCRP totaled \$775,195.

Pension plan fiduciary net position: The stand-alone financial statements (76d) of the Montana Public Employees Retirement Board (PERB) Comprehensive Annual Financial Report (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <http://mpera.mt.gov/index.shtml>.

Sheriff's Retirement System

Summary of Significant Accounting Policies

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

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Plan Descriptions

The Sheriffs' Retirement System (SRS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established July 1, 1974, and governed by Title 19, chapters 2 & 7, MCA. This plan provides retirement benefits to all Department of Justice criminal and gambling investigators hired after July 1, 1993, all detention officers hired after July 1, 2005, and to all Montana sheriffs. Benefits are established by state law and can only be amended by the Legislature.

The SRS provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and highest average compensation. Member rights are vested after five years of service.

Summary of Benefits

Service retirement:

- 20 years of membership service.
- 2.5% of HAC x years of service credit.

Early retirement:

- Age 50 with 5 years of membership service.
- This benefit calculated using HAC and service credit at early retirement, and reduced to the actuarial equivalent commencing at the earliest of age 60 or the attainment of 20 years of service credit.

Second Retirement:

Applies to retirement system members re-employed in an SRS position on or after July 1, 2017:

- 1) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.

- 2) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and

GALLATIN COUNTY, MONTANA
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- c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.

3) A member who returns to covered service is not eligible for a disability benefit.

Vesting

5 years of membership service

Member's compensation period used in benefit calculation

- HAC = Highest Average Compensation
- Hired prior to July 1, 2011: HAC is average of the highest 36 consecutive months of compensation paid to member.
- Hired on or after July 1, 2011: HAC is average of the highest 60 consecutive months of compensation paid to member.

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to:

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007

Contributions

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The State Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are shown in the table below.

<u>Fiscal Year</u>	<u>Member</u>	<u>Employer</u>
2018-2021	10.495%	13.115%
2010-2017	9.245%	10.115%
2008-2009	9.245%	9.825%
1998-2007	9.2.45%	9.535%

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GASB Statement 68 allows a measurement date of up to 12 months before the employer’s fiscal year-end can be utilized to determine the Plan’s TPL. The basis for the TPL as of June 30, 2020, was determined by taking the results of the June 30, 2019, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards and Practice issued by the Actuarial Standards Board.

The Total Pension Liability (TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the County’s and the state of Montana’s NPL for June 30, 2021, and 2020 (reporting periods), are displayed below. The County proportionate share equals the ratio of the employer’s contributions to the sum of all employer contributions during the measurement period. The County recorded a liability of \$10,030,666 and the County’s proportionate share was 8.2295 percent.

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 10,030,666	\$ 6,961,359	8.2295%	8.3472%	-0.1176%
Total	\$ 10,030,666	\$ 6,961,359	8.2295%	8.3472%	-0.1176%

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 lowered from 7.65% to 7.34%
2. The investment rate of return was lowered from 7.65% to 7.34%
3. The inflation rate was reduced from 2.57% to 2.40%

Changes in benefit terms:

There were no changes in benefit terms since the previous measurement date

Changes in proportionate share:

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

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Pension Expense:

At June 30, 2021, the County recognized a Pension Expense of \$947,798 for its proportionate share of the pension expense.

	Pension Expense as of 6/30/21	Pension Expense as of 6/30/20
Employer Proportionate Share	\$ 947,798	\$ 425,467
Total	\$ 947,798	\$ 425,467

Recognition of Beginning Deferred Outflow

At June 30, 2021, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2020 contributions of \$921,018.

Recognition of Deferred Inflows and Outflows:

At June 30, 2021, the County 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
Differences between expected and actual economic experience	\$ 454,227	\$ 2,811
Actual vs. Expected Investment Earnings	1,233,035	-
Changes in Assumptions	2,063,190	1,561,667
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	67,813	-
Employer contributions subsequent to the measurement date - FY21*	965,145	-
Total	\$ 4,783,410	\$ 1,564,478

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Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in 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
2021	\$ (121,810)
2022	\$ 894,675
2023	\$ 840,075
2024	\$ 640,847
Thereafter	\$ -

Actuarial Assumptions

The TPL used to calculate the NPL was determined by taking the results of the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions.

- Investment Return (net of admin expense) 7.34%
- Admin Expense as % of payroll 0.16%
- General Wage Growth* 3.50%
 - *includes inflation at 2.40%
- Merit Increases 0% to 6.30%
- Post Retirement Benefit Increased
Guaranteed Annual Benefit Adjustment (GABA)
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, Inclusive of other adjustments to the member's benefit.
 - 3.0% for members hired prior to July 1, 2007
 - 1.5% for members hired on or after July 1, 2207
- Mortality assumptions among contributing members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Mortality Tables with no projections.

GALLATIN COUNTY, MONTANA
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The most recent experience study, performed for the period covering fiscal years 2011 through 2016, is outlined in a reported dated May 5, 2017 and can be located on the MPERA website. The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the Plan. The long-term rate of return as of June 30, 2020, was calculated using the average long term capital market assumptions published in the Survey of Capital Market Assumptions 2020 Edition by Horizon Actuarial Service, LLC, yielding a median real rate of return of 4.94%. The assumed inflation is based on the intermediate inflation of 2.4% in the 2020 OASDI Trustees Report by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.34%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation (78c & 78f) as of June 30, 2020, are summarized below.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return Arithmetic Basis</u>
Cash Equivalents	2.00%	0.11%
Domestic Equity	30.00%	4.55%
International Equity	16.00%	6.35%
Private Investments	14.00%	10.37%
Natural Resources	4.00%	3.43%
Real Estate	9.00%	5.74%
Core Fixed Income	20.00%	1.57%
Non-Core Fixed Income	<u>5.00%</u>	3.97%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the TPL was 7.34%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members and employers will be made based on the Board’s funding policy, which established the contractually required rates under the Montana Code Annotated. Based on those assumptions, the Plan’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

	1.0% Decrease	Current	1.0% Increase
	(6.34%)	Discount Rate	(8.34%)
\$	15,954,752	\$	10,030,666
			\$
			5,184,731

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.34%) or 1.00% higher (8.34%) than the current rate.

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Teachers Retirement System

Summary of Significant Accounting Policies

The Teachers' Retirement System prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Teachers' Retirement System (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same accrual basis as they are reported by TRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. TRS adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>.

Plan Descriptions

Teachers' Retirement System (TRS or the System) is a mandatory-participation multiple-employer cost-sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana.

The TRS Board is the governing body of the System and the TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at trs.mt.gov.

Summary of Benefits

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Final compensation is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

- Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One)

GALLATIN COUNTY, MONTANA
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- Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with creditable service in 25 years in Tier One)
- Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One)
- Tier Two has a one percent higher normal employee contribution rate (though a temporary 1% supplemental employee contribution rate is also now currently in place for Tier One members), and
- Tier Two provides for an enhanced benefit calculation - $1.85\% \times \text{AFC} \times \text{years of creditable service}$ - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than $1.6667 \times \text{AFC} \times \text{years of creditable service}$)

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

Contributions

The System receives a portion of the total required statutory contributions directly from the State for all employers. The employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in TRS. The System receives 2.49% of reportable compensation from the State's general fund for School Districts and Other Employers. The System also receives 0.11% of reportable compensation from the State's general fund for all TRS Employers including State Agency and University System Employers. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

MCA 19-20-605 requires each employer to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position. Pursuant to MCA 19-20-609, this amount shall increase by 1.00% for fiscal year 2014 and increase by 0.10% each fiscal year through 2024 until the total employer contribution is equal to 11.85% of re-employed retiree compensation.

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The tables below show the legislated contribution rates for TRS members, employers and the State.

School District and Other Employers

	<u>Members</u>	<u>Employers</u>	<u>General fund</u>	<u>Total employee & employer</u>
Prior to July 1, 2007	7.15%	7.47%	0.11%	14.73%
July 1, 2007 to June 30, 2009	7.15%	7.47%	2.11%	16.73%
July 1, 2009 to June 30, 2013	7.15%	7.47%	2.49%	17.11%
July 1, 2013 to June 30, 2014	8.15%	8.47%	2.49%	19.11%
July 1, 2014 to June 30, 2015	8.15%	8.57%	2.49%	19.21%
July 1, 2015 to June 30, 2016	8.15%	8.67%	2.49%	19.31%
July 1, 2016 to June 30, 2017	8.15%	8.77%	2.49%	19.41%
July 1, 2017 to June 30, 2018	8.15%	8.87%	2.49%	19.51%
July 1, 2018 to June 30, 2019	8.15%	8.97%	2.49%	19.61%
July 1, 2019 to June 30, 2020	8.15%	9.07%	2.49%	19.71%
July 1, 2020 to June 30, 2021	8.15%	9.17%	2.49%	19.81%
July 1, 2021 to June 30, 2022	8.15%	9.27%	2.49%	19.91%
July 1, 2022 to June 30, 2023	8.15%	9.37%	2.49%	20.01%
July 1, 2023 to June 30, 2024	8.15%	9.47%	2.49%	20.11%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2020 and June 30, 2021 (reporting dates).

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020	Change in Percent of Collective NPL
Employer Proportionate Share	\$ 123,984	\$ 103,726	0.0055%	0.0054%	0.0001%
State of Montana Proportionate Share associated with Employer	71,731	64,057	0.0032%	0.0033%	-0.0001%
Total	\$ 195,715	\$ 167,783	0.0087%	0.0087%	0.0000%

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At June 30, 2021, the County recorded a liability of \$123,984 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The County's proportion of the net pension liability was based on the County's contributions received by TRS during the measurement period July 1, 2019, through June 30, 2020, relative to the total County contributions received from all of TRS' participating employers. At June 30, 2021, the County's proportion was 0.0055 percent.

Changes in actuarial assumptions and methods:

Since the previous measurement date, the following changes to actuarial assumptions were made:

- The discount rate was lowered from 7.50% to 7.34%
- The investment rate of return assumption was lowered from 7.50% to 7.34%
- The inflation rate was reduced from 2.50% to 2.40%

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 between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability. 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:

At June 30, 2021, the County recognized a Pension Expense of \$26,672 for its proportionate share of the TRS' pension expense. The County also recognized grant revenue of \$9,504 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the County.

	Pension Expense as of 6/30/21	Pension Expense as of 6/30/20
Employer Proportionate Share	\$ 17,168	\$ 13,318
State of Montana Proportionate Share associated with the Employer	9,504	7,814
Total	\$ 26,672	\$ 21,132

GALLATIN COUNTY, MONTANA
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Recognition of Beginning Deferred Outflow

At June 30, 2021, the County recognized a beginning deferred outflow of resources for the County's fiscal year 2020 contributions of \$6,881.

Recognition of Deferred Inflows and Outflows:

At June 30, 2021, the County reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,202	\$ -
Actual vs. Expected Investment Earnings	8,686	-
Changes in Assumptions	6,494	143
Changes in Proportion Share and Differences between Employer Contributions and Proportionate Share of Contributions	7,881	3,128
Employer contributions subsequent to the measurement date - FY21*	7,005	-
Total	<u>\$ 31,268</u>	<u>\$ 3,271</u>

*Amounts reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

GALLATIN COUNTY, MONTANA
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Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in 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
2022	\$ 7,358
2023	\$ 7,260
2024	\$ 4,193
2025	\$ 2,180
2026	\$ -
Thereafter	\$ -

Actuarial Assumptions

The Total Pension Liability as of June 30, 2020, is based on the results of an actuarial valuation date of July 1, 2020. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of the last actuarial experience study, dated May 3, 2018. Among those assumptions were the following:

- Total Wage Increases* 3.25% - 7.76% for Non-University Members and 4.25%
for University Members
- Investment Return 7.34%
- Price Inflation 2.40%
- Postretirement Benefit Increases
 - Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
 - Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members, service retired members, and beneficiaries
 - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years
- Mortality among disabled members
 - RP 2000 Disabled Mortality Table for, set back three years for males and set forward two years for females, with mortality improvements projected by Scale BB to 2022.

*Total Wage Increases include 3.25% general wage increase.

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Discount Rate

TRS

The discount rate used to measure the total pension liability was 7.34%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2124. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return*</u>
Domestic Equity	30.00%	6.19%
International Equity	16.00%	6.92%
Private Equity	14.00%	10.37%
Natural Resources	4.00%	3.43%
Real Estate	9.00%	5.74%
Core Fixed Income	20.00%	1.57%
Non-Core Fixed Income	5.00%	3.97%
Cash	<u>2.00%</u>	0.11%
Total	<u>100.00%</u>	

* The assumed rate is comprised of a 2.50% inflation rate and a real long-term expected rate of return of 5.00%.

The long-term capital market assumptions published in the *Survey of Capital Market Assumptions 2020 Edition* by Horizon Actuarial Service, LLC, yield a median real return of 4.94%. Assumed inflation is based on the intermediate inflation assumption of 2.4% in the 2020 OASDI Trustees Report used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.34%.

Sensitivity Analysis

1.0% Decrease (6.34%)	Current Discount Rate	1.0% Increase (8.34%)
\$ 165,081	\$ 123,984	\$ 89,600

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NOTES TO THE FINANCIAL STATEMENTS
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TRS

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.34%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.34%) or 1.00% higher (8.34%) than the current rate.

NOTE 16. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

Governmental Fund equity is classified as fund balance. The County categorizes fund balance of the governmental funds into the following categories:

Non-spendable – includes resources not in spendable form, such as inventory, or those legally required to be maintained intact, such as principle portion of permanent funds.

Restricted – includes constraint for specific purposes which are externally imposed by a third party, State Constitution, or enabling legislation.

Committed – includes constraint for specific purposes which are internally imposed by the formal action of the board. This is the government’s highest level of decision-making authority, Commissioners, and a formal action is required to establish, modify, or rescind the fund balance commitment.

Assigned – includes constraint for specific purpose which are internally imposed by the body or official authorized to assign amounts for a specific purpose.

The County considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The County considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The fund balances are updated each year proportionately to the revenues received throughout the fiscal year. The revenues and the types of revenues determine the changes to the fund balances classifications each year.

Nonspendable Fund Balance

<u>Major Fund</u>	<u>Amount</u>	<u>Reason Nonspendable</u>
General	\$ 89,289	Inventory
All Other Aggregate	<u>51,006</u>	Inventory
Total	<u>\$ 140,295</u>	

GALLATIN COUNTY, MONTANA
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Restricted Fund Balance

<u>Major Fund</u>	<u>Amount</u>	<u>Purpose of Restriction</u>
General Fund	\$ 864,786	General government administration services
RID Debt Service	225,962	Debt Service
Public Safety	108,070	Law Enforcement, emergency services, and supplies
Federal Grant	373,619	Miscellaneous
County Building – Cap Projects	3,109	Construction and/or capital asset purchase
All Other Aggregate	1,148,726	Debt service
	181,612	General Government administration and services
	2,094,207	Law Enforcement, emergency services, and supplies
	1,133,573	Road Repair, maintenance and supplies
	909,276	Public Health Services and Supplies
	18,100	Noxious Weed Management
	260,362	Economic development
	33,588	Culture and recreation
	247	Housing and Community Development
	1,595,567	Construction and/or capital asset purchase
	<u>1,620</u>	Conservation of Natural Resources
Total	<u>\$ 8,952,424</u>	

Committed Fund Balance

<u>Major Fund</u>	<u>Amount</u>	<u>Purpose of Commitment</u>
General Fund	\$ 12,990,351	General government administration and services
RID Maintenance	8,935,738	Road repair, maintenance, and supplies
Public Safety	12,799,458	Law enforcement, emergency services, and supplies
County Building – Capital Projects	6,338,609	Constructions and/or capital asset purchases
All Other Aggregate	3,558,817	General Government administration and services
	136,679	Law Enforcement, emergency services, and supplies
	7,345,664	Road Repair, maintenance and supplies
	1,560,307	Public Health Services and Supplies
	179,936	Noxious Weed Management
	220,384	Animal control
	1,340,343	Culture and recreation
	<u>316,332</u>	Parks and recreation services and supplies
Total	<u>\$ 55,722,708</u>	

Assigned Fund Balance

<u>Major Fund</u>	<u>Amount</u>	<u>Purpose of Commitment</u>
General Fund	\$ 30,803	General government administration and services
Public Safety	26,077	Law enforcement, emergency services, and supplies
County Building – Cap Projects	107,986	Construction and/or capital asset purchases
All Other Aggregate	91,096	Road Repair, maintenance and supplies
	3,981	Public Health Services and Supplies
	1,347	Noxious Weed Management
	28,694	Culture and recreation
	<u>1,197</u>	Parks and recreation services and supplies

GALLATIN COUNTY, MONTANA
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Total \$ 291,181
NOTE 17. DEFICIT FUND BALANCES/NET POSITION

<u>Fund Name</u>	<u>Amount</u>	<u>Reason for Deficit</u>	<u>How Deficit will be Eliminated</u>
DNRC Grant	\$ 1,770	Insufficient resources to cover current payables	Transfer from general funds
SW Regional Youth Detention Facility	11,263	Insufficient resources to cover current payables	Transfer from public safety funds
Victim Witness	32,211	Insufficient resources to cover current payables	Future grant revenues
Law Enforcement Block Grant	527	Insufficient resources to cover current payables	Future grant revenues
Homeland Security Grant	4,591	Insufficient resources to cover current payables	Future grant revenues
Open Space Bond	139,161	Insufficient resources to cover current payables	Future tax revenues
Detention Center	81,383	Insufficient resources to cover current payables	Future tax revenues
CDBG - Grants	<u>562</u>	Insufficient resources to cover current payables	Transfer from general funds
Total	<u>\$ 271,468</u>		

NOTE 18. RESTATEMENTS

During the current fiscal year, the following adjustments relating to prior years' transactions were made to fund balance and net position.

<u>Fund</u>	<u>Amount</u>	<u>Reason for Adjustment</u>
General	\$ 5,052,652	Restate beginning balances for combination of PILT fund with general fund per GASB 54
PILT	(5,052,652)	Restate beginning balances for combination of PILT fund with general fund per GASB 54
Governmental	<u>\$(1,891,052)</u>	Restate beginning deferred outflow for advanced refunding
Internal Service	<u>\$ (494,315)</u>	Restate the beginning net pension liability and related deferred inflows

GALLATIN COUNTY, MONTANA
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Implementation of GASB 84 reporting
beginning assets and liabilities of custodial funds

Custodial Funds \$ 5,562,187

NOTE 19. JOINT VENTURES

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose which are subject to joint control, in which the participating governments retain 1) an ongoing financial interest or 2) an ongoing financial responsibility.

Joint ventures are legal entities or other organizations that result in a contractual arrangement and that are owned, operated, or governed by two or more participants. Each participant retains both an ongoing financial interest and an ongoing financial responsibility. In 2017, the County and City entered into joint venture contractual arrangements, Memorandums of Understanding and Interlocal Agreements to support the following programs and/or operations: 911 Communication Center, City-County Drug Forfeitures, Victim Witness, Hazardous Materials, Solid Waste (Disposal and Convenient Site), Fire Warden/Chief, Evidence Technician, L&L Site Services. The financial interest is not material.

Law Enforcement Services

An interlocal agreement was entered into between the County and the City of Three Forks. effective July 1, 2018 expiring June 30, 2023. The County also has an interlocal agreement with Madison County effective July 1, 2020 expiring June 30, 2023. The County is to provide law enforcement services in enforcing city ordinances, statutes, and other general law enforcement for the City of Three Forks. The services provided to Madison County involves serving the Upper Village in Big Sky and providing general law enforcement services to this area. During 2022, the County received \$343,200 from the City and \$322,877 from the County for providing law enforcement services.

NOTE 20. TAX ABATEMENTS

New and Expanding Industries

Montana Code Annotated, Title 15, Chapter 24, Part 14, the County approves tax incentives for qualified new or expanding industries located in Gallatin County. The tax incentives are for real and personal property taxes. To be eligible for the benefit, the taxpayer must apply and be approved by the County. In order to qualify, the taxpayer must invest a minimum of \$50,000 worth of qualifying improvements or modernized processes within the first 5 years after a construction permit is issued. Generally, the taxpayer commits to invest the statutory minimum and often includes a proposal to hire a certain number of additional employees in response to the entity's expansion. The County has not made any commitments as part of the agreements other than to reduce taxes.

The taxpayer receives a credit against property taxes in the form of a certain percentage reduction. The County manually applies the applicable credit amount to reduce the property tax bill. If property taxes were abated, but the taxpayer did not meet the eligibility requirements, the recapture amount is equal to the amount of taxes avoided, plus interest and penalties for nonpayment of property taxes.

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For the fiscal year ended June 30, 2021, the County abated property taxes totaling \$30,337 under this program.

Historic Property

Under the Montana Code Annotated, Title 15, Chapter 24, Part 16, the County approves tax incentives for the restoration, rehabilitation, expansion, and new construction of certified residential and commercial properties located within national register historic districts and properties listed in the National Register of Historic Places. The tax incentives are for real property taxes. To be eligible for the benefit, the taxpayer must apply and be approved by the County. The taxpayer may receive a tax abatement during the construction period, not to exceed 12 months, and for up to 5 years following completion of the construction. The tax abatement is limited to 100% of the increase in taxable value caused by the rehabilitation, restoration, expansion, or new construction. The County has not made any commitments as part of the agreements other than to reduce taxes.

The taxpayer receives a credit against property taxes in the form of a certain percentage reduction. The County manually applies the applicable credit amount to reduce the property tax bill. If property taxes were abated, but the taxpayer is disqualified due to adverse effects made to the historic property, then the owner is liable for back taxes, interest, and a penalty.

For the fiscal year ended June 30, 2021, the County did not have any taxes abated under this program.

NOTE 21. SERVICES PROVIDED FROM OTHER GOVERNMENTS

Gallatin County provides various financial services to other governmental entities located within the County. The County serves as the billing agent, cashier and treasurer for tax and assessment collections for various taxing jurisdictions. The County also serves as a bank for such agencies as school districts, irrigation districts, rural fire districts, and other special purpose districts. The funds collected and held by the County for other entities are accounted for in agency funds. Funds collected for incorporated cities and towns are periodically remitted to those entities by the County Treasurer. The County has not recorded any service charges for the services it provides other governmental entities.

NOTE 22. RISK MANAGEMENT

The County faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers' compensation, i.e., employee injuries, and (f) medical insurance costs of employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

GALLATIN COUNTY, MONTANA
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June 30, 2021

Property and Casualty Insurance

The County is part of a public entity risk pool called the Montana Association of Counties Property and Casualty Trust (MACo PCT). The MACo PCT pool is a group self-insurance program that offers a package concept combining multiple lines of coverages designed to meet the coverage and service needs for Montana Counties and Special Districts. Liability coverages are provided for at \$750,000/claim and \$1,500,000/occurrence.

PCT Coverage Includes:

- Public officials' errors and omissions
- Employment practices including legal advice on employment issues
- Law enforcement liability
- Auto liability
- General liability
- Defense only coverage for subdivisions approval and denials
- Property
- Faithful performance of duty
- Boiler and Machinery
- Fidelity and Crime
- Professional liability

Workers Compensation Insurance

The County is part of a public entity self-insured risk sharing pool that provides statutorily mandated workers' compensation called the Montana Association of Counties Workers' Compensation Trust (MACo WCT). Coverage is proved to member counties to protect member employees from on-the-job injuries and occupational diseases.

Self Insurance

The County provides medical insurance coverage for its employees via a partially self-insured plan administered by Allegiance. It provides medical and dental benefits and is operated as an Internal Service Fund. Rates are determined in consultation with the administrator based on past claim experience. The rates include a premium for a commercial stop-loss policy for when claims, in total, when any one claimant exceeds \$165,000 in covered charges during a year. This policy is with Symetra. A reconciliation of claims payable follows:

Claims payable, June 30, 2020	\$ 812,072
Claims incurred	6,317,705
Claims paid	<u>6,251,949</u>
Claims payable, June 30, 2021	\$ <u>877,828</u>

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 23. PENDING LITIGATION

The following is a list of litigation pending against the County and the amount of damages claimed by the Plaintiff. The County Attorney's evaluation as to the outcome of each case is also noted. The County has liability insurance which may cover all or part of the damages.

<u>Case</u>	<u>Damages Requested</u>	<u>Potential of Loss</u>
<i>Rockin' S7 Homeowners Association v. William Brownell and Gallatin County</i>	\$43,200	Not likely
<i>Rockin' S7 Homeowners Association v. Gallatin County</i>	Unknown	Not Likely
<i>Ian Wood Brooks v. Gallatin County</i>	Unknown	Not Likely
<i>Jamie Ross v. Gallatin County</i>	Unknown	Not Likely
<i>Estate of Danniel Keith Ross v. Gallatin County, Jimmy Biggs, Clayleen Pipinich, Abram Evans, and John Does</i>	\$1.05M	Not likely
<i>Mikayla Pitts v. Gallatin County & Montana Human Rights Commission</i>	Unknown	Not Likely
<i>John Risteau v Gallatin County Solid Waste Management District</i>	Unknown	Not Likely
<i>Jacob Wagner v. Gallatin County</i>	Unknown	Not Likely

NOTE 24. SUBSEQUENT EVENTS

In March 2021, the American Rescue Plan Act (ARPA) was signed into law to provide direct relief to local governments in the United States. The U.S. Department of Treasury requires that the ARPA funds be used to replace revenue lost in the public sector, boost pay for essential workers, and support public health entities' response to the pandemic. The County was awarded approximately \$22,230,000 and has allocated the funding to general government activities, pandemic response, water and sewer projects, childcare programs, Gallatin College training programs, economic recovery grants, development of the County's Rest Home property for affordable housing, an ambulance upgrade, HRDC housing projects, and mental health services.

In November of 2021, Gallatin County voters passed a \$29 million bond to construct a new courts facility that will house four District Courts, two Justice Courts, Youth Court and Probation, Standing Master, Clerks of Court, Self Help Law Center, Public Community and Jury Assembly Room and Security Detail Office. Design and engineering continued until site work and construction started in October of 2022. Gallatin County is funding initial construction from reserves and are anticipating issuing bonds in late spring of 2023. Total costs incurred through March 2023 equaled \$6,232,062.

GALLATIN COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

On November 8, 2022, the voters of Gallatin County approved a levy of up to 10 mills annually for the Rest Home. As the last skilled nursing home left in the County, this 69-bed, state- licensed facility provides skilled Medicare/Medicaid coverage for long term, respite, hospice and rehabilitation care. The mills will be used to offset the cost of care not covered by Medicare and Medicaid and to make capital improvements necessary to the building.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Gallatin County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	General			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS) See Note A	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 9,715,426	\$ 9,715,426	\$ 10,681,942	\$ 966,516
Licenses and permits	700	700	800	100
Intergovernmental	1,276,595	1,281,085	1,584,901	303,816
Charges for services	2,416,061	2,498,776	4,017,360	1,518,584
Fines and forfeitures	506,000	506,000	470,990	(35,010)
Miscellaneous	11,810	380,466	438,466	58,000
Investment earnings	150,000	150,000	80,223	(69,777)
Amounts available for appropriation	\$ 14,076,592	\$ 14,532,453	\$ 17,274,682	\$ 2,742,229
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	\$ 13,269,736	\$ 13,670,294	\$ 13,581,576	\$ 88,718
Public safety	1,488,730	1,493,220	1,547,344	(54,124)
Public works	1,215,203	1,215,203	586,352	628,851
Social and economic services	497,414	497,414	456,758	40,656
Debt service - principal	549,181	549,181	205,000	344,181
Debt service - interest	57,757	57,757	23,634	34,123
Miscellaneous	100,000	100,000	96,519	3,481
Capital outlay	734,376	714,189	34,120	680,069
Total charges to appropriations	\$ 17,912,397	\$ 18,297,258	\$ 16,531,303	\$ 1,765,955
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ 5,547	\$ 5,547
Transfers in	824,273	824,273	1,670,028	845,755
Transfers out	(433,760)	(433,760)	(630,537)	(196,777)
Total other financing sources (uses)	\$ 390,513	\$ 390,513	\$ 1,045,038	\$ 654,525
Net change in fund balance			\$ 1,788,417	
Fund balance - beginning of the year			\$ 7,307,210	
Fund balance - end of the year			\$ 9,095,627	

Gallatin County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

RID Maintenance				
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS) See Note A	
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 2,106,520	\$ 2,106,520	\$ 1,926,542	\$ (179,978)
Investment earnings	-	-	18,035	18,035
Amounts available for appropriation	\$ 2,106,520	\$ 2,106,520	\$ 1,944,577	\$ (161,943)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works	\$ 7,704,388	\$ 7,704,388	\$ 1,087,398	\$ 6,616,990
Internal services	-	-	16,000	(16,000)
Total charges to appropriations	\$ 7,704,388	\$ 7,704,388	\$ 1,103,398	\$ 6,600,990
Net change in fund balance			\$ 841,179	
Fund balance - beginning of the year			\$ 8,094,559	
Fund balance - end of the year			\$ 8,935,738	

Gallatin County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

Public Safety

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS) See Note A</u>	
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 18,767,008	\$ 18,767,008	\$ 19,479,765	\$ 712,757
Licenses and permits	40,000	40,000	80,801	40,801
Intergovernmental	1,010,313	1,025,313	981,232	(44,081)
Charges for services	1,850,206	1,980,370	3,187,662	1,207,292
Fines and forfeitures	45,000	45,000	50,569	5,569
Miscellaneous	81,981	23,963	29,065	5,102
Investment earnings	45,000	45,000	(5,852)	(50,852)
Amounts available for appropriation	<u>\$ 21,839,508</u>	<u>\$ 21,926,654</u>	<u>\$ 23,803,242</u>	<u>\$ 1,876,588</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public safety	\$ 20,833,171	\$ 21,266,230	\$ 16,706,552	\$ 4,559,678
Debt service - principal	11,984	11,984	-	11,984
Debt service - interest	6,580	6,580	525	6,055
Capital outlay	2,972,784	2,869,593	841,136	2,028,457
Total charges to appropriations	<u>\$ 23,824,519</u>	<u>\$ 24,154,387</u>	<u>\$ 17,548,213</u>	<u>\$ 6,606,174</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ 2,595	\$ 2,595
Transfers in	270,545	327,204	345,689	18,485
Transfers out	(449,024)	(449,024)	(1,034,784)	(585,760)
Total other financing sources (uses)	<u>\$ (178,479)</u>	<u>\$ (121,820)</u>	<u>\$ (686,500)</u>	<u>\$ (564,680)</u>
Net change in fund balance			<u>\$ 5,568,529</u>	
Fund balance - beginning of the year			<u>\$ 7,365,076</u>	
Fund balance - end of the year			<u>\$ 12,933,605</u>	

Gallatin County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

Federal Grant

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
			<u>(BUDGETARY</u> <u>BASIS) See Note A</u>	
RESOURCES (INFLOWS):				
Intergovernmental	\$ 3,160,148	\$ 3,160,148	\$ 778,244	\$ (2,381,904)
Investment earnings	-	-	(15)	(15)
Amounts available for appropriation	<u>\$ 3,160,148</u>	<u>\$ 3,160,148</u>	<u>\$ 778,229</u>	<u>\$ (2,381,919)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works	\$ 2,901,627	\$ 2,901,627	\$ 515,008	\$ 2,386,619
Conservation of natural resources	303,330	303,330	267,993	35,337
Total charges to appropriations	<u>\$ 3,204,957</u>	<u>\$ 3,204,957</u>	<u>\$ 783,001</u>	<u>\$ 2,421,956</u>
Net change in fund balance			<u>\$ (4,772)</u>	
Fund balance - beginning of the year			<u>\$ 378,391</u>	
Fund balance - end of the year			<u>\$ 373,619</u>	

**Gallatin County, Montana
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation**

Note A - Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures

Sources/Inflows of resources	<u>General</u>	<u>RID Maintenance</u>	<u>Public Safety</u>	<u>Federal Grant</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 17,274,682	\$ 1,944,577	\$ 23,803,242	\$ 778,229
Combined funds (GASBS 54) revenues	<u>1,933,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 19,208,306</u>	<u>\$ 1,944,577</u>	<u>\$ 23,803,242</u>	<u>\$ 778,229</u>
Actual amounts (Budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 16,531,303	\$ 1,103,398	\$ 17,548,213	\$ 783,001
Combined funds (GASBS 54) expenditures	<u>1,399,155</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 17,930,458</u>	<u>\$ 1,103,398</u>	<u>\$ 17,548,213</u>	<u>\$ 783,001</u>

Gallatin County, Montana
Required Supplementary Information
Schedule of Changes in the Entity's Total OPEB Liability
and Related Ratios
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service Cost	\$ 269,271	\$ 272,273	\$ 264,917	\$ 289,230
Interest	117,746	154,621	144,018	120,967
Differences in experience	-	208,364	-	-
Change in assumptions and inputs	284,132	(977,802)	(31,149)	(334,351)
Benefit payments	<u>(170,637)</u>	<u>(157,192)</u>	<u>(161,391)</u>	<u>(136,199)</u>
Net change in total OPEB liability	500,512	(499,736)	216,395	(60,353)
Total OPEB Liability - beginning	3,577,895	4,077,631	3,861,236	3,921,589
Restatement	-	-	-	-
Total OPEB Liability - ending	<u>\$ 4,078,407</u>	<u>\$ 3,577,895</u>	<u>\$ 4,077,631</u>	<u>\$ 3,861,236</u>
Covered-employee payroll	\$ 26,660,926	\$ 24,718,830	\$ 19,334,021	\$ 19,246,786
 Total OPEB liability as a percentage of covered -employee payroll	 15.30%	 14.47%	 21.09%	 20.06%

**The above schedule is presented by combining the required schedules from GASB 75 paragraphs 170a and 170b. The GASB requires that 10 years of information related to the OPEB liability be presented, additional data will be provided as it becomes available.*

Gallatin County, Montana
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2021

	<u>PERS 2021</u>	<u>PERS 2020</u>	<u>PERS 2019</u>	<u>PERS 2018</u>	<u>PERS 2017</u>	<u>PERS 2016</u>	<u>PERS 2015</u>
Employer's proportion of the net pension liability	1.032014%	0.998943%	0.936217%	1.158122%	1.164105%	1.151791%	1.165143%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 27,226,707	\$ 20,881,008	\$ 19,540,174	\$ 22,555,895	\$ 19,828,734	\$ 16,100,567	\$ 14,517,810
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 8,582,137	\$ 6,795,037	\$ 6,539,744	\$ 302,065	\$ 242,284	\$ 197,768	\$ 177,285
Total	<u>\$ 35,808,844</u>	<u>\$ 27,676,045</u>	<u>\$ 26,079,918</u>	<u>\$ 22,857,960</u>	<u>\$ 20,071,018</u>	<u>\$ 16,298,335</u>	<u>\$ 14,695,095</u>
Employer's covered payroll	\$ 17,318,906	\$ 16,482,252	\$ 15,399,466	\$ 14,364,135	\$ 13,943,938	\$ 13,441,636	\$ 13,281,095
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	157.21%	126.69%	126.89%	157.03%	142.20%	119.78%	111.22%
Plan fiduciary net position as a percentage of the total pension liability	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%	79.87%
	<u>SRS 2021</u>	<u>SRS 2020</u>	<u>SRS 2019</u>	<u>SRS 2018</u>	<u>SRS 2017</u>	<u>SRS 2016</u>	<u>SRS 2015</u>
Employer's proportion of the net pension liability	8.2295%	8.3472%	8.7643%	7.9853%	8.0104%	8.1856%	8.0812%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 10,030,666	\$ 6,961,359	\$ 6,137,260	\$ 6,076,555	\$ 14,072,501	\$ 7,890,821	\$ 3,363,154
Total	<u>\$ 10,030,666</u>	<u>\$ 6,961,359</u>	<u>\$ 6,137,260</u>	<u>\$ 6,076,555</u>	<u>\$ 14,072,501</u>	<u>\$ 7,890,821</u>	<u>\$ 3,363,154</u>
Employer's covered payroll	\$ 6,995,113	\$ 6,702,464	\$ 6,334,458	\$ 5,974,560	\$ 5,654,808	\$ 5,569,930	\$ 5,226,324
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	143.40%	103.86%	96.89%	101.71%	248.86%	141.67%	64.35%
Plan fiduciary net position as a percentage of the total pension liability	75.92%	81.89%	82.68%	81.30%	63.00%	75.40%	87.24%
	<u>TRS 2021</u>	<u>TRS 2020</u>	<u>TRS 2019</u>	<u>TRS 2018</u>	<u>TRS 2017</u>	<u>TRS 2016</u>	<u>TRS 2015</u>
Employer's proportion of the net pension liability	0.0055%	0.0054%	0.0043%	0.0052%	0.0052%	0.0051%	0.0051%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 123,984	\$ 103,726	\$ 80,635	\$ 87,924	\$ 94,963	\$ 83,154	\$ 78,229
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 71,731	\$ 64,057	\$ 55,302	\$ 56,031	\$ 65,256	\$ 63,117	\$ 56,237
Total	<u>\$ 195,715</u>	<u>\$ 167,783</u>	<u>\$ 135,937</u>	<u>\$ 143,955</u>	<u>\$ 160,219</u>	<u>\$ 146,271</u>	<u>\$ 134,466</u>
Employer's covered payroll	\$ 75,867	\$ 73,016	\$ 58,027	\$ 68,779	\$ 67,473	\$ 64,595	\$ 64,108
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	163.42%	14206.00%	138.96%	127.84%	140.74%	128.73%	122.03%
Plan fiduciary net position as a percentage of the total pension liability	64.95%	68.64%	69.09%	70.09%	66.69%	69.30%	70.36%

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

Gallatin County, Montana
Required Supplementary Information
Schedule of Contributions
For the Year Ended June 30, 2021

	PERS 2021	PERS 2020	PERS 2019	PERS 2018	PERS 2017	PERS 2016	PERS 2015
Contractually required contributions	\$ 1,537,079	\$ 1,517,066	\$ 1,417,600	\$ 1,304,092	\$ 1,202,504	\$ 1,165,511	\$ 1,107,645
Contributions in relation to the contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ 1,537,079	\$ 1,517,066	\$ 1,417,600	\$ 1,304,092	\$ 1,202,504	\$ 1,204,751	\$ 1,165,522
County's covered payroll	\$ 17,303,930	\$ 17,318,906	\$ 16,482,252	\$ 15,399,466	\$ 14,364,135	\$ 13,943,938	\$ 13,441,636
Contributions as a percentage of covered payroll	8.88%	8.76%	8.60%	8.47%	8.37%	8.64%	8.67%

	SRS 2021	SRS 2020	SRS 2019	SRS 2018	SRS 2017	SRS 2016	SRS 2015
Contractually required contributions	\$ 963,454	\$ 919,667	\$ 882,510	\$ 846,325	\$ 604,328	\$ 586,095	\$ 565,006
Contributions in relation to the contractually required contributions	\$ 963,454	\$ 919,667	\$ 882,510	\$ 846,325	\$ 604,328	\$ 586,095	\$ 565,006
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 7,359,099	\$ 6,995,113	\$ 6,702,464	\$ 6,334,458	\$ 5,974,560	\$ 5,654,808	\$ 5,569,930
Contributions as a percentage of covered payroll	13.09%	13.15%	13.17%	13.36%	10.12%	10.36%	10.14%

	TRS 2021	TRS 2020	TRS 2019	TRS 2018	TRS 2017	TRS 2016	TRS 2015
Contractually required contributions	\$ 7,005	\$ 6,881	\$ 6,550	\$ 5,147	\$ 6,032	\$ 5,850	\$ 5,536
Contributions in relation to the contractually required contributions	\$ 7,005	\$ 6,881	\$ 6,550	\$ 5,147	\$ 6,032	\$ 5,850	\$ 5,536
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 76,391	\$ 75,867	\$ 73,016	\$ 58,027	\$ 68,779	\$ 67,473	\$ 64,595
Contributions as a percentage of covered payroll	9.17%	9.07%	8.97%	8.87%	8.77%	8.67%	8.57%

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

Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2021

Public Employees' Retirement System of Montana (PERS)

Changes of Benefit Terms

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

2013 Legislative Changes

Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. PERS working retirees may still work up to 960 hours a year, without impacting benefits.

Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

- All PERS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.
- All bonuses paid to PERS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

Permanent Injunction Limits Application of the GABA Reduction – Passed under House Bill 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:
 - 1.5% each year PERS is funded at or above 90%;
 - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
 - 0% whenever the amortization period for PERS is 40 years or more.

2015 Legislative Changes

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

Second Retirement Benefit - for PERS

- 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 2.5%);
 - 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.

Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2021

- 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.
- 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 2.5%);
 - 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.
- 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 laws in effect at second retirement; and
 - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

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%, 0.47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

2017 Legislative Changes

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%.

Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2021

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 ensuing 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 actuarial valuation:

General Wage Growth	3.50%
Investment Rate of Return	7.65%
Includes inflation at	2.75%
Merit increase	0% to 8.47%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, 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 Tables, with no projections
Admin Expense as % of Payroll	0.30%

Sheriffs' Retirement System of Montana (SRS)

Changes of Benefit Terms

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

2013 Legislative Changes

Working Retirees - House Bill 95 - PERS, SRS, and FURS, effective July 1, 2013

- The law requires employer contributions on working retiree compensation.
- Member contributions are not required.
- Working retiree limitations are not impacted. SRS working retirees may still work up to 480 hours a year, without returning to active service.

Gallatin County, Montana
Notes to Required Supplementary Information
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Highest Average Compensation (HAC) Cap - House Bill 97, effective July 1, 2013

- All SRS members hired on or after July 1, 2013 are subject to a 110% annual cap on compensation considered as part of a member's highest or final average compensation.
- All bonuses paid to SRS members on or after July 1, 2013 will not be treated as compensation for retirement purposes.

2015 Legislative Changes

There were no legislative changes with regards to SRS in 2015.

2017 Legislative Changes

Increase in SRS Employee and Employer Contributions, effective July 1, 2017:

- 1) SRS employee contributions increase 1.25% from 9.245% to 10.495%.
- 2) SRS employer additional contributions increase 3%, from 0.58% to 3.58%, for a total employer contributions rate of 13.115%.
- 3) SRS employee contributions will return to 9.245% and SRS employer contributions will return to 9.535% when reducing the employee contribution and terminating the additional employer contributions will not cause the amortization period to exceed 25 years.

Second Retirement Benefit – for SRS

Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

- 4) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - is not awarded service credit for the period of reemployment;
 - is refunded the accumulated contributions associated with the period of reemployment;
 - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 5) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - is awarded service credit for the period of reemployment;
 - starting the first month following termination of service, receives:
 - the same retirement benefit previously paid to the member, and
 - a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - on the initial retirement benefit in January immediately following second retirement, and
 - on the second retirement benefit starting in January after receiving that benefit for at least 12 months.

Gallatin County, Montana
Notes to Required Supplementary Information
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- 6) A member who returns to covered service is not eligible for a disability benefit.

Refunds

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 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.
- 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.

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 2015:

SRS Discount Rate – Used to measure the TPL	6.86%, 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%, 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:

SRS Discount Rate – Used to measure the TPL	6.68%, which is a blend of the assumed long-term expected rate of return of 7.82% on System's investments and a municipal bond index rate of 4.27%
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Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
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The following changes were adopted in 2013 based on the 2013 Economic Experience Study:

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

The following actuarial assumption were adopted from the June 30, 2019 actuarial valuation:

General Wage Growth	3.50%
Investment Rate of Return	7.65%
Includes inflation at	2.75%
Merit salary increase	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
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 Tables, with no projections
Admin Expense as % of Payroll	0.16%

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.

Teachers' Retirement System of Montana (TRS)

Changes of Benefit Terms:

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

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or, after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The GABA for Tier 1 members has also been modified as follows:

- If the most recent actuarial valuation of the System shows that the funded ratio is less than 90%, then the maximum increase that can be granted is 0.50%.
- If the funded ratio is at least 90% and the increase is not projected to cause the System's funded ratio to be less than 85%, an increase can be granted to that is greater than 0.50% but not more than 1.50%.

Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
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The second tier benefit structure for members hired on or after July 1, 2013 is summarized below:

- *Final Average Compensation:* Average of earned compensation paid in five consecutive years of full-time service that yields the highest average
- *Service Retirement:* Eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55
- *Early Retirement:* Eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55
- *Professional Retirement Option:* If the member has been credited with 30 or more years of service and has attained the age of 60, they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%.
- *Annual Contribution:* 8.15% of member's earned compensation
- *Supplemental Contribution Rate:* On or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5%, if the following three conditions are met:
 - The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
 - The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
 - A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.
- *Disability Retirement:* A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination
- *Guaranteed Annual Benefit Adjustment (GABA):*
If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded, and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board.

HB 377 increased revenue from the members, employers and the State as follows:

- Annual State contribution equal to \$25 million paid to the System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in FY 2014.
- 1% supplemental employer contribution. This will increase the current employer rates:
 - School Districts contributions will increase from 7.47% to 8.47%

Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
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- The Montana University System and State Agencies will increase from 9.85% to 10.85%.
- The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 thru fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

Changes in actuarial assumptions and other inputs:

The following changes to the actuarial assumptions were adopted in 2020:

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%.

The following changes to the actuarial assumptions were adopted in 2019:

- The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% as determined by the Board. Since an increase in the amount of the GABA is not automatic and must be approved by the Board, the assumed increase was lowered from 1.50% to the current rate of 0.50% per annum.

The following changes to the actuarial assumptions were adopted in 2018:

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%.
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:
 - For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

The tables include margins for mortality improvement which is expected to occur in the future.

- Mortality among disabled members was updated to the following:
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022.

Gallatin County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
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- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

The following changes to the actuarial assumptions were adopted in 2016:

- The normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

The following changes to the actuarial assumptions were adopted in 2015:

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three-year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members “to account for larger than average annual compensation increases observed in the years immediately preceding retirement” is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).
- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to “retain membership in the System” are covered by the \$500 death benefit after termination.

The following changes to the actuarial assumptions were adopted in 2014:

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.

Gallatin County, Montana
Notes to Required Supplementary Information
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For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

- Mortality among disabled members was updated to the following:

For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	29 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25% – 7.76%, including inflation for Non-University members and 4.25% for University Members
Investment rate of return	7.50%, net of pension plan investment expense, and including inflation

OTHER SUPPLEMENTARY INFORMATION

GALLATIN COUNTY, MONTANA
SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Levied or Assessment Funds:

Road Fund – Tracks the receipt of property tax revenue, along with dedicated non-tax revenues and used to fund expenditures for roads outside the incorporated cities or towns.

Predatory Animal Control Funds – Used to account for the receipt of a per license fee on sheep or cattle revenues and tracks related expenditures for the purpose of paying bounties on predatory animals killed within the county.

Fair Fund – Tracks the receipt of property tax revenue, along with dedicated non-tax revenues and used to fund expenditures for maintenance of fairgrounds and production of fair.

Mosquito Control District Funds – Tracks the receipt of the special assessment property tax revenue, along with dedicated non-tax revenues and used to fund expenditures for the control of mosquitoes within the two districts:

Three Rivers Mosquito District
Riverside Mosquito District

Library Fund – Tracks the receipt of property tax revenue levied outside the incorporated cities or towns, along with dedicated non-tax revenues and used to fund contracts with the five libraries so rural residents can use the libraries at no cost.

County Wide Planning Fund – Tracks the receipt of property tax revenue levied outside zoning districts and outside city and towns, along with dedicated non-tax revenues and used to fund the planning department and the county planning board.

Zoning District Funds – Tracks the receipt of a special assessment property tax revenue from property within any type 1 zoning district and used to fund expenditures of the planning departments activity relative to each zoning district.

River Rock So.	Gallatin Canyon	Hebgen Lake
Bridger Canyons	Hyalite	Sypes Canyon #1
Sypes Canyon #2	Wheatland	Zoning #6
Bear Canyon	Springhill	Trail Creek
Big Sky	Zoning #1	Manhattan Jurisdictional Area

Health Fund – Tracks the receipt of property tax revenue, along with dedicated non-tax revenues used to fund expenditures for the City / County Health Department.

County Emergency Fund – Tracks the receipt of property tax revenue, along with dedicated non-tax revenues used to fund expenditures for emergency events outside incorporated cities or towns.

GALLATIN COUNTY, MONTANA
SPECIAL REVENUE FUNDS

Public Safety Fund – Used to account for the receipt of property tax revenue, along with dedicated non-tax revenues used to fund expenditures for Law Enforcement activities for the County.

Permissive Medical Levy Fund – Tracks the receipt of property tax revenue, along with dedicated non- tax revenues used to funds for county employees working in Governmental Funds.

Lighting District Funds – Used to account for the receipt of the special assessment property tax revenue, along with dedicated non-tax revenues and used to fund expenditures for the 4 lighting districts to include Churchill, Logan, Riverside, and Willow Creek.

Rural Improvement Maintenance District Funds - Tracks the receipt of the special assessment property tax revenue, along with dedicated non-tax revenues, used to fund expenditures for the maintenance of the improvements within the Rural Improvement Maintenance Districts:

Big Sky	Riverside	Hitching Post
Riverside Water / Sewer	Middle Creek Meadows	Hyalite Heights
Hebgen Lake	Gardner Park	Big Sky Meadow
El Dorado	Middle Creek #2	Glacier Condo
Sourdough Creek	Silverbow Circle #1	Silverbow Circle #2
Middle Creek Meadows #2	Rae Subdivision	Sunset Heights
Mountainview Subd. #1	Mountainview Subd. #2	Sourdough Ridge
Rocky Creek	Wheatland Hills	Pineview Subd.
Clover Meadows	Riverside Water Tower	Thorpe / Mount View
Mystic Heights	Baxter Creek #2	Baxter Creek #1
Sweetgrass Hills	Williams Buckskin Park	Springvale
Hyalite Foothills	Sypes Canyon	Wildflower
Mystic Heights #2 and #3	Ranch Subd.	Arrowleaf Hills
Cimarron Subd.	Middle Creek #1 and #3	Royal / Thorpe
Godfrey Canyon	Outlaw South	Wheatland Hills #2
Harvest Hills	Blue Grass Meadows	Painted Hills
Meadow Subd.	Wildhorse	Looking Glass
Canary Lane	Hyalite Meadows Subd.	Lake
Andesite	Evergreen	Triple Tree Ranch
Bear Creek #2 and #3	Alder Court Land	Ousel Falls
Firelight Subd.	Hyalite Canyon Estates	Garden Center
Skywood	Silverado	Firelight
Franklin Hills	Sourdough Creek	Summer Ridge Subd.
Olive Tree Way	Sir George Way	

Local Water Quality District Fund – Tracks the receipt of the special assessment property tax revenue, along with dedicated non-tax revenues and used to fund expenditures for protect, preserve and improve groundwater and surface water quality within the Gallatin Local Water Quality District.

GALLATIN COUNTY, MONTANA
SPECIAL REVENUE FUNDS

Grant Funds:

Health Related Grants

MTUPP Grant Fund – Tracks receipt of grant revenue from the state to the City / County Health Department used as required by the grant.

Cancer Prevention Grant Fund – Tracks receipt of federal grant revenue used to support the prevention of cancer within the county.

Public Health Emergency Preparedness Grant Fund – Used to account for receipt of federal grant revenue to the City / County Health Department for the preparation of emergency plans.

Health Related Grants (Continued)

Women, Infant and Children (WIC) Grant Fund – Accounts for federal grant revenue use to support WIC activity in Gallatin and Park County.

Maternal and Childhood Health Grant Fund – Tracks receipt of federal grant revenue to the City/County Health Department used to support the health of women and children's health.

Communicable Disease Fund – Tracks receipt of revenue from all sources used to support the immunization programs within the City/County Health Department.

Federal Health Grant Fund – Tracks receipt of several different federal grant revenues used to support the approved grant activities for the City / County Health Department.

Other Grants

Alcohol Rehabilitation Grant – Tracks revenue received from the State of Montana from the alcohol tax and supports the local alcohol treatment programs.

Gas Tax Fund – Used to account for the receipt of state gas tax revenue transferred to the county for support of the county transportation system.

Junk Vehicle Fund – Accounts for the state motor vehicle revenue granted to the county to support the county's junk vehicle program.

Noxious Weed Trust Grant Fund – Tracks receipt of grant revenue from the state to the Noxious Weed District in support of special projects approved through grant applications by the state.

DNRC Grant Fund – Tracks receipt of grant revenue from the state based on grant applications approved by the state for grants meeting set requirements. Expenses are tracked based on accepted grant payments.

PILT Fund – Used to account for the receipt of federal revenue based on the federal land acreage in the county.

Forest Receipts Title III Fund – Tracks receipt of federal grant revenue designated as Title III funds, used to support the transportation, safety and health within the public lands.

GALLATIN COUNTY, MONTANA
SPECIAL REVENUE FUNDS

Victim Witness Grant Fund – Used to account for the federal revenues and expenses associated with support of victims and witness of violent crimes.

Community Development Block Grant Fund – Tracks receipt of CDBG grant revenue for operational expenses associated with approved preliminary designs.

TIGER Grant Fund – Tracks receipt of federal transportation grant revenue for transportation projects based on grant applications.

Public Safety Grants

9-1-1 Grant Fund – Tracks receipt of regular and enhanced dispatch (911) phone fee revenue from the state to the county for the support and enhancement of the dispatch functions of the county.

Crime Control Grant Fund – Tracks receipt of public safety grants approved by the state based on the approved applications and maintains an account of expenses for each grant.

South West Regional Youth Detention Grant Fund – Tracks receipt of grant revenue from the state for all county's within the South West Regional and records expenses based on grant criteria.

Operation Freedom From Fear Grant Fund – Tracks receipt of federal grant revenue to fund the county's freedom from fear activity.

DNRC Grant/TUPP Grant Fund – Tracks receipt of grant revenue from the state to the City / County Health Department used as required by the grant.

COPS Grant Fund – Tracks receipt of federal grant revenue for the hiring or retaining of Sheriff Deputy's for a period of three years.

Law Enforcement Block Grant Fund – Tracks receipt of federal grant revenue for support of law enforcement operations and equipment.

Homeland Security Grant Fund – Used to track receipt of federal grant revenue for law enforcement activities approved based on grant applications.

Driving Under Influence Grant Fund – Tracks receipt of grant revenue and other dedicated revenue for the purposed of maintaining the DUI committee and the approved DUI programs.

Missouri River Drug Enforcement Grant Fund – Tracks receipt of federal grant revenue and dedicated match funds to fund the drug enforcement activities throughout southwest Montana.

Other Special Revenue Funds:

Road Impact Fee Fund – Tracks revenue received from developers for impacts associated with the transportation system and the expenses for improvements to the transportation system.

GALLATIN COUNTY, MONTANA
SPECIAL REVENUE FUNDS

Noxious Weed Fund – Tracks the receipt of dedicated non-tax revenues and used to fund expenditures for the control of noxious weeds anywhere in the county.

Park Fund – Used to account for the receipt of general fund transfer and other dedicated non-tax revenues and used to fund expenditures for county parks (especially the regional park).

Open Space Fund – Tracks receipt of the Open Space license plate revenue along with other dedicated non-tax revenues, which funds the administrative costs for the open space board and a subsidy to the regional park.

Historic Preservation Fund - Used to account for receipt of general fund transfer and other dedicated non-tax revenues, used to fund expenditures for the preservation of historic structures.

Drug Forfeiture Fund – Accounts for the receipt of drug forfeiture revenues associated with non-drug task force activity and is used to fund match funds for Sheriff Department grants.

Clerk and Recorder Records Preservation Fund – Tracks receipt of fee charged when filing documents with the Clerk and Recorder. The fund supports the Clerk & Recorders office through payment of operating, maintenance and capital expenses associated with the preservation of records.

Economic Development Fund – Used to account for receipt of repayment of loans coming from qualified businesses, and tracks the loans made for economic development in the county.

County Fire Control Fund – Tracks revenue received from fire permits which covers the cost of the program plus is used to support training for rural fire departments.

City County Building Fund – Inactive

County Land Information Fund – Used to account for receipt of document fees earmarked for the GIS department and support of the GIS function.

DNRC Grant/TUPP Grant Fund – Tracks receipt of grant revenue from the state to the City / County Health Department used as required by the grant.

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Predatory Animal	Mosquito Districts	Zoning Districts	Lighting Districts
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 24,503	\$ 207,930	\$ 2,498	\$ 24,345
Taxes and assessments receivable, net	3,233	6,988	1,989	895
Other Receivables	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 27,736	\$ 214,918	\$ 4,487	\$ 25,240
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	-	6,992	-	821
Accrued interest payable	-	-	-	-
Accrued payroll	-	5,057	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Total Liabilities	\$ -	\$ 12,049	\$ -	\$ 821
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	3,233	6,988	1,989	895
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	24,503	195,881	2,498	23,524
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	\$ 24,503	\$ 195,881	\$ 2,498	\$ 23,524
Total liabilities, deferred inflows of resources and fund balance	\$ 27,736	\$ 214,918	\$ 4,487	\$ 25,240

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Road	Road Impact Fees	Noxious Weed	Fair
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 7,896,570	\$ 248,495	\$ 197,624	\$ 778,837
Taxes and assessments receivable, net	169,304	-	140	20,396
Other Receivables	11,320	-	4,375	136,727
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	51,006	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
<u>Total Assets</u>	\$ 8,128,200	\$ 248,495	\$ 202,139	\$ 935,960
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	368,021	14,412	2,994	81,253
Accrued interest payable	-	-	-	-
Accrued payroll	121,160	-	13,347	25,859
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	4,375	-
<u>Total Liabilities</u>	\$ 489,181	\$ 14,412	\$ 20,716	\$ 107,112
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	169,304	-	140	20,396
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	51,006	-	-	-
Restricted	216,032	-	-	33,588
Committed	7,111,581	234,083	179,936	746,170
Assigned	91,096	-	1,347	28,694
Unassigned	-	-	-	-
<u>Total Fund Balance</u>	\$ 7,469,715	\$ 234,083	\$ 181,283	\$ 808,452
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 8,128,200	\$ 248,495	\$ 202,139	\$ 935,960

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Park	Library	County Wide Planning	Open Space Lands
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 324,000	\$ 594,173	\$ 162,712	\$ 2,903,074
Taxes and assessments receivable, net	7,105	48,936	7,286	56,895
Other Receivables	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 331,105	\$ 643,109	\$ 169,998	\$ 2,959,969
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	4,895	-	1,393	1
Accrued interest payable	-	-	-	-
Accrued payroll	1,576	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Total Liabilities	\$ 6,471	\$ -	\$ 1,393	\$ 1
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	7,105	48,936	7,286	56,895
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	316,332	594,173	161,319	2,903,073
Assigned	1,197	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	\$ 317,529	\$ 594,173	\$ 161,319	\$ 2,903,073
Total liabilities, deferred inflows of resources and fund balance	\$ 331,105	\$ 643,109	\$ 169,998	\$ 2,959,969

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	County	Health	Historic Preservation	Permissive Medical Levy
	<u>Emergency</u>			
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 357,634	\$ 896,477	\$ 19,889	\$ 56,653
Taxes and assessments receivable, net	-	61,843	-	129,927
Other Receivables	-	72,471	-	-
Due from other funds	-	71,774	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>	-	-	-	-
Advances to other funds	-	-	-	-
<u>Total Assets</u>	\$ 357,634	\$ 1,102,565	\$ 19,889	\$ 186,580
<u>LIABILITIES</u>	\$ -	\$ -	\$ -	\$ -
<u>Current liabilities</u>				
Accounts payable	206,078	17,912	9,500	-
Accrued interest payable	-	-	-	-
Accrued payroll	11,228	108,304	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
<u>Total Liabilities</u>	\$ 217,306	\$ 126,216	\$ 9,500	\$ -
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	61,843	-	129,927
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>	-	-	-	-
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	140,328	-	-	-
Committed	-	914,506	10,389	56,653
Assigned	-	-	-	-
Unassigned	-	-	-	-
<u>Total Fund Balance</u>	\$ 140,328	\$ 914,506	\$ 10,389	\$ 56,653
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 357,634	\$ 1,102,565	\$ 19,889	\$ 186,580

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Drug Forfeiture	Clerk & Recorder Records Preservation	Economic Development	County Fire Control Permit
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 39,527	\$ 458,698	\$ 60,362	\$ 92,419
Taxes and assessments receivable, net	-	-	-	-
Other Receivables	-	-	200,000	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
<u>Total Assets</u>	\$ 39,527	\$ 458,698	\$ 260,362	\$ 92,419
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	-	684	-	-
Accrued interest payable	-	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
<u>Total Liabilities</u>	\$ -	\$ 684	\$ -	\$ -
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	-	-	260,362	-
Committed	39,527	458,014	-	92,419
Assigned	-	-	-	-
Unassigned	-	-	-	-
<u>Total Fund Balance</u>	\$ 39,527	\$ 458,014	\$ 260,362	\$ 92,419
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 39,527	\$ 458,698	\$ 260,362	\$ 92,419

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Water Quality District	Alcohol Rehab	State Grants	Gas Tax
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 421,093	\$ 47,751	\$ 4,327	\$ 759,577
Taxes and assessments receivable, net	24,159	-	-	-
Other Receivables	3,125	317,487	195,000	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 448,377	\$ 365,238	\$ 199,327	\$ 759,577
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	2,754	365,238	43,200	-
Accrued interest payable	-	-	-	-
Accrued payroll	10,833	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Total Liabilities	\$ 13,587	\$ 365,238	\$ 43,200	\$ -
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	24,159	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	-	-	156,127	759,577
Committed	410,207	-	-	-
Assigned	424	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	\$ 410,631	\$ -	\$ 156,127	\$ 759,577
Total liabilities, deferred inflows of resources and fund balance	\$ 448,377	\$ 365,238	\$ 199,327	\$ 759,577

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	<u>Junk Vehicle</u>	<u>MTUPP</u>	<u>Noxious Weed Trust Fund Grants</u>	<u>911 Emergency</u>
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 158,978	\$ 111,167	\$ 18,100	\$ 1,552,919
Taxes and assessments receivable, net	-	-	-	-
Other Receivables	-	23,187	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>	-	-	-	-
Advances to other funds	-	-	-	-
<u>Total Assets</u>	\$ 158,978	\$ 134,354	\$ 18,100	\$ 1,552,919
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	71	109	-	9,263
Accrued interest payable	-	-	-	783
Accrued payroll	943	1,218	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
<u>Total Liabilities</u>	\$ 1,014	\$ 1,327	\$ -	\$ 10,046
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	157,964	133,027	18,100	1,542,873
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<u>Total Fund Balance</u>	\$ 157,964	\$ 133,027	\$ 18,100	\$ 1,542,873
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 158,978	\$ 134,354	\$ 18,100	\$ 1,552,919

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	County Land Information	DNRC Grant	Crime Control	SW Regional Youth Detention Facility
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 25,485	\$ -	\$ (7,445)	\$ 7,537
Taxes and assessments receivable, net	-	-	-	-
Other Receivables	-	-	140,219	(2)
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 25,485	\$ -	\$ 132,774	\$ 7,535
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	-	-	46,523	18,798
Accrued interest payable	-	-	-	-
Accrued payroll	-	-	5,288	-
Due to other funds	-	1,770	65,301	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Total Liabilities	\$ -	\$ 1,770	\$ 117,112	\$ 18,798
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	25,485	-	15,662	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(1,770)	-	(11,263)
Total Fund Balance	\$ 25,485	\$ (1,770)	\$ 15,662	\$ (11,263)
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 25,485	\$ -	\$ 132,774	\$ 7,535

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Forest Receipts - Title III	Operation Freedom form Fear	Cops Grant	Victim Witness
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 1,620	\$ 9,836	\$ 141,695	\$ 17,213
Taxes and assessments receivable, net	-	-	-	-
Other Receivables	-	43,359	60,115	86,305
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 1,620	\$ 53,195	\$ 201,810	\$ 103,518
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	-	490	-	699
Accrued interest payable	-	-	-	-
Accrued payroll	-	11,233	9,573	20,042
Due to other funds	-	25,512	-	114,988
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Total Liabilities	\$ -	\$ 37,235	\$ 9,573	\$ 135,729
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	1,620	15,960	192,237	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(32,211)
Total Fund Balance	\$ 1,620	\$ 15,960	\$ 192,237	\$ (32,211)
Total liabilities, deferred inflows of resources and fund balance	\$ 1,620	\$ 53,195	\$ 201,810	\$ 103,518

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Law Enforcement Grant	Homeland Security Grant	CDBG Grants	DUI Program
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ -	\$ 4,272	\$ 247	\$ 172,522
Taxes and assessments receivable, net	-	-	-	-
Other Receivables	94,662	66,221	-	16,600
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 94,662	\$ 70,493	\$ 247	\$ 189,122
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	-	6,169	-	-
Accrued interest payable	-	-	-	-
Accrued payroll	-	4,744	-	1,975
Due to other funds	95,189	64,171	-	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Total Liabilities	\$ 95,189	\$ 75,084	\$ -	\$ 1,975
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	-	-	247	187,147
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(527)	(4,591)	-	-
Total Fund Balance	\$ (527)	\$ (4,591)	\$ 247	\$ 187,147
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 94,662	\$ 70,493	\$ 247	\$ 189,122

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Cancer Prevention	Public Health Emergency Prep	WIC	Maternal Child
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 282,943	\$ 115,435	\$ 128,939	\$ 80,614
Taxes and assessments receivable, net	-	-	-	-
Other Receivables	26,797	54,430	102,576	175,180
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	-
<u>Noncurrent assets</u>	-	-	-	-
Advances to other funds	-	-	-	-
<u>Total Assets</u>	\$ 309,740	\$ 169,865	\$ 231,515	\$ 255,794
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	42	472	590	2,778
Accrued interest payable	-	-	-	-
Accrued payroll	8,654	13,777	16,289	37,685
Due to other funds	-	-	71,774	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
<u>Total Liabilities</u>	\$ 8,696	\$ 14,249	\$ 88,653	\$ 40,463
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	-
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>	-	-	-	-
<u>Fund Format:</u>				
Nonspendable	-	-	-	-
Restricted	301,044	123,138	142,862	206,169
Committed	-	32,476	-	9,162
Assigned	-	2	-	-
Unassigned	-	-	-	-
<u>Total Fund Balance</u>	\$ 301,044	\$ 155,616	\$ 142,862	\$ 215,331
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 309,740	\$ 169,865	\$ 231,515	\$ 255,794

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

Fund Name:	Communicable Disease	Federal Health Grant	Drug Enforcement Grant	Total All Funds
ASSETS				
<u>Current assets</u>				
Cash and investments	\$ 209,873	\$ 2,905	\$ 14,594	\$ 19,628,617
Taxes and assessments receivable, net	-	-	-	539,096
Other Receivables	29,500	-	-	1,859,654
Due from other funds	-	-	-	71,774
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Inventories	-	-	-	51,006
<u>Noncurrent assets</u>				
Advances to other funds	-	-	-	-
Total Assets	\$ 239,373	\$ 2,905	\$ 14,594	\$ 22,150,147
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	76,755	-	224	\$ 1,289,131
Accrued interest payable	-	-	-	783
Accrued payroll	21,629	-	9,637	460,051
Due to other funds	-	-	-	438,705
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	4,375
Total Liabilities	\$ 98,384	\$ -	\$ 9,861	\$ 2,192,262
<u>Deferred inflows of resources</u>				
Deferred inflows of resources - taxes and assessments	-	-	-	\$ 539,096
Deferred inflows of resources - other	-	-	-	-
<u>FUND BALANCE</u>				
<u>Fund Format:</u>				
Nonspendable	-	-	-	51,006
Restricted	131	2,905	-	4,632,585
Committed	137,303	-	4,733	14,658,462
Assigned	3,555	-	-	126,315
Unassigned	-	-	-	(50,362)
Total Fund Balance	\$ 140,989	\$ 2,905	\$ 4,733	\$ 19,418,006
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ 239,373	\$ 2,905	\$ 14,594	\$ 22,149,364

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		Predatory Animal			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	10,412	\$ 10,412	\$ 12,615	\$ 2,203
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 10,412	\$ 10,412	\$ 12,615	\$ 2,203
EXPENDITURES					
General government	\$	-	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		44,371	44,371	13,265	31,106
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 44,371	\$ 44,371	\$ 13,265	\$ 31,106
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (33,959)	\$ (33,959)	\$ (650)	\$ (28,903)
Fund Balances - Beginning (from prior year's audit)				\$ 25,153	
Fund Balance - Ending				\$ 24,503	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		Mosquito Districts			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ 156,846	\$ 156,846	\$ 157,168	\$ 322
Licenses and permits		-	-	-	-
Intergovernmental		8,700	8,700	10,658	1,958
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	285	285
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ 165,546	\$ 165,546	\$ 168,111	\$ 2,565
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		178,860	178,860	73,289	105,571
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	50	(50)
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		\$ 178,860	\$ 178,860	\$ 73,339	\$ 105,521
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (13,314)	\$ (13,314)	\$ 94,772	\$ (102,956)
Fund Balances - Beginning (from prior year's audit)				\$ 101,109	
Fund Balance - Ending				\$ 195,881	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		Zoning Districts			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ 43,507	\$ 43,507	\$ 42,780	\$ (727)
Licenses and permits		-	-	-	-
Intergovernmental		-	-	121	121
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	160	160
<u>Total Revenue</u>		\$ 43,507	\$ 43,507	\$ 43,061	\$ (606)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		43,507	43,507	43,507	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		\$ 43,507	\$ 43,507	\$ 43,507	\$ -
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ (446)	\$ (606)
Fund Balances - Beginning (from prior year's audit)				\$ 2,944	
Fund Balance - Ending				\$ 2,498	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		Lighting Districts			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ 22,280	\$ 22,280	\$ 22,697	\$ 417
Licenses and permits		-	-	-	-
Intergovernmental		-	-	7	7
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ 22,280	\$ 22,280	\$ 22,704	\$ 424
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		37,500	37,500	22,377	15,123
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		\$ 37,500	\$ 37,500	\$ 22,377	\$ 15,123
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (15,220)	\$ (15,220)	\$ 327	\$ (14,699)
Fund Balances - Beginning (from prior year's audit)				\$ 23,197	
Fund Balance - Ending				\$ 23,524	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2110 Road			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ 3,792,995	\$ 3,792,995	\$ 3,873,058	\$ 80,063
Licenses and permits		-	-	-	-
Intergovernmental		909,680	909,680	1,129,574	219,894
Charges for services		14,000	14,000	34,468	20,468
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	1,700	1,700
Investment earnings		20,000	20,000	27,432	7,432
Internal services		-	-	-	-
Total Revenue		\$ 4,736,675	\$ 4,736,675	\$ 5,066,232	\$ 329,557
EXPENDITURES					
General government		-	-	-	-
Public safety		-	-	-	-
Public works		5,340,192	5,340,192	3,391,489	1,948,703
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		300	300	8	292
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		3,186,428	3,186,428	911,097	2,275,331
Total Expenditures		\$ 8,526,920	\$ 8,526,920	\$ 4,302,594	\$ 4,224,326
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		-	-	61,902	(61,902)
Transfers in		57,836	57,836	87,621	(29,785)
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (3,732,409)	\$ (3,732,409)	\$ 913,161	\$ (3,924,554)
Fund Balances - Beginning (from prior year's audit)				\$ 6,556,554	
Fund Balance - Ending				\$ 7,469,715	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2111 Road Impact Fees			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ 10,000	\$ 10,000	\$ 65,064	\$ 55,064
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		100	100	1,071	971
Internal services		-	-	-	-
Total Revenue		\$ 10,100	\$ 10,100	\$ 66,135	\$ 56,035
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		172,997	172,997	19,459	(153,538)
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 172,997	\$ 172,997	\$ 19,459	\$ (153,538)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (162,897)	\$ (162,897)	\$ 46,676	\$ 209,573
Fund Balances - Beginning (from prior year's audit)				\$ 187,407	
Fund Balance - Ending				\$ 234,083	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2140 Noxious Weed			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ 5	\$ 5
Licenses and permits		-	-	-	-
Intergovernmental		31,300	31,300	38,811	7,511
Charges for services		4,750	4,750	8,863	4,113
Fines and forfeitures		-	-	-	-
Miscellaneous		1,786	1,786	2,786	1,000
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ 37,836	\$ 37,836	\$ 50,465	\$ 12,629
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		399,825	399,825	376,951	22,874
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		38,902	38,902	-	38,902
<u>Total Expenditures</u>		\$ 438,727	\$ 438,727	\$ 376,951	\$ 61,776
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		300,192	300,192	329,145	(28,953)
Transfers out		-	-	-	-
Net Change in Fund Balance		\$(100,699)	\$(100,699)	\$ 2,659	\$ (78,100)
Fund Balances - Beginning (from prior year's audit)				\$ 178,624	
Fund Balance - Ending				\$ 181,283	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2160			
		Fair			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments	\$	509,697	\$ 509,697	\$ 520,454	\$ 10,757
Licenses and permits		-	-	-	-
Intergovernmental		41,000	41,000	53,432	12,432
Charges for services		378,650	378,650	471,737	93,087
Fines and forfeitures		-	-	-	-
Miscellaneous		241,577	241,577	514,936	273,359
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 1,170,924	\$ 1,170,924	\$ 1,560,559	\$ 389,635
EXPENDITURES					
General government	\$	-	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		996,935	996,935	1,022,286	(25,351)
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		50,683	50,683	50,000	683
Debt service - interest		37,685	37,685	32,913	4,772
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		225,000	225,000	96,479	128,521
Total Expenditures		\$ 1,310,303	\$ 1,310,303	\$ 1,201,678	\$ 108,625
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$ -	\$ 5,078	\$ 5,078
Transfers in		22,531	22,531	18,626	(3,905)
Transfers out		-	-	(30,000)	(30,000)
Net Change in Fund Balance		\$ (116,848)	\$ (116,848)	\$ 352,585	\$ 252,183
Fund Balances - Beginning (from prior year's audit)				\$ 455,867	
Fund Balance - Ending				\$ 808,452	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2210 Park			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$ 183,189	\$ 185,731	\$ 2,542
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	1,550	1,550
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ -	\$ 183,189	\$ 187,281	\$ 4,092
EXPENDITURES					
General government	\$	-	-	-	-
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		203,381	203,381	428,401	(225,020)
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		386,464	386,464	-	386,464
Total Expenditures		\$ 589,845	\$ 589,845	\$ 428,401	\$ 161,444
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	-	-	-
Transfers in		-	193,805	223,805	30,000
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (589,845)	\$ (212,851)	\$ (17,315)	\$ (127,352)
Fund Balances - Beginning (from prior year's audit)				\$ 334,844	
Fund Balance - Ending				\$ 317,529	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2220 Library			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ 1,124,329	\$ 1,124,329	\$ 1,117,437	\$ (6,892)
Licenses and permits		-	-	-	-
Intergovernmental		75,000	75,000	85,601	10,601
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	(1,049)	(1,049)
Internal services		-	-	-	-
Total Revenue		\$ 1,199,329	\$ 1,199,329	\$ 1,201,989	\$ 2,660
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		1,203,886	1,203,886	1,202,443	1,443
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		211,858	211,585	-	211,585
Total Expenditures		\$ 1,415,744	\$ 1,415,471	\$ 1,202,443	\$ 213,028
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (216,415)	\$ (216,142)	\$ (454)	\$ (210,368)
Fund Balances - Beginning (from prior year's audit)				\$ 594,627	
Fund Balance - Ending				\$ 594,173	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2250 County Wide Planning			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$ 154,968	\$ 157,063	\$ 2,095
Licenses and permits		-	-	-	-
Intergovernmental		-	6,000	18,113	12,113
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ -	\$ 160,968	\$ 175,176	\$ 14,208
EXPENDITURES					
General government	\$	234,058	\$ 234,058	\$ 125,365	\$ (108,693)
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 234,058	\$ 234,058	\$ 125,365	\$ (108,693)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	-	-	-
Transfers in		-	-	-	-
Transfers out		(188,200)	(188,200)	(188,200)	-
Net Change in Fund Balance		\$ (422,258)	\$ (261,290)	\$ (138,389)	\$ 122,901
Fund Balances - Beginning (from prior year's audit)				\$ 299,708	
Fund Balance - Ending				\$ 161,319	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2255 Open Space Lands			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ 1,413,271	\$ 1,413,271	\$ 1,485,872	\$ 72,601
Licenses and permits		63,000	63,000	43,550	(19,450)
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	11,387	11,387
Internal services		-	-	-	-
Total Revenue		\$ 1,476,271	\$ 1,476,271	\$ 1,540,809	\$ 64,538
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		220,260	220,260	2,986	217,274
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		2,621,000	2,621,000	757,000	1,864,000
Total Expenditures		\$ 2,841,260	\$ 2,841,260	\$ 759,986	\$ 2,081,274
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		(38,806)	(38,806)	(38,305)	501
Net Change in Fund Balance		\$ (1,403,795)	\$ (1,403,795)	\$ 742,518	\$ (2,016,736)
Fund Balances - Beginning (from prior year's audit)				\$ 2,160,555	
Fund Balance - Ending				\$ 2,903,073	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2260 County Emergency			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments	\$	-	-	-	-
Licenses and permits		-	-	-	-
Intergovernmental		-	6,956,837	6,956,837	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	572,513	572,513	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue	\$	-	\$ 7,529,350	\$ 7,529,350	\$ -
EXPENDITURES					
General government	\$	-	-	-	-
Public safety		506,325	8,035,675	7,677,726	(357,949)
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		500,000	500,000	8,819	(491,181)
Total Expenditures	\$	1,006,325	\$ 8,535,675	\$ 7,686,545	\$ (849,130)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	-	-	-
Transfers in		-	-	77,499	77,499
Transfers out		-	-	-	-
Net Change in Fund Balance	\$	(1,006,325)	\$ (1,006,325)	\$ (79,696)	\$ 926,629
Fund Balances - Beginning (from prior year's audit)				\$ 220,024	
Fund Balance - Ending				\$ 140,328	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2270 Health			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ 1,552,438	\$ 1,552,438	\$ 1,577,996	\$ 25,558
Licenses and permits		203,495	203,495	311,457	107,962
Intergovernmental		140,000	140,000	195,268	55,268
Charges for services		296,170	296,170	309,162	12,992
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	122	122
Investment earnings		-	-	-	-
Internal services		16,890	16,890	7,255	(9,635)
Total Revenue		\$ 2,208,993	\$ 2,208,993	\$ 2,401,260	\$ 192,267
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		2,446,501	2,376,501	2,328,554	47,947
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	25	(25)
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		86,000	86,000	-	86,000
Total Expenditures		\$ 2,532,501	\$ 2,462,501	\$ 2,328,579	\$ 133,922
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		62,480	62,480	103,734	41,254
Transfers out		(108,943)	(178,943)	(256,801)	(77,858)
Net Change in Fund Balance		\$ (261,028)	\$ (191,028)	\$ (80,386)	\$ 21,741
Fund Balances - Beginning (from prior year's audit)				\$ 994,892	
Fund Balance - Ending				\$ 914,506	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2361 Historic Preservation			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		16,000	16,000	9,516	6,484
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 16,000	\$ 16,000	\$ 9,516	\$ 6,484
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	5,000	5,000
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (16,000)	\$ (16,000)	\$ (4,516)	\$ (1,484)
Fund Balances - Beginning (from prior year's audit)				\$ 14,905	
Fund Balance - Ending				\$ 10,389	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2372 Permissive Medical Levy			
		Budgeted		Actual	Variance
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ 3,342,014	\$ 3,342,014	\$ 3,363,694	\$ 21,680
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 3,342,014	\$ 3,342,014	\$ 3,363,694	\$ 21,680
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		6,513	6,513	3,800	2,713
Capital outlay		-	-	-	-
Total Expenditures		\$ 6,513	\$ 6,513	\$ 3,800	\$ 2,713
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		(3,414,116)	(3,414,116)	(3,453,014)	(38,898)
Net Change in Fund Balance		\$ (78,615)	\$ (78,615)	\$ (93,120)	\$ 18,967
Fund Balances - Beginning (from prior year's audit)				\$ 149,773	
Fund Balance - Ending				\$ 56,653	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2390 Drug Forfeiture			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		5,677	5,677	998	(4,679)
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 5,677	\$ 5,677	\$ 998	\$ (4,679)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		639	639	96	543
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 639	\$ 639	\$ 96	\$ 543
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		(25,215)	(25,215)	-	25,215
Net Change in Fund Balance		\$ (20,177)	\$ (20,177)	\$ 902	\$ 19,993
Fund Balances - Beginning (from prior year's audit)				\$ 38,625	
Fund Balance - Ending				\$ 39,527	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2393			
		<u>Clerk & Recorder Records Preservation</u>			
		<u>Budgeted</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES					
Taxes and assessments	\$	-	\$	-	\$
Licenses and permits		-		-	-
Intergovernmental		-		-	-
Charges for services		130,000		130,000	259,534
Fines and forfeitures		-		-	-
Miscellaneous		-		-	-
Investment earnings		-		-	-
Internal services		-		-	-
<u>Total Revenue</u>		<u>\$ 130,000</u>		<u>\$ 130,000</u>	<u>\$ 259,534</u>
EXPENDITURES					
General government	\$	191,749	\$	191,749	\$ 117,189
Public safety		-		-	-
Public works		-		-	-
Public health		-		-	-
Culture and recreation		-		-	-
Housing and community development		-		-	-
Conservation of natural resources		-		-	-
Debt service - principal		-		-	-
Debt service - interest		-		-	-
Internal services		-		-	-
Miscellaneous		-		-	-
Capital outlay		123,362		123,362	-
<u>Total Expenditures</u>		<u>\$ 315,111</u>		<u>\$ 315,111</u>	<u>\$ 117,189</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$
Transfers in		-		-	-
Transfers out		-		-	-
Net Change in Fund Balance		<u>\$ (185,111)</u>		<u>\$ (185,111)</u>	<u>\$ 142,345</u>
Fund Balances - Beginning (from prior year's audit)				<u>\$ 315,669</u>	
Fund Balance - Ending				<u>\$ 458,014</u>	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2395 Economic Development			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	205,934	205,934
Internal services		-	-	-	-
Total Revenue		\$ -	\$ -	\$ 205,934	\$ 205,934
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		210,390	210,390	150,244	60,146
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 210,390	\$ 210,390	\$ 150,244	\$ 60,146
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (210,390)	\$ (210,390)	\$ 55,690	\$ 145,788
Fund Balances - Beginning (from prior year's audit)				\$ 204,672	
Fund Balance - Ending				\$ 260,362	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

2398

County Fire Control Permit

		<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
		<u>Original</u>	<u>Final</u>		
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		15,000	15,000	34,293	19,293
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 34,293</u>	<u>\$ 19,293</u>
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		73,636	73,636	24,088	49,548
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		<u>\$ 73,636</u>	<u>\$ 73,636</u>	<u>\$ 24,088</u>	<u>\$ 49,548</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		<u>\$ (58,636)</u>	<u>\$ (58,636)</u>	<u>\$ 10,205</u>	<u>\$ (30,255)</u>
Fund Balances - Beginning (from prior year's audit)				<u>\$ 82,214</u>	
Fund Balance - Ending				<u>\$ 92,419</u>	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2790 Water Quality District			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ 275,926	\$ 275,926	\$ 291,791	\$ 15,865
Licenses and permits		-	-	-	-
Intergovernmental		-	-	4,107	4,107
Charges for services		2,700	2,700	2,700	-
Fines and forfeitures		-	-	-	-
Miscellaneous		6,825	6,825	306	(6,519)
Investment earnings		400	400	2,194	1,794
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ 285,851	\$ 285,851	\$ 301,098	\$ 15,247
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		331,052	331,052	307,126	23,926
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	35	(35)
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		235,000	235,000	30,916	204,084
<u>Total Expenditures</u>		\$ 566,052	\$ 566,052	\$ 338,077	\$ 227,975
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (280,201)	\$ (280,201)	\$ (36,979)	\$ (212,728)
Fund Balances - Beginning (from prior year's audit)				\$ 447,610	
Fund Balance - Ending				\$ 410,631	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2800 Alcohol Rehab			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		200,000	460,740	460,740	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ 200,000	\$ 460,740	\$ 460,740	\$ -
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		200,000	460,740	460,740	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		\$ 200,000	\$ 460,740	\$ 460,740	\$ -
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ -	\$ -
Fund Balances - Beginning (from prior year's audit)				\$ -	
Fund Balance - Ending				\$ -	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2801 State Grants			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		171,000	321,000	215,000	(106,000)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 171,000	\$ 321,000	\$ 215,000	\$ (106,000)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		171,000	321,000	74,000	247,000
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 171,000	\$ 321,000	\$ 74,000	\$ 247,000
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ 141,000	\$ 141,000
Fund Balances - Beginning (from prior year's audit)				\$ 15,127	
Fund Balance - Ending				\$ 156,127	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

2820
Gas Tax

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	340,600	340,600	343,838	3,238
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	-	-	-	-
Internal services	-	-	-	-
<u>Total Revenue</u>	\$ 340,600	\$ 340,600	\$ 343,838	\$ 3,238
EXPENDITURES				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	340,000	340,000	12,176	327,824
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Conservation of natural resources	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Internal services	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
<u>Total Expenditures</u>	\$ 340,000	\$ 340,000	\$ 12,176	\$ 327,824
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ 600	\$ 600	\$ 331,662	\$ (324,586)
Fund Balances - Beginning (from prior year's audit)			\$ 75,804	
Fund Balance - Ending			\$ 407,466	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2821 Gas Tax Special			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$	-	\$
Licenses and permits		-		-	-
Intergovernmental		265,971	633,781	783,759	149,978
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 265,971	\$ 633,781	\$ 783,759	\$ 149,978
EXPENDITURES					
General government	\$	-	\$	-	\$
Public safety		-		-	-
Public works		258,676	626,486	436,790	189,696
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 258,676	\$ 626,486	\$ 436,790	\$ 189,696
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$
Transfers in		-		-	-
Transfers out		-		-	-
Net Change in Fund Balance		\$ 7,295	\$ 7,295	\$ 346,969	\$ (39,718)
Fund Balances - Beginning (from prior year's audit)				\$ 5,142	
Fund Balance - Ending				\$ 352,111	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2830 Junk Vehicle			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$	-	\$
Licenses and permits		-		-	-
Intergovernmental		62,367	62,367	130,095	67,728
Charges for services		-		-	-
Fines and forfeitures		-		-	-
Miscellaneous		-		-	-
Investment earnings		-		-	-
Internal services		-		-	-
Total Revenue		\$ 62,367	\$ 62,367	\$ 130,095	\$ 67,728
EXPENDITURES					
General government	\$	-	\$	-	\$
Public safety		-		-	-
Public works		119,952	119,952	41,176	78,776
Public health		-		-	-
Culture and recreation		-		-	-
Housing and community development		-		-	-
Conservation of natural resources		-		-	-
Debt service - principal		-		-	-
Debt service - interest		-		-	-
Internal services		-		-	-
Miscellaneous		-		-	-
Capital outlay		74,545	74,545	-	74,545
Total Expenditures		\$ 194,497	\$ 194,497	\$ 41,176	\$ 153,321
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$
Transfers in		-		-	-
Transfers out		-		(61,461)	(61,461)
Net Change in Fund Balance		\$ (132,130)	\$ (132,130)	\$ 27,458	\$ (147,054)
Fund Balances - Beginning (from prior year's audit)				\$ 130,506	
Fund Balance - Ending				\$ 157,964	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2836 MTUPP			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		180,493	180,493	115,933	(64,560)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 180,493	\$ 180,493	\$ 115,933	\$ (64,560)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		203,998	203,998	54,621	149,377
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 203,998	\$ 203,998	\$ 54,621	\$ 149,377
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (23,505)	\$ (23,505)	\$ 61,312	\$ (213,937)
Fund Balances - Beginning (from prior year's audit)				\$ 71,715	
Fund Balance - Ending				\$ 133,027	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

2840

Noxious Weed Trust Fund Grants

Budgeted

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,500	7,500	7,500	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	-	-	-	-
Internal services	-	-	-	-
Total Revenue	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
EXPENDITURES				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	22,172	22,172	1,968	20,204
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Conservation of natural resources	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Internal services	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	\$ 22,172	\$ 22,172	\$ 1,968	\$ 20,204
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ (14,672)	\$ (14,672)	\$ 5,532	\$ (20,204)

Fund Balances - Beginning (from prior year's audit)

\$ 12,568

Fund Balance - Ending

\$ 18,100

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2850			
		911 Emergency			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$	-	\$
Licenses and permits		-		-	-
Intergovernmental		680,000	680,000	618,084	(61,916)
Charges for services		-		-	-
Fines and forfeitures		-		-	-
Miscellaneous		-		-	-
Investment earnings		-		6,708	6,708
Internal services		-		-	-
Total Revenue		\$ 680,000	\$ 680,000	\$ 624,792	\$ (55,208)
EXPENDITURES					
General government	\$	-	\$	-	\$
Public safety		117,910	117,910	155,643	(37,733)
Public works		-		-	-
Public health		-		-	-
Culture and recreation		-		-	-
Housing and community development		-		-	-
Conservation of natural resources		-		-	-
Debt service - principal		35,476	35,476	36,921	(1,445)
Debt service - interest		4,516	4,516	2,318	2,198
Internal services		-		-	-
Miscellaneous		-		-	-
Capital outlay		885,780	885,780	60,253	825,527
Total Expenditures		\$ 1,043,682	\$ 1,043,682	\$ 255,135	\$ 788,547
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$
Transfers in		-		-	-
Transfers out		-		-	-
Net Change in Fund Balance		\$ (363,682)	\$ (363,682)	\$ 369,657	\$ (843,755)
Fund Balances - Beginning (from prior year's audit)				<u>\$ 1,173,216</u>	
Fund Balance - Ending				<u>\$ 1,542,873</u>	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

2859

County Land Information

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	28,000	28,000	61,544	33,544
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	-	-	111	111
Internal services	-	-	-	-
<u>Total Revenue</u>	\$ 28,000	\$ 28,000	\$ 61,655	\$ 33,655
EXPENDITURES				
General government	\$ 7,500	\$ 7,500	\$ 2,270	\$ 5,230
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Conservation of natural resources	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Internal services	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
<u>Total Expenditures</u>	\$ 7,500	\$ 7,500	\$ 2,270	\$ 5,230
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	(36,500)	(36,500)	(36,500)	-
Net Change in Fund Balance	\$ (16,000)	\$ (16,000)	\$ 22,885	\$ 28,425
Fund Balances - Beginning (from prior year's audit)			\$ 2,600	
Fund Balance - Ending			\$ 25,485	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2865 DNRC Grant			
		<u>Budgeted</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		-	-	(1,625)	(1,625)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,625)</u>	<u>\$ (1,625)</u>
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	317	(317)
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317</u>	<u>\$ (317)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,942)</u>	<u>\$ (1,308)</u>
Fund Balances - Beginning (from prior year's audit)				<u>\$ 172</u>	
Fund Balance - Ending				<u>\$ (1,770)</u>	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2870			
		Crime Control			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		213,703	408,895	296,619	(112,276)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 213,703	\$ 408,895	\$ 296,619	\$ (112,276)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		214,324	375,651	287,902	87,749
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	36,000	29,700	6,300
Total Expenditures		\$ 214,324	\$ 411,651	\$ 317,602	\$ 94,049
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		621	2,756	20,887	18,131
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ (96)	\$ (188,194)
Fund Balances - Beginning (from prior year's audit)				\$ 15,758	
Fund Balance - Ending				\$ 15,662	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2871			
		<u>SW Regional Youth Detention Facility</u>			
		<u>Budgeted</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES					
Taxes and assessments	\$	-	\$	-	\$
Licenses and permits		-		-	-
Intergovernmental		104,339	104,339	83,479	(20,860)
Charges for services		2,963	2,963	2,147	(816)
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		<u>\$ 107,302</u>	<u>\$ 107,302</u>	<u>\$ 85,626</u>	<u>\$ (21,676)</u>
EXPENDITURES					
General government	\$	-	\$	-	\$
Public safety		252,591	252,591	178,200	74,391
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		<u>\$ 252,591</u>	<u>\$ 252,591</u>	<u>\$ 178,200</u>	<u>\$ 74,391</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$
Transfers in		145,289	145,289	68,276	(77,013)
Transfers out		-	-	-	-
Net Change in Fund Balance		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,298)</u>	<u>\$ (173,080)</u>
Fund Balances - Beginning (from prior year's audit)				<u>\$ 13,035</u>	
Fund Balance - Ending				<u>\$ (11,263)</u>	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2902			
		Forest Receipts - Title III			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		(1,620)	(1,620)	-	-
Net Change in Fund Balance		<u>\$ (1,620)</u>	<u>\$ (1,620)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning (from prior year's audit)				<u>\$ 1,620</u>	
Fund Balance - Ending				<u>\$ 1,620</u>	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2915			
		Operation Freedom form Fear			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		145,236	145,236	162,020	16,784
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 145,236	\$ 145,236	\$ 162,020	\$ 16,784
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		206,399	206,399	221,853	(15,454)
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 206,399	\$ 206,399	\$ 221,853	\$ (15,454)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		69,649	69,649	80,621	(10,972)
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ 8,486	\$ 8,486	\$ 20,788	\$ 21,266
Fund Balances - Beginning (from prior year's audit)				\$ (4,828)	
Fund Balance - Ending				\$ 15,960	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2916			
		Cops Grant			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		135,009	135,009	123,650	(11,359)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 135,009	\$ 135,009	\$ 123,650	\$ (11,359)
EXPENDITURES					
General government	\$	-	\$ -	\$ -	\$ -
Public safety		135,009	135,009	135,166	(157)
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 135,009	\$ 135,009	\$ 135,166	\$ (157)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$ -	\$ -	\$ -
Transfers in		-	-	10,340	10,340
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ (1,176)	\$ (862)
Fund Balances - Beginning (from prior year's audit)				\$ 193,413	
Fund Balance - Ending				\$ 192,237	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2917			
		Victim Witness			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		283,000	283,000	234,112	(48,888)
Charges for services		-	-	-	-
Fines and forfeitures		55,000	55,000	53,108	(1,892)
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 338,000	\$ 338,000	\$ 287,220	\$ (50,780)
EXPENDITURES					
General government		\$ 474,686	\$ 474,686	\$ 452,611	\$ 22,075
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		4,590	4,590	-	4,590
Total Expenditures		\$ 479,276	\$ 479,276	\$ 452,611	\$ 26,665
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		151,233	151,233	139,005	12,228
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ 9,957	\$ 9,957	\$ (26,386)	\$ (65,217)
Fund Balances - Beginning (from prior year's audit)				\$ (5,825)	
Fund Balance - Ending				\$ (32,211)	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2918			
		Law Enforcement Grant			
		<u>Budgeted</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		-	143,029	113,812	(29,217)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ -	\$ 143,029	\$ 113,812	\$ (29,217)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	79,541	44,650	34,891
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	63,488	69,161	(5,673)
<u>Total Expenditures</u>		\$ -	\$ 143,029	\$ 113,811	\$ 29,218
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ 1	\$ (58,435)
Fund Balances - Beginning (from prior year's audit)				\$ (528)	
Fund Balance - Ending				\$ (527)	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2927 Homeland Security Grant			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		372,388	587,168	187,526	(399,642)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 372,388	\$ 587,168	\$ 187,526	\$ (399,642)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		31,830	246,611	144,940	101,671
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		67,858	67,858	49,083	18,775
Total Expenditures		\$ 99,688	\$ 314,469	\$ 194,023	\$ 120,446
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	5,508	(5,508)
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ 272,700	\$ 272,699	\$ (989)	\$ (525,596)
Fund Balances - Beginning (from prior year's audit)				\$ (3,602)	
Fund Balance - Ending				\$ (4,591)	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

**2940
CDBG Grant**

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	-	-	-	-
Internal services	-	-	-	-
<u>Total Revenue</u>	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Conservation of natural resources	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Internal services	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
<u>Total Expenditures</u>	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balances - Beginning (from prior year's audit)			\$ 247	
Fund Balance - Ending			\$ 247	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2950 DUI Program			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		65,000	65,000	75,092	10,092
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	(16,400)	(16,400)
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 65,000	\$ 65,000	\$ 58,692	\$ (6,308)
EXPENDITURES					
General government	\$	-	\$ -	\$ -	\$ -
Public safety		72,472	72,472	57,915	14,557
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	27	(27)
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		108,198	108,198	-	108,198
Total Expenditures		\$ 180,670	\$ 180,670	\$ 57,942	\$ 122,728
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (115,670)	\$ (115,670)	\$ 750	\$ (129,036)
Fund Balances - Beginning (from prior year's audit)				\$ 186,397	
Fund Balance - Ending				\$ 187,147	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2968 Cancer Prevention			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		135,857	135,857	129,225	(6,632)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 135,857	\$ 135,857	\$ 129,225	\$ (6,632)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		246,891	249,891	109,011	140,880
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	1	(1)
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 246,891	\$ 249,891	\$ 109,012	\$ 140,879
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (111,034)	\$ (114,034)	\$ 20,213	\$ (147,511)
Fund Balances - Beginning (from prior year's audit)				\$ 280,831	
Fund Balance - Ending				\$ 301,044	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

2969

Public Health Emergency Prep

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	125,902	952,764	591,569	(361,195)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	87,169	87,169
Investment earnings	-	-	-	-
Internal services	-	-	-	-
Total Revenue	\$ 125,902	\$ 952,764	\$ 678,738	\$ (274,026)
EXPENDITURES				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Public health	527,720	1,334,582	1,128,157	206,425
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Conservation of natural resources	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Internal services	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	20,000	10,000	10,000
Total Expenditures	\$ 527,720	\$ 1,354,582	\$ 1,138,157	\$ 216,425
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	179,005	(179,005)
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ (401,818)	\$ (401,818)	\$ (280,414)	\$ (669,456)
Fund Balances - Beginning (from prior year's audit)			\$ 436,030	
Fund Balance - Ending			\$ 155,616	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2971 WC			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		318,792	318,792	379,861	61,069
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 318,792	\$ 318,792	\$ 379,861	\$ 61,069
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		399,410	399,410	382,358	17,052
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 399,410	\$ 399,410	\$ 382,358	\$ 17,052
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (80,618)	\$ (80,618)	\$ (2,497)	\$ 44,017
Fund Balances - Beginning (from prior year's audit)				\$ 145,359	
Fund Balance - Ending				\$ 142,862	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2973			
		Maternal Child			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	-	-	-
Licenses and permits		-	-	-	-
Intergovernmental		-	745,782	713,851	(31,931)
Charges for services		-	20,000	31,723	11,723
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ -	\$ 765,782	\$ 745,574	\$ (20,208)
EXPENDITURES					
General government	\$	-	-	-	-
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		760,283	760,283	738,560	(21,723)
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 760,283	\$ 760,283	\$ 738,560	\$ (21,723)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	-	-	-
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (760,283)	\$ 5,499	\$ 7,014	\$ 1,515
Fund Balances - Beginning (from prior year's audit)				\$ 208,317	
Fund Balance - Ending				\$ 215,331	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2976			
		Communicable Disease			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments	\$	-	\$	-	\$
Licenses and permits		-		-	-
Intergovernmental		51,932	367,379	354,850	(12,529)
Charges for services		416,280	100,833	136,788	35,955
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	12,719	12,719
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 468,212	\$ 468,212	\$ 504,357	\$ 36,145
EXPENDITURES					
General government	\$	-	\$	-	\$
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		518,485	518,485	519,608	(1,123)
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		3,000	3,000	1,144	1,856
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ 521,485	\$ 521,485	\$ 520,752	\$ 733
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (53,273)	\$ (53,273)	\$ (16,395)	\$ 35,412
Fund Balances - Beginning (from prior year's audit)				\$ 157,384	
Fund Balance - Ending				\$ 140,989	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2979			
		Federal Health Grant			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		217,493	236,534	7,500	(229,034)
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
Total Revenue		\$ 217,493	\$ 236,534	\$ 7,500	\$ (229,034)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		-	-	-	-
Public works		-	-	-	-
Public health		-	30,556	2,101	28,455
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		\$ -	\$ 30,556	\$ 2,101	\$ 28,455
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		-	11,515	297	11,218
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ 217,493	\$ 217,493	\$ 5,696	\$ (246,271)
Fund Balances - Beginning (from prior year's audit)				\$ (2,791)	
Fund Balance - Ending				\$ 2,905	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUNE 30, 2021

		2990 Drug Enforcement Grant			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Intergovernmental		218,594	218,594	223,962	5,368
Charges for services		-	-	-	-
Fines and forfeitures		12,993	12,993	-	(12,993)
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
Internal services		-	-	-	-
<u>Total Revenue</u>		\$ 231,587	\$ 231,587	\$ 223,962	\$ (7,625)
EXPENDITURES					
General government		\$ -	\$ -	\$ -	\$ -
Public safety		417,574	417,574	392,539	25,035
Public works		-	-	-	-
Public health		-	-	-	-
Culture and recreation		-	-	-	-
Housing and community development		-	-	-	-
Conservation of natural resources		-	-	-	-
Debt service - principal		-	-	-	-
Debt service - interest		-	-	-	-
Internal services		-	-	-	-
Miscellaneous		-	-	-	-
Capital outlay		-	-	-	-
<u>Total Expenditures</u>		\$ 417,574	\$ 417,574	\$ 392,539	\$ 25,035
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		182,943	182,943	166,957	15,986
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (3,044)	\$ (3,044)	\$ (1,620)	\$ (16,674)
Fund Balances - Beginning (from prior year's audit)				\$ 6,353	
Fund Balance - Ending				\$ 4,733	

Gallatin County, Montana
Debt Service Funds

Open Space Bond Fund – Used to account for receipt of property tax revenue levied to make the debt service (principle, interest and fees) for the bonds issued to maintain Open space in the county.

Detention Center Space Bond Fund – Used to account for receipt of property tax revenue levied to make the debt service (principle, interest and fees) for the bonds issued to fund the construction of the new detention center.

Intercap Loan Fund – Used to account for receipt transfers from various funds to make the debt service payment, principle and interest for loans issued by the state Intercap accounts for Gallatin County projects.

Rural Revolving Debt Fund – Used to account for receipt of dedicated revenues from Rural Improvement Bonds, interest earnings and other revenue to act as a guarantee that the bonds issued will be paid on time.

RSID Refunding Bond Fund – Accounts for the payment of refunding bonds revenue and expenses issued to make the debt service (principle, interest and fees) for the Rural Special Improvement District refunding bonds.

Rural Improvement District (RID) Debt Service Funds – Used to account for receipt of special assessment tax revenue levied to make the debt service (principle, interest and fees) for the bonds issued to repair or construct improvements within a RID.

Wheatland Hills #2	Painted Hills Subd	Meadow Subd.
Canary Lane	Hyalite Meadows	Lake Subd
Amsterdam Road	Andesite Road	Evergreen Way
Bear Creek 2 & 3	Alder Court Lane	Trail Creek Road
Ousel Falls Road	Clarkston & Logan Trident	Firelight
Franklin Hills	Sourdough Creek	Summer Ridge Subd.
Olive Tree Way	Sir George Lane	

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2021

Fund #:	3040	3050	3205	3400	Total All
Fund Name:	Open Space Bond	Detention Center	Intercap Loan	Rural Revolving	Funds
<u>ASSETS</u>					
<u>Current assets</u>					
Cash and investments	\$ (139,161)	\$ -	\$ 20	\$ 1,148,706	\$ 1,009,565
Taxes and assessments receivable, net	56,839	75,533	-	-	132,372
<u>Noncurrent assets</u>					
Restricted cash and investments	-	-	-	-	-
<u>Total Assets</u>	\$ (82,322)	\$ 75,533	\$ 20	\$ 1,148,706	\$ 1,141,937
<u>LIABILITIES</u>					
Due to other funds	-	81,383	-	-	81,383
<u>Total Liabilities</u>	\$ -	\$ 81,383	\$ -	\$ -	\$ 81,383
<u>Deferred inflows of resources</u>					
Deferred inflows of resources - taxes and ass	56,839	75,533	-	-	132,372
<u>Total Deferred Inflows of Resources</u>	\$ 56,839	\$ 75,533	\$ -	\$ -	\$ 132,372
<u>FUND BALANCE</u>					
<u>Fund Format:</u>					
Restricted	-	-	20	1,148,706	1,148,726
Unassigned	(139,161)	(81,383)	-	-	(220,544)
<u>Total Fund Balance</u>	\$ (139,161)	\$ (81,383)	\$ 20	\$ 1,148,706	\$ 928,182
<u>Total liabilities, deferred inflows of resources and fund balance</u>	\$ (82,322)	\$ 75,533	\$ 20	\$ 1,148,706	\$ 928,182

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
JUNE 30, 2021

3040				
Open Space Bond				
Budgeted				
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes and assessments	\$ -	\$ 1,512,743	\$ 1,465,674	\$ 47,069
Intergovernmental	-	-	-	-
Investment earnings	-	-	993	(993)
Internal services	-	-	-	-
Total Revenues	\$ -	\$ 1,512,743	\$ 1,466,667	\$ 46,076
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Debt service - principal	1,230,769	1,230,769	1,240,000	(9,231)
Debt service - interest	235,262	235,262	235,263	(1)
Miscellaneous	-	-	-	-
Total Expenditures	\$ 1,466,031	\$ 1,466,031	\$ 1,475,263	\$ (9,232)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ (1,466,031)	\$ 46,712	\$ (8,596)	\$ 55,308
Fund Balances - Beginning (from prior year's audit)	\$ -	\$ -	\$ (130,565)	\$ -
Fund Balance - Ending	\$ -	\$ -	\$ (139,161)	\$ 55,308

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
JUNE 30, 2021

3050				
Detention Center				
Budgeted				
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes and assessments	\$ 1,843,531	\$ 1,843,531	\$ 1,890,323	\$ (46,792)
Intergovernmental	-	-	-	-
Investment earnings	-	-	3,437	(3,437)
Internal services	-	-	-	-
Total Revenues	\$ 1,843,531	\$ 1,843,531	\$ 1,893,760	\$ (50,229)
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Debt service - principal	1,548,750	1,548,750	1,575,000	(26,250)
Debt service - interest	712,550	712,550	712,550	-
Miscellaneous	-	-	-	-
Total Expenditures	\$ 2,261,300	\$ 2,261,300	\$ 2,287,550	\$ (26,250)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ (417,769)	\$ (417,769)	\$ (393,790)	\$ (23,979)
Fund Balances - Beginning (from prior year's audit)	\$ -	\$ -	\$ 312,407	\$ -
Fund Balance - Ending	\$ (417,769)	\$ -	\$ (81,383)	\$ (23,979)

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
JUNE 30, 2021

	3205			
	Intercap Loan			
	Budgeted			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment earnings	-	-	-	-
Internal services	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balances - Beginning (from prior year's audit)	\$ -	\$ -	\$ 20	\$ -
Fund Balance - Ending	\$ -	\$ -	\$ 20	\$ -

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
JUNE 30, 2021

	3400			
	Rural Revolving			
	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment earnings	-	9,554	5,973	3,581
Internal services	-	-	-	-
Total Revenues	\$ -	\$ 9,554	\$ 5,973	\$ 3,581
EXPENDITURES				
General government	4,999	4,999	-	4,999
Public safety	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Miscellaneous	16	16	40	(24)
Total Expenditures	\$ 4,999	\$ 4,999	\$ 40	\$ 4,975
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(856,060)	(856,060)	-	(856,060)
Net Change in Fund Balance	\$ (861,059)	\$ (851,505)	\$ 5,933	\$ (857,438)
Fund Balances - Beginning (from prior year's audit)	\$ -	\$ -	\$ 1,142,773	\$ -
Fund Balance - Ending	\$ (861,059)	\$ -	\$ 1,148,706	\$ (857,438)

Gallatin County, Montana
Capital Projects Funds

County Projects – Accounts for the receipt of property, tax mill levy and dedicated revenues for the construction, repair and updating of County buildings, ‘Core’ Rolling Stock replacement, large Bridge repair/replacement, update of county facilities and other projects as approved.

Open Space Projects – Accounts for the receipt of bond proceeds and dedicated revenues for the purchasing of land, conservation easements or other instruments to maintain open space throughout the county.

RID Construction Projects – Accounts for the receipt of bond proceeds and dedicated revenues for the construction, repair and updating of rural improvement district projects as approved.

CTEP Projects – Tracks the receipt of grant revenue and other dedicated revenues for the design, construction and administration of approved CTEP projects.

Infrastructure Loan Program Fund – Used to account for receipt of dedicated grant revenues from the Infrastructure Loan Program for expenses approved for the individual projects.

Junk Vehicle Capital Fund – Records the amount set aside from unspent Junk Vehicle revenues, dedicated to the replacement of capital improvements and equipment used by the program.

Treasure State Endowment Program (TSEP) Fund – Used to account for receipt of dedicated grant revenues from the state TSEP accounts to pay for capital projects approved for grant funding.

Community Development Block Grant (CDBG) Fund – Tracks federal grant revenue received for approved CDBG projects for expenses approved for the individual projects.

Stimulus Activity Program Fund – Accounts for receipt of dedicated revenues for the tracking of expenses approved by the federal granting agency.

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2021

	4140	4200	4310	4331	4350	4430	TOTAL NON- MAJOR CAPITAL PROJECTS
	OPEN SPACE BOND PROGRAM	CP -RID	CTEP PROJECTS	JUNK VEHICLE CIP	TSEP - CONSTRUCTIO N	CDBG - GRANTS	
ASSETS							
Current assets							
Cash and investments	\$ 1,298,108	\$ 20,746	\$ 2,236	\$ 200,000	\$ 16,312	\$ 3,284	\$ 1,540,686
Taxes and assessments receivable, net		-	-	-	-	-	-
Other Receivables	47,870	-	-	-	18,027	-	65,897
Total Assets	\$ 1,345,978	\$ 20,746	\$ 2,236	\$ 200,000	\$ 34,339	\$ 3,284	1,606,583
LIABILITIES							
Current liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	7,684	3,846	11,530
Accrued payroll	-	-	-	-	48	-	48
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 7,732	\$ 3,846	\$ 11,578
Deferred inflows of resources							
Deferred inflows of resources - taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	-	-	-	-	-	-	-
FUND BALANCE							
Fund Format:							
Restricted	\$ 1,345,978	\$ 20,746	\$ 2,236	\$ 200,000	\$ 26,607	\$ -	1,595,567
Unassigned	-	-	-	-	-	(562)	(562)
Total Fund Balance	\$ 1,345,978	\$ 20,746	\$ 2,236	\$ 200,000	\$ 26,607	\$ (562)	\$ 1,595,005
Total liabilities, deferred inflows of resources and fund balance	\$ 1,345,978	\$ 20,746	\$ 2,236	\$ 200,000	\$ 34,339	\$ 3,284	\$ 1,606,583

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL
JUNE 30, 2021

4140				
Open Space Bond Program				
Budgeted				
	Original	Final	Actual	Variance
REVENUES				
Taxes and assessments	\$ -	\$ 147,500	\$ -	\$ (147,500)
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	-	-	(1,018)	(1,018)
<u>Total Revenue</u>	\$ -	\$ 147,500	\$ (1,018)	\$ (148,518)
EXPENDITURES				
Public safety	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-
Capital outlay	-	-	9,989	(9,989)
<u>Total Expenditures</u>	\$ -	\$ -	\$ 9,989	\$ (9,989)
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	165,274	-	(165,274)
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ -	\$ 312,774	\$ (11,007)	\$ (323,781)
Fund Balances - Beginning (from prior year's audit)			\$ 1,356,985	
Fund Balance - Ending			\$ 1,345,978	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL
JUNE 30, 2021

		4200				
		CP - RID				
		Budgeted		Actual	Variance	
		Original	Final			
REVENUES						
Taxes and assessments	\$	-	\$	-	\$	-
Intergovernmental		-		-		-
Miscellaneous		-		-		-
Investment earnings		-		-		-
Total Revenue	\$	-	\$	-	\$	-
EXPENDITURES						
Public safety	\$	-	\$	-	\$	-
Public works		-		3,000		(3,000)
Capital outlay		-		-		-
Total Expenditures	\$	-	\$	3,000	\$	(3,000)
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$	-
Transfers in		-		-		-
Transfers out		-		-		-
Net Change in Fund Balance	\$	-	\$	(3,000)	\$	(3,000)
Fund Balances - Beginning (from prior year's audit)				\$		23,746
Fund Balance - Ending				\$		20,746

GALLATIN COUNTY, MONTANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET TO ACTUAL
 JUNE 30, 2021

		4310				
		CTEP PROJECTS				
		Budgeted		Actual	Variance	
		Original	Final			
REVENUES						
Taxes and assessments	\$	-	\$	-	\$	-
Intergovernmental		-	-	-		-
Miscellaneous		-	-	-		-
Investment earnings		-	-	-		-
<u>Total Revenue</u>	\$	-	\$	-	\$	-
EXPENDITURES						
Public safety	\$	-	\$	-	\$	-
Public works		-	-	-		-
Capital outlay		-	-	-		-
<u>Total Expenditures</u>	\$	-	\$	-	\$	-
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of general capital asset disposition	\$	-	\$	-	\$	-
Transfers in		-	-	-		-
Transfers out		-	-	-		-
Net Change in Fund Balance	\$	-	\$	-	\$	-
Fund Balances - Beginning (from prior year's audit)				\$	2,236	
Fund Balance - Ending				\$	2,236	

GALLATIN COUNTY, MONTANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET TO ACTUAL
 JUNE 30, 2021

		4331			
		Junk Vehicle CIP			
		Budgeted		Actual	Variance
		Original	Final		
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Intergovernmental		-	-	-	-
Miscellaneous		-	-	-	-
Investment earnings		-	-	720	720
Total Revenue		\$ -	\$ -	\$ 720	\$ 720
EXPENDITURES					
Public safety		\$ -	\$ -	\$ -	\$ -
Public works		-	-	-	-
Capital outlay		200,000	200,000	-	200,000
Total Expenditures		\$ 200,000	\$ 200,000	\$ -	\$ 200,000
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		65,842	65,842	61,461	4,381
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (134,158)	\$ (134,158)	\$ 62,181	\$ 194,899
Fund Balances - Beginning (from prior year's audit)				\$ 137,819	
Fund Balance - Ending				\$ 200,000	

GALLATIN COUNTY, MONTANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET TO ACTUAL
 JUNE 30, 2021

		4350			
		TSEP - Construction			
		Budgeted			
		Original	Final	Actual	Variance
REVENUES					
Taxes and assessments		\$ -	\$ -	\$ -	\$ -
Intergovernmental		1,085,691	1,085,691	404,889	(680,802)
Miscellaneous		-	-	-	-
Investment earnings		-	-	-	-
<u>Total Revenue</u>		\$ 1,085,691	\$ 1,085,691	\$ 404,889	\$ (680,802)
EXPENDITURES					
Public safety		\$ -	\$ -	\$ -	\$ -
Public works		224,929	224,929	57,064	167,865
Capital outlay		1,785,839	1,785,839	893,883	891,956
<u>Total Expenditures</u>		\$ 2,010,768	\$ 2,010,768	\$ 950,947	\$ 1,059,821
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Transfers in		702,925	702,925	384,295	318,630
Transfers out		-	-	-	-
Net Change in Fund Balance		\$ (222,152)	\$ (222,152)	\$ (161,763)	\$ (1,421,993)
Fund Balances - Beginning (from prior year's audit)				\$ 188,370	
Fund Balance - Ending				\$ 26,607	

GALLATIN COUNTY, MONTANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET TO ACTUAL
 JUNE 30, 2021

4430

CDBG - Grants

Budgeted

REVENUES

	Original	Final	Actual	Variance
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	-	-	-	-
<u>Total Revenue</u>	\$ -	\$ -	\$ -	\$ -

EXPENDITURES

Public safety	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-
Capital outlay	-	-	-	-
<u>Total Expenditures</u>	\$ -	\$ -	\$ -	\$ -

OTHER FINANCING SOURCES (USES)

Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

Fund Balances - Beginning (from prior year's audit) \$ (562)

Fund Balance - Ending \$ (562)

Gallatin County, Montana
Internal Service Funds

Motor Pool Fund – Accounts for receipt of charges for services dedicated payment of expenses to maintain the county motor pool.

Employee Health Insurance Fund – Tracks the receipt of premiums for employees, dependents, COBRA and retirees and the recording of expenses associated with medical, dental and vision insurance claims.

Central Maintenance Fund – Used to account for receipt of dedicated charges for services from County and City departments charged for space utilized within county buildings.

Central Communications Fund – Accounts for revenue generated by telephone, cell phone or computer usage charges, along with the payment of expenses associated with the telephone and computer infrastructure.

Copier Reserve Fund – Tracks receipt of per copy charges for departments paying for expenses associated with the purchase, maintenance and operations of most copiers in the county.

Liability Insurance Fund – Used to account for receipt of deductible reserve not covered by insurance company's associated with property and liability coverages.

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – INTERNAL SERVICE FUNDS
 June 30, 2021

	6010	6050	6070	6090	6110	6120	Total Non-Major Internal Service Funds
	Motor Pool	Employee Health Ins.	Central Maintenance	Communications (Phone System)	Copier Reserve	Liability Insurance	
ASSETS							
Current assets							
Cash and investments	\$ 95,474	\$ 7,537,182	\$ 1,248,366	\$ 343,366	\$ 210,034	\$ 902,973	\$ 10,337,395
Other Receivables	-	182,609	1,576	-	-	-	184,185
Noncurrent assets							
Capital assets - construction in progress							-
Capital assets - depreciable, net	22,255	-	13,902	247,822	51,206	-	335,185
Deferred outflows of resources							
Deferred outflows of resources - NPL	-	-	164,910	-	-	-	164,910
Deferred outflows of resources - OPEB	-	-	9,757	-	-	-	9,757
Total Assets and Deferred outflows of resources	\$ 117,729	\$ 7,719,791	\$ 1,438,511	\$ 591,188	\$ 261,240	\$ 902,973	\$ 11,031,432
LIABILITIES							
Current Liabilities							
Warrants payable							
Accounts payable	\$ 1,228	\$ 883,979	\$ 82,444	\$ -	\$ 6,668	\$ 56	\$ 974,375
Accrued payroll	-	-	37,822	-	-	-	37,822
Current portion of compensated absences	-	-	5,165	-	-	-	5,165
Non-Current Liabilities							
Net Pension Liability	-	-	696,048	-	-	-	696,048
Non-Current portion of compensated absences	-	-	46,483	-	-	-	46,483
OPEB	-	-	67,690	-	-	-	67,690
Deferred inflows of resources							
Deferred inflows of resources - NPL	-	-	22,625	-	-	-	22,625
Deferred inflows of resources - OPEB	-	-	16,252	-	-	-	16,252
Total Liabilities and deferred inflows of resources	\$ 1,228	\$ 883,979	\$ 974,529	\$ -	\$ 6,668	\$ 56	\$ 1,866,460
NET POSITION							
Net investment in capital assets	\$ 22,255		\$ 13,902	\$ 247,822	\$ 51,206		\$ 335,185
Unrestricted	94,246	6,835,812	450,080	343,366	203,366	902,917	8,829,787
Total Net position	\$ 116,501	\$ 6,835,812	\$ 463,982	\$ 591,188	\$ 254,572	\$ 902,917	\$ 9,164,972
Total Liabilities, Deferred inflows of Resources and Net position	\$ 117,729	\$ 7,719,791	\$ 1,438,511	\$ 591,188	\$ 261,240	\$ 902,973	\$ 11,031,432

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
June 30, 2021

		6010			
		Motor Pool			
		Budgeted			
		Original	Final	Actual	Variance
OPERATING REVENUES					
Charges for services			\$ -	\$ -	\$ -
Miscellaneous revenues			-	-	-
Internal Services		\$ 21,200	21,200	20,873	(327)
Total Revenue		\$ 21,200	\$ 21,200	\$ 20,873	\$ (327)
OPERATING EXPENSES					
Personal services			\$ -	\$ -	\$ -
Supplies		\$ 15,200	15,200	4,575	10,625
Purchased services		8,099	8,099	1,389	(6,710)
Fixed charges		3,664	3,664	1,962	1,702
Depreciation		-	-	5,913	(5,913)
Medical Expense		-	-	-	-
Total Expenditures		\$ 26,963	\$ 26,963	\$ 13,839	\$ (296)
NON-OPERATING Revenues (Expenses)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ 2,538	\$ -
Intergovernmental revenue		-	-	-	-
Interest Revenue		-	-	-	-
Transfers in		-	-	-	-
Net Change in Fund Balance		\$ (5,763)	\$ (5,763)	\$ 9,572	\$ (31)
Fund Balances - Beginning (from prior year's audit)				\$ 106,929	
Fund Balance - Ending				\$ 116,501	

GALLATIN COUNTY, MONTANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
 BUDGET TO ACTUAL
 June 30, 2021

		6050			
		Employee Health Ins.			
		Budgeted			
		Original	Final	Actual	Variance
OPERATING REVENUES					
Charges for services		\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues		-	-	39,356	39,356
Internal Services		5,697,000	7,269,800	7,645,004	375,204
Total Revenue		\$ 5,697,000	\$ 7,269,800	\$ 7,684,360	\$ 414,560
OPERATING EXPENSES					
Personal services		\$ -	\$ -	\$ 6,424	\$ (6,424)
Supplies		1,060	1,060	125	935
Purchased services		76,200	76,200	199,933	(123,733)
Fixed charges		643,577	643,577	1,640,075	(996,498)
Depreciation		-	-	-	-
Medical Expense		6,279,749	8,693,436	6,843,264	1,850,172
Total Expenditures		\$ 7,000,586	\$ 9,414,273	\$ 8,689,821	\$ (1,125,720)
NON-OPERATING Revenues (Expenses)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue		-	-	-	-
Interest Revenue		30,000	30,000	12,957	17,043
Transfers in		1,300,000	2,140,887	2,140,887	-
Net Change in Fund Balance		\$ (3,586)	\$ (3,586)	\$ 1,148,383	\$ 1,540,280
Fund Balances - Beginning (from prior year's audit)				\$ 5,687,429	
Fund Balance - Ending				\$ 6,835,812	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
June 30, 2021

		6070			
		Central Maintenance			
		Budgeted			
		Original	Final	Actual	Variance
OPERATING REVENUES					
Charges for services		\$ 122,735	\$ 122,735	\$ 136,840	\$ 14,105
Miscellaneous revenues		-	-	9,395	9,395
Internal Services		1,836,356	1,836,356	1,718,588	(117,768)
Total Revenue		\$ 1,959,091	\$ 1,959,091	\$ 1,864,823	\$ (94,268)
OPERATING EXPENSES					
Personal services		\$ 692,516	\$ 692,516	\$ 778,136	\$ (85,620)
Supplies		133,613	133,613	153,342	(19,729)
Purchased services		1,065,833	1,065,833	1,009,331	56,502
Fixed charges		70,354	70,354	68,676	1,678
Depreciation		1,200	1,200	3,257	(2,057)
Medical Expense		-	-	-	-
Total Expenditures		\$ 1,963,516	\$ 1,963,516	\$ 2,012,742	\$ (49,226)
NON-OPERATING Revenues (Expenses)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue		-	-	35,881	-
Interest Revenue		8,000	8,000	3,098	-
Transfers in		-	-	-	-
Net Change in Fund Balance		\$ (4,425)	\$ (4,425)	\$ (108,940)	\$ (45,042)
Fund Balances - Beginning (from prior year's audit)				\$ 1,067,237	
Fund Balance - Ending				\$ 463,982	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
June 30, 2021

		6090			
		Communications (Phone System)			
		Budgeted			
		Original	Final	Actual	Variance
OPERATING REVENUES					
Charges for services		\$ -	\$ -	\$ 141	\$ 141
Miscellaneous revenues		-	-	-	-
Internal Services					
<u>Total Revenue</u>		\$ -	\$ -	\$ 141	\$ 141
OPERATING EXPENSES					
Personal services		\$ -	\$ -	\$ -	\$ -
Supplies		-	-	-	-
Purchased services		-	-	-	-
Fixed charges		-	-	-	-
Depreciation		-	-	153,095	(153,095)
Medical Expense		-	-	-	-
<u>Total Expenditures</u>		\$ -	\$ -	\$ 153,095	\$ (153,095)
NON-OPERATING Revenues (Expenses)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue		-	-	-	-
Interest Revenue		-	-	1,053	-
Transfers in		-	-	-	-
Net Change in Fund Balance		\$ -	\$ -	\$ (151,901)	\$ 153,236
Fund Balances - Beginning (from prior year's audit)				\$ 743,089	
Fund Balance - Ending				\$ 591,188	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
June 30, 2021

		6110			
		Copier Reserve			
		Budgeted			
		Original	Final	Actual	Variance
OPERATING REVENUES					
Charges for services		\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues		-	-	-	-
Internal Services		35,600	35,600	53,872	18,272
<u>Total Revenue</u>		\$ 35,600	\$ 35,600	\$ 53,872	\$ 18,272
OPERATING EXPENSES					
Personal services		\$ -	\$ -	\$ -	\$ -
Supplies		10,065	10,065	7,386	2,679
Purchased services		39,614	39,614	46,810	(7,196)
Fixed charges		223	223	1,954	(1,731)
Depreciation		-	-	9,030	(9,030)
Medical Expense		-	-	-	-
<u>Total Expenditures</u>		\$ 49,902	\$ 49,902	\$ 65,180	\$ (15,278)
NON-OPERATING Revenues (Expenses)					
Proceeds from the sale of general capital asset disposition		\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue		-	-	-	-
Interest Revenue		-	-	698	-
Transfers in		-	-	-	-
Net Change in Fund Balance		\$ (14,302)	\$ (14,302)	\$ (10,610)	\$ 33,550
Fund Balances - Beginning (from prior year's audit)				\$ 265,182	
Fund Balance - Ending				\$ 254,572	

GALLATIN COUNTY, MONTANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET TO ACTUAL
June 30, 2021

6120

Liability Insurance

Budgeted

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	-	-	16,548	16,548
Internal Services	150,000	150,000	-	-
<u>Total Revenue</u>	\$ 150,000	\$ 150,000	\$ 16,548	\$ 16,548
OPERATING EXPENSES				
Personal services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Purchased services	-	-	-	-
Fixed charges	940,535	940,535	72,652	-
Depreciation	-	-	-	-
Medical Expense	-	-	-	-
<u>Total Expenditures</u>	\$ 940,535	\$ 940,535	\$ 72,652	\$ -
NON-OPERATING Revenues (Expenses)				
Proceeds from the sale of general capital asset disposition	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Interest Revenue	-	-	2,821	-
Transfers in	-	-	-	-
Net Change in Fund Balance	\$ (790,535)	\$ (790,535)	\$ (53,283)	\$ 16,548
Fund Balances - Beginning (from prior year's audit)			\$ 956,200	
Fund Balance - Ending			\$ 902,917	

GALLATIN COUNTY, MONTANA
PROPRIETARY FUNDS

West Yellowstone Refuse District Fund – This fund is used to account for the operating and non-operating revenues and expenses of the refuse facility operated by the County. The fund is maintained on the full accrual basis of accounting.

GALLATIN COUNTY, MONTANA
 COMBINING BALANCE SHEET – PROPRIETARY FUNDS
 June 30, 2021

	5412
	West Yellowstone Refuse District
<u>ASSETS</u>	
<u>Current assets</u>	
Cash and investments	\$ 1,478,401
Taxes and assessments receivable, net	2,300
Other Receivables	120,246
<u>Noncurrent assets</u>	
Capital assets - construction in progress	157,267
Capital assets - depreciable, net	1,476,381
<u>Deferred outflows of resources</u>	
Deferred outflows of resources - pensions	61,172
Deferred outflows of resources - OPEB	3,731
<u>Total Assets and Deferred outflows of resources</u>	\$ 3,299,498
 <u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts payable	\$ 92,116
Accrued payroll	15,711
Current portion of compensated absences payable	4,162
<u>Noncurrent Liabilities</u>	
Other post employment benefits	25,885
Noncurrent portion of compensated absences	37,461
Net pension liability	258,193
<u>Total Liabilities</u>	\$ 433,528
 <u>Deferred inflows of resources</u>	
Deferred inflows of resources - pensions	\$ 8,392
Deferred inflows of resources - OPEB	6,215
<u>Total Liabilities and deferred inflows of resources</u>	\$ 448,135
<u>NET POSITION</u>	
<u>Government Wide Format</u>	
Net Investment in capital assets	\$ 1,633,648
Unrestricted	1,217,715
<u>Total Net position</u>	\$ 2,851,363
<u>Total Liabilities, Deferred inflows of Resources and Net position</u>	\$ 3,299,498

GALLATIN COUNTY, MONTANA
STATEMENT OF REVNUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
June 30, 2021

5412

West Yellowstone Refuse District

Budgeted

OPERATING REVENUES

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Charges for Services	\$ 515,700	\$ 515,700	\$ 620,572	\$ (104,872)
Miscellaneous revenues	1,500	1,500	1,500	-
Investment earnings	13,000	13,000	-	13,000
Total Revenues	\$ 530,200	\$ 530,200	\$ 622,072	\$ (91,872)

OPERATING EXPENSES

Personal services	\$ 365,988	\$ 365,988	\$ 280,847	\$ 85,141
Supplies	39,950	39,950	27,306	12,644
Purchased services	502,157	502,157	481,613	20,544
Fixed charges	79,866	79,866	62,416	17,450
Depreciation	270,001	270,001	223,293	46,708
Total Expenditures	\$ 1,257,962	\$ 1,257,962	\$ 1,075,475	\$ 182,487

NON-OPERATING REVENUES

Intergovernmental revenue	\$ -	\$ -	\$ 13,310	\$ -
Interest revenue	-	-	539	-
Change in net assets	\$ (727,762)	\$ (727,762)	\$ (439,554)	\$ (274,359)

Net Position - Beginning

\$ 3,290,917

Net Position - Ending

\$ 2,851,363

STATISTICS AND DIAGRAMS

GALLATIN COUNTY, MONTANA
NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities											
Investment in capital assets, net of related debt	96,440	98,593	94,609	94,357	94,046	90,225	91,771	94,356	99,522	103,495	111,802
Restricted	1,391	1,391	-	17,260	16,826	26,890	16,211	18,878	19,213	21,962	51,571
Unrestricted	40,045	38,720	43,114	28,346	11,862	12,014	22,057	19,398	20,657	26,631	(1,722)
Total governmental activities net position	137,876	138,704	137,723	139,963	122,734	129,130	130,039	132,632	139,392	152,088	161,652
Business-type activities											
Investment in capital assets, net of related debt	9,016	9,036	7,889	9,015	9,463	9,482	9,527	9,679	11,526	11,398	12,062
Restricted	2,339	2,339	2,115	2,115	2,161	2,329	2,503	2,689	2,762	2,908	3,116
Unrestricted	8,118	8,969	10,507	10,098	6,692	8,089	9,150	9,625	10,406	12,397	14,152
Total business-type activities net position	19,473	20,344	20,510	21,227	18,316	19,900	21,180	21,993	24,694	26,704	29,330
Primary government											
Investment in capital assets, net of related debt	105,457	107,629	102,498	103,372	103,509	99,707	101,298	104,035	111,048	114,893	123,864
Restricted	3,730	3,730	2,115	19,375	18,987	29,220	18,714	21,567	21,975	24,870	54,688
Unrestricted	48,163	47,689	53,621	38,444	18,554	20,103	31,207	29,023	31,064	39,028	12,431
Total primary government net position	157,349	159,048	158,233	161,190	141,050	149,030	151,219	154,625	164,086	178,792	190,982

GALLATIN COUNTY, MONTANA
CHANGE IN NET POSITION

(accrual basis of accounting)

(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	9,473	9,838	10,139	10,200	10,027	12,529	12,324	13,423	15,916	20,619
Public safety	16,489	16,934	17,621	17,954	17,293	20,488	21,131	22,474	26,659	29,604
Public works	9,496	11,043	17,215	12,192	5,629	13,396	10,138	9,273	10,077	8,674
Public health	3,392	3,606	3,597	3,899	4,179	5,268	5,540	5,792	5,481	6,136
Social and economic	486	495	492	471	472	537	518	551	577	521
Culture and recreation	1,823	1,899	2,000	1,972	1,976	2,446	2,609	2,818	3,104	2,868
Housing & Comm. Dev.	90	414	156	108	490	1,161	436	561	209	249
Conservation of Nat. Res.	111	146	147	114	132	127	62	113	284	281
Miscellaneous / Unallocated	-	-	-	-	-	-	-	-	-	448
Interest on long-term debt	2,376	2,638	2,082	1,975	3,559	1,708	1,546	1,430	1,384	1,056
Total governmental activities	43,735	47,014	53,449	48,885	43,758	57,660	54,303	56,434	63,692	70,455
Business-type activities:										
Gallatin county landfill	3,159	3,019	3,041	2,708	2,581	2,814	3,052	2,663	6,859	4,326
Rest home	5,736	5,813	5,921	5,978	6,112	6,064	6,871	6,987	4,070	6,897
West Yellowstone Refuse	829	859	992	949	979	1,182	1,126	1,195	1,062	1,075
Total business-type activities	9,724	9,691	9,953	9,635	9,672	10,060	11,049	10,844	11,991	12,299
Total primary government expenses	53,459	56,705	63,402	58,520	53,429	67,720	65,352	67,277	75,683	82,754
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,001	2,032	2,342	2,828	3,657	3,611	4,403	3,480	4,012	5,010
Public safety	1,763	2,708	3,981	3,760	2,845	4,139	2,275	2,424	2,446	3,651
Public works	157	83	101	80	102	74	77	47	23	2,035
Public health	342	357	441	480	614	612	1,111	990	951	791
Social and economic	30	-	-	-	-	-	-	-	-	-
Culture and recreation	503	560	588	570	643	752	859	801	745	615
Housing & Comm. Dev.	180	231	487	537	589	592	2	-	-	-
Conservation of Nat. Res.	117	106	95	85	70	63	61	89	86	46
Operating Grants and contributions	5,597	7,205	5,573	5,465	7,017	6,451	6,258	10,432	18,203	15,802
Capital grants and contributions	479	244	6,658	3,046	147	190	830	492	661	1,190
Total governmental activity revenue	11,170	13,526	20,266	16,851	15,686	16,484	15,876	18,755	27,129	29,140
Business-type activities										
Charges for services:										
Gallatin county landfill	3,976	3,536	3,823	4,254	4,444	4,738	5,286	5,699	5,995	6,784
Rest home	5,324	5,283	5,227	4,827	5,211	5,398	5,506	5,818	5,524	5,016
West Yellowstone Refuse	886	786	863	804	770	789	947	828	659	622
Operating Grants and contributions	295	420	180	141	208	222	253	224	668	396
Total business-type activity revenue	10,480	10,025	10,092	10,026	10,633	11,147	11,991	12,569	12,846	12,818
Total primary government revenue	21,650	23,551	30,358	26,877	26,319	27,631	27,868	31,324	39,974	41,958
Net (expense) revenue										
Governmental activities:										
	(32,565)	(33,488)	(33,184)	(32,034)	(28,072)	(41,176)	(38,426)	(37,679)	(36,563)	(41,315)
Business-type activities										
	757	334	139	391	961	1,087	942	1,726	855	519
Total primary government (expense) revenue	(31,809)	(33,154)	(33,044)	(31,643)	(27,110)	(40,089)	(37,484)	(35,953)	(35,708)	(40,796)

GALLATIN COUNTY, MONTANA
CHANGE IN NET POSITION (Continued)

(accrual basis of accounting)

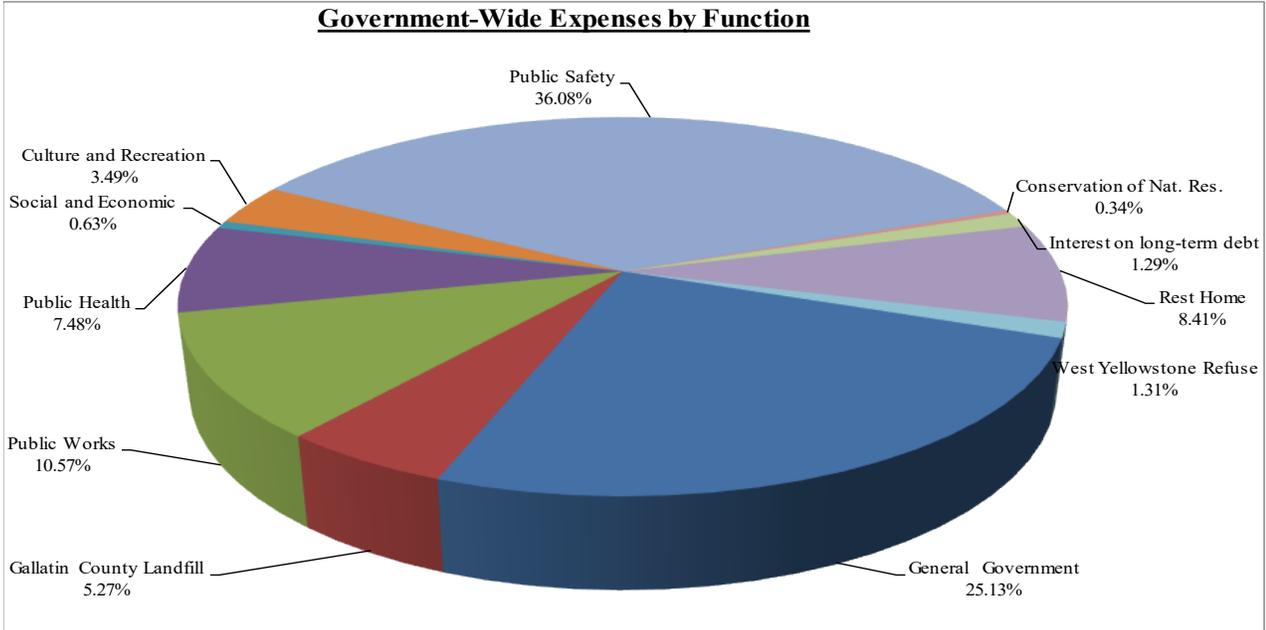
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	30,201	31,088	32,028	33,425	34,018	35,674	37,073	40,552	44,044	41,435
Local option tax	-	-	-	-	-	-	-	-	-	5,968
Other taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants/contributions	2,346	2,444	2,692	3,009	3,185	3,189	3,199	7	8	296
Investment earnings	316	(579)	628	527	628	262	394	1,725	1,080	382
Miscellaneous	543	569	104	(20)	2,531	3,002	2,795	3,364	3,836	881
Sale/disposal of Fixed assets	(15)	(1,014)	11	18	53	(41)	(105)	(895)	(77)	(521)
Other	-	-	-	-	-	-	(9)	(311)	(10)	4,329
Total governmental activities	33,392	32,508	35,464	36,959	40,415	42,086	43,346	44,442	48,881	52,769
Business-type activities:										
Taxes										
Unrestricted grants/contributions	-	-	1	-	2	-	-	296	1,044	1,959
Investment earnings	115	(161)	276	162	190	59	79	523	92	(33)
Miscellaneous / Other	-	-	-	84	214	242	65	-	-	-
Sale/disposal of Fixed assets	(1)	(8)	261	39	217	(108)	(2)	(290)	-	-
Total business-type activities	114	(168)	538	285	622	193	163	976	1,155	2,108
Total primary government expense:	33,505	32,340	36,002	37,244	41,038	42,279	43,509	45,418	50,036	54,877
Change in Net Position										
Governmental activities:	826	(980)	2,280	4,925	12,343	910	4,920	6,763	12,318	11,454
Business-type activities	871	166	677	676	1,584	1,280	1,105	2,701	2,009	2,627
Total primary government	1,697	(814)	2,957	5,601	13,927	2,190	6,025	9,465	14,327	14,081

Government-Wide Expenses by Function

	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	9,838	10,139	10,200	10,027	12,529	12,324	13,423	15,916	20,619
Gallatin County Landfill	3,019	3,041	2,708	2,581	2,814	3,052	2,663	6,859	4,326
Public Works	11,043	17,215	12,192	5,629	13,396	10,138	9,273	10,077	8,674
Public Health	3,606	3,597	3,899	4,179	5,268	5,540	5,792	5,481	6,136
Social and Economic	495	492	471	472	537	518	551	577	521
Culture and Recreation	1,899	2,000	1,972	1,976	2,446	2,609	2,818	3,104	2,868
Public Safety	16,934	17,621	17,954	17,293	20,488	21,131	22,474	26,659	29,604
Conservation of Nat. Res.	146	147	114	132	127	62	113	284	281
Interest on long-term debt	2,638	2,082	1,975	3,559	1,708	1,546	1,430	1,384	1,056
Rest Home	5,813	5,921	5,978	6,112	6,064	6,871	6,987	4,070	6,897
West Yellowstone Refuse	859	992	949	979	1,182	1,126	1,195	1,062	1,075
	56,705	63,402	58,520	53,429	67,720	65,352	67,277	75,683	82,306

Government-Wide Expenses by Function



GALLATIN COUNTY, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS

(accrual basis of accounting)

(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	149	142	131	129	137	112	118	97	104	89
Restricted	383	409	488	563	702	710	833	777	1,604	865
Unrestricted										
Committed	2,733	2,529	3,078	3,753	4,285	4,420	4,946	5,323	5,505	12,990
Assigned	372	328	306	477	628	548	588	619	94	31
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	3,637	3,408	4,003	4,922	5,752	5,790	6,485	6,817	7,307	13,975
All other governmental funds										
Nonspendable	55	68	65	70	67	1,075	64	45	61	51
Restricted	8,429	8,341	9,233	9,212	18,751	8,195	11,257	12,226	13,122	7,377
Unrestricted										
Committed	15,539	19,912	21,760	26,163	23,555	33,714	34,581	34,433	11,551	14,658
Assigned	33	101	36	76	160	84	81	227	13	126
Unassigned	-	-	-	-	-	-	-	-	-	(271)
Total all other governmental funds	24,056	28,422	31,094	35,521	42,533	43,068	45,983	46,931	24,747	21,941
Total all governmental funds	27,693	31,830	35,097	40,443	48,285	48,858	52,468	53,748	32,054	35,916

GALLATIN COUNTY, MONTANA
FUND BLANCES OF GOVERNMENTAL FUNDS

(accrual basis of accounting)
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes/assessments	31,312	31,790	32,635	34,705	33,775	35,876	37,574	41,047	43,462	50,128
Licenses and permits	291	308	300	316	390	384	378	353	400	471
Intergovernmental	8,217	9,786	14,845	11,402	9,637	10,222	11,401	10,924	18,865	20,528
Charges for services	3,779	4,947	6,405	6,996	7,329	7,010	6,606	6,877	7,178	8,638
Fines and forfeitures	634	540	598	664	728	669	701	690	593	576
Miscellaneous	1,121	581	538	271	2,923	3,002	2,847	3,364	3,836	1,650
Interest earnings	276	(179)	509	411	558	237	372	1,517	951	388
Contributions/donations	4	22	102	22	90	65	16	7	8	-
Total revenues	45,635	47,795	55,931	54,787	55,429	57,465	59,895	64,779	75,292	82,379
Expenditures:										
General government	8,574	8,902	9,139	9,625	10,027	10,537	10,611	12,048	13,802	15,137
Public safety	14,342	14,735	15,498	16,490	17,293	17,959	19,088	20,286	24,561	27,667
Public works	6,237	7,612	13,342	8,247	5,629	7,777	5,820	6,898	7,414	6,552
Public health	3,264	3,439	3,410	3,866	4,179	4,745	5,113	5,686	5,170	6,117
Social and economic	456	456	447	461	472	529	512	545	571	518
Culture and recreation	1,680	1,755	1,854	1,835	1,976	2,261	2,400	2,621	2,858	2,663
Housing & Comm. Dev.	41	349	74	86	490	1,128	406	536	184	224
Conservation of Nat. Res.	102	136	134	110	139	110	47	102	273	271
Miscellaneous	-	-	-	-	-	-	-	-	-	448
Debt Service		85								
Principal	5,263	3,584	3,693	3,946	3,559	4,397	3,776	4,644	4,544	3,740
Interest	2,376	2,158	2,082	1,975	4,062	1,874	1,704	1,588	1,460	1,342
Capital outlay	4,339	1,901	3,224	2,698	4,677	6,822	5,628	6,713	5,980	12,397
Total expenditures	46,674	45,112	52,897	49,339	52,503	58,139	55,105	61,669	66,818	77,076
Excess of revenues over (under) expenditures	(1,039)	2,683	3,034	5,448	2,926	(674)	4,790	3,025	8,473	5,311
Other financing source (uses)										
Transfers in	2,713	2,463	2,904	3,024	2,336	3,941	2,635	3,033	3,659	4,678
Transfers out	(3,552)	(3,161)	(3,851)	(3,911)	(3,384)	(4,750)	(3,816)	(4,796)	(5,494)	(6,821)
Proceeds from long-term debt	300	2,140	1,150	765	5,807	1,863	-	-	732	-
Proceeds from sale of capital asset:	2	12	11	-	-	-	1	17	67	104
Gain (Loss) on sale of investments	-	-	20	20	156	193	-	-	-	-
Total other financing sources (uses)	(537)	1,454	233	(102)	4,915	1,247	(1,180)	(1,746)	(1,036)	(2,039)
Net Change in fund balances	(1,575)	4,137	3,267	5,346	7,842	573	3,610	1,279	7,437	3,271
Debt service as a percentage of noncapital expenditures	18.04%	13.29%	11.63%	12.69%	15.93%	12.22%	11.08%	11.34%	9.87%	7.86%

GALLATIN COUNTY, MONTANA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

(amounts expressed in thousands)

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	MOBILE HOMES	CENTRALLY ASSESSED	TAX	TOTAL
					INCREMENT DISTRICT	TAXABLE ASSESSED VALUE
2008	167,823	8,627	1,380	20,308	(1,035)	197,103
2009	179,273	9,314	1,340	20,557	(1,223)	209,262
2010	194,498	9,661	1,216	19,991	(2,870)	222,497
2011	200,807	8,990	1,138	23,104	(3,120)	230,919
2012	205,442	8,279	1,048	23,139	(3,283)	234,625
2013	211,386	6,533	973	24,302	(3,708)	239,486
2014	218,776	6,533	973	24,302	(4,013)	246,571
2015	224,256	6,729	983	25,031	(4,035)	252,964
2016	210,529	2,775	945	28,052	(4,224)	238,077
2017	216,023	2,861	995	34,583	(4,344)	250,118
2018	253,159	3,069	1,121	34,644	(5,030)	286,963
2019	261,363	3,161	1,078	35,121	(5,478)	300,723
2020	319,405	3,571	1,374	37,179	(8,692)	361,529
2021	330,198	3,690	1,328	40,023	(8,861)	375,239

Note: Property in the County is assessed at actual value; therefore the taxable assessed value is equal to actual value. Tax rates are per \$1,000 of taxable assessed value.

Source: Department of Revenue Montana Certified Values - Online CSV

GALLATIN COUNTY, MONTANA
ASSESSED VALUE, MARKET AND ESTIMATED TAXABLE VALUE OF PROPERTY

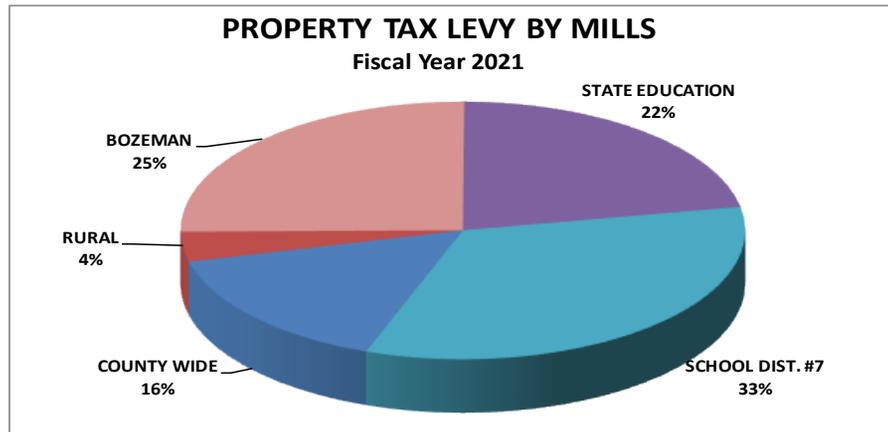
FISCAL YEAR	TOTAL COUNTY MARKET VALUE	TOTAL COUNTY TAXABLE VALUE	COUNTY OPEN SPACE TAXABLE VALUE
2008	6,105,440,980	196,866,339	190,388,900
2009	6,641,798,174	209,638,913	203,197,000
2010	7,303,040,362	223,244,509	217,532,000
2011	7,779,879,169	230,919,537	225,562,849
2012	8,272,189,432	235,791,352	231,490,476
2013	8,722,835,096	239,468,735	235,497,392
2014	9,286,890,790	250,638,591	242,436,871
2015	9,864,130,849	252,967,865	249,046,843
2016	15,030,549,843	237,835,957	234,985,893
2017	15,409,943,054	248,044,610	244,626,407
2018	18,137,153,478	286,963,165	283,501,505
2019	18,969,273,499	295,801,912	292,702,092
2020	22,773,138,331	352,837,267	351,398,171
2021	23,557,118,941	366,377,004	365,024,934

Note: The Taxable Values shown above exclude valuations for tax increment financing districts

Source: Department of Revenue Montana Certified Values - Online CSV

GALLATIN COUNTY, MONTANA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
DIRECT AND OVERLAPPING GOVERNMENTS

FISCAL YEAR	GALLATIN COUNTY							OVERLAPPING LEVIES			TOTAL DIRECT & OVERLAPPING LEVIES
	GENERAL FUND	DEBT SERVICE	PUBLIC SAFETY	OTHER LEVIES	SUBTOTAL		TOTAL DIRECT	CITY OF BOZEMAN	STATE EDUCATION LEVIES	SCHOOL DISTRICT NO. 7	
					COUNTY WIDE LEVIES	RURAL (Road / Library) Levies					
2012	19.62	11.09	41.76	16.22	88.69	25.48	114.17	164.75	141.61	196.89	617.42
2013	20.56	14.89	41.01	15.83	92.29	26.34	118.63	164.75	142.47	203.26	629.11
2014	21.53	14.12	41.08	16.55	93.28	26.44	119.72	171.08	147.28	218.41	656.49
2015	21.03	14.09	40.01	18.37	93.50	26.29	119.79	186.76	145.94	216.67	669.16
2016	21.25	14.63	41.89	27.03	104.80	30.04	134.84	208.16	149.35	227.91	720.26
2017	21.07	14.89	44.31	26.00	106.27	30.31	136.58	205.30	151.39	232.06	725.33
2018	19.89	13.27	41.07	22.13	96.36	27.30	123.66	187.33	145.67	220.02	676.68
2019	19.39	12.86	43.09	28.22	103.56	27.75	131.31	191.24	148.44	251.58	722.57
2020	20.04	10.45	37.78	26.80	95.07	24.59	119.66	187.70	142.45	218.67	668.48
2021	20.76	9.06	44.76	27.05	101.63	24.53	126.16	165.62	144.24	219.35	655.37



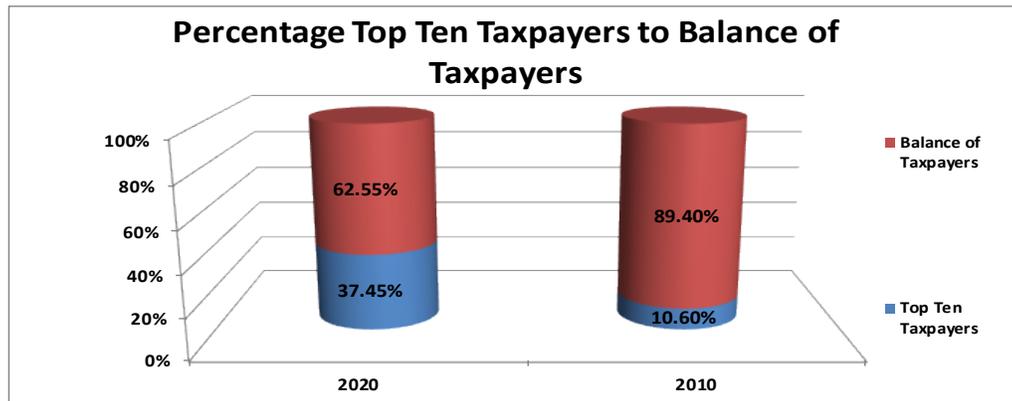
**GALLATIN COUNTY, MONTANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT TAX YEAR AND NINE YEARS PREVIOUS**

TAX YEAR -----> 2020 2010

TAXPAYER	TAXABLE		PERCENTAGE OF COUNTY TAXABLE		TAXABLE		PERCENTAGE OF COUNTY TAXABLE	
	ASSESSED VALUE	RANK	ASSESSED VALUE		ASSESSED VALUE	RANK	ASSESSED VALUE	
Northwestern Energy	30,537	1	8.33%		14,755	1	6.61%	
Montana Rail Link	1,910	2	0.52%		1,457	4	0.65%	
Verizon Wireless/Cellco	23,319	3	6.36%		-	-	-	
Qwest Corporation and or Cer	1,123	4	0.31%		-	-	-	
SP Hotel Owner LLC	61,118	5	16.68%		-	-	-	
Charter Communications Inc.	16,193	6	4.42%		-	-	-	
GCC Three Forks LLC or Holnar	904	7	0.25%		-	-	-	
CCC Bozeman LLC	761	8	0.21%		-	-	-	
Luzenac America, Inc.	702	9	0.19%		906	5	0.41%	
Delta Air Lines Inc.	658	10	0.18%		-	-	-	
Harry Daum					524	10	0.23%	
Holcim, Inc.					1,008	3	0.45%	
Qwest Corporation					2,242	2	1.00%	
PPL Montana					785	6	0.35%	
Cellco Partnership					769	7	0.34%	
Black Bull Run					637	8	0.29%	
Zoot Properties, LLC					590	9	0.26%	
	<u>137,225</u>		<u>37.45%</u>		<u>23,673</u>		<u>10.60%</u>	
County Taxable Value	366,377				223,245			

Source: Gallatin County Treasurer

	2020	2010
Top Ten Taxpayers	37.45%	10.60%
Balance of Taxpayers	62.55%	89.40%

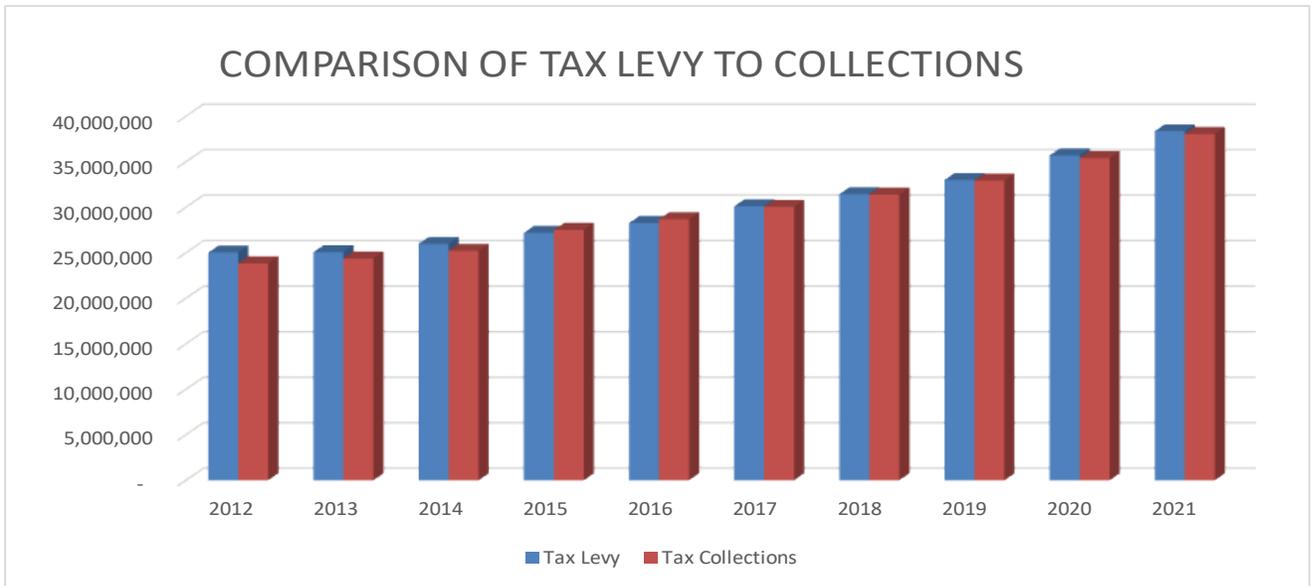


**GALLATIN COUNTY, MONTANA
REAL PROPERTY TAXES AND COLLECTIONS
GOVERNMENTAL FUND TYPES**

LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (1)	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY		TOTAL COLLECTIONS FOR YEAR		
		AMOUNT COLLECTED	PERCENTAGE OF LEVY	DELINQUENT TAX COLLECTIONS	TOTAL TAXES RECEIVED	PERCENTAGE OF LEVY (1)
2012	25,058,721	23,822,021	95.06%	35,893	23,857,914	95.21%
2013	25,103,215	24,357,848	97.03%	31,843	24,389,691	97.16%
2014	25,997,048	25,163,044	96.79%	68,096	25,231,140	97.05%
2015	27,212,974	26,652,121	97.94%	888,759	27,540,880	101.20%
2016	28,299,020	28,107,443	99.32%	609,982	28,717,425	101.48%
2017	30,133,188	29,381,709	97.51%	699,510	30,081,219	99.83%
2018	31,473,112	30,847,587	98.01%	571,469	31,419,056	99.83%
2019	33,031,093	32,223,211	97.55%	733,719	32,956,930	99.78%
2020	35,725,773	34,623,485	96.91%	809,459	35,432,944	99.18%
2021	38,389,205	37,002,477	96.39%	1,075,657	38,078,134	99.19%

SOURCE: Gallatin County Treasurer's Office



GALLATIN COUNTY, MONTANA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	% of Personal Income (1)	% / Capita (1)
	General Obligation Bonds	Special Assessment Debt	Contracts / Loans	Capital Leases	Revenue Bonds	Closure / Post Closure			
2012	42,825	8,226	3,721	1,158	1,306	1,728	58,963	0.020%	\$ 64
2013	43,099	7,528	3,004	1,039	938	1,755	57,363	0.019%	\$ 61
2014	41,872	7,108	2,230	917	813	1,880	54,820	0.018%	\$ 56
2015	39,410	7,374	1,367	796	685	1,963	51,595	0.017%	\$ 51
2016	38,953	7,182	890	1,614	563	2,122	51,324	0.160%	\$ 49
2017	35,435	6,732	948	2,989	313	2,231	48,648	0.170%	\$ 45
2018	33,270	6,244	-	3,003	313	2,409	45,239	0.170%	\$ 41
2019	30,275	5,814	-	1,784	-	2,250	40,123	0.006%	\$ 35
2020	27,295	5,614	-	1,152	-	2,553	36,614	0.001%	\$ 32
2021	24,175	5,152	-	994	-	3,338	33,658	0.000%	\$ 29

(1) See the Schedule for Demographic Statistics for personal income and population data. Personal income equals estimated population multiplied by per capita income.

Source: Note 7 to Consolidated Annual Financial Report

GALLATIN COUNTY, MONTANA
RATIO OF DEBT TO TAXABLE VALUE AND PER CAPITA
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Funds	Total	% of Taxable Value ¹	Per Capita ²
2012	42,825	417	42,408	17.71%	\$ 45.84
2013	43,099	495	42,604	17.28%	\$ 45.12
2014	41,872	344	41,528	16.42%	\$ 42.80
2015	39,410	440	38,970	16.37%	\$ 38.84
2016	38,953	278	38,675	16.24%	\$ 37.16
2017	35,435	278	35,157	14.06%	\$ 32.61
2018	33,270	198	33,072	11.52%	\$ 29.65
2019	30,275	228	30,047	9.99%	\$ 26.44
2020	27,295	312	26,983	7.46%	\$ 23.38
2021	24,175	(139)	24,314	6.48%	\$ 20.73

NOTE: Details regarding the County's outstanding debt are in the notes to the financial statements.

¹ See Schedule "Assessed Value and Actual Value of Taxable Property for data.

² Populations data can be found in schedule, "Demographic Statistics".

Source for Amount Available is from Trial Balance from CAFR for Fund 3040 and 3050

**GALLATIN COUNTY, MONTANA
LEGAL DEBT MARGIN CALCULATIONS**

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Calculation of Legal Debt Margins										
Assessed Value	8,217,172	8,712,241	9,834,392	9,834,392	15,030,550	15,409,943	18,137,153	18,969,273	22,773,138	23,557,119
Allowed debt percentage	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	205,429	217,806	245,860	245,860	375,764	385,249	453,429	474,232	569,328	588,928
Outstanding debt applicable to limit	49,689	49,151	47,114	43,691	41,457	39,372	39,740	35,159	31,262	27,698
Legal Debt margin	155,740	168,655	198,746	202,169	334,307	345,877	413,689	439,073	538,067	561,230
Outstanding debt applicable to limit as a percentag of debt limit	24.19%	22.57%	19.16%	17.77%	11.03%	10.22%	8.76%	7.41%	5.49%	4.70%

(1) The statutes of the State of Montana prescribe a debt limit of 2.5% of the assessed valuation for general obligation debt. The debt limit increased to 2.50% from 1.40% in 2007

GALLATIN COUNTY, MONTANA
RURAL IMPROVEMENT DISTRICT DEBT AND REVOLVING FUND

Last Ten Fiscal Years

FISCAL YEAR	RURAL IMPROVEMENT BOND OUTSTANDING	AMOUNT NEEDED FOR 5%	REVOLVING FUND CASH	REVOLVING FUND %
2010	4,681,000	234,050	766,111	16.37%
2011	8,828,000	441,400	854,654	9.68%
2012	8,226,000	411,300	1,054,047	12.81%
2013	7,528,000	376,400	1,099,311	14.60%
2014	7,108,000	355,400	1,088,017	15.31%
2015	7,374,000	368,700	1,092,817	14.82%
2016	7,181,625	359,081	1,099,973	15.32%
2017	6,731,780	336,589	1,091,470	16.21%
2018	6,244,045	312,202	1,096,521	17.56%
2019	5,814,349	290,717	1,089,282	18.73%
2020	5,613,696	280,685	1,142,773	20.36%
2021	5,151,701	257,585	1,148,706	22.30%

Note: The Amount Needed For 5% references state statute that requires the County to maintain between 5% and 10% in the RID Revolving Fund

GALLATIN COUNTY, MONTANA
RURAL IMPROVEMENT DISTRICT DEBT

Last Ten Fiscal Years

FISCAL YEAR	SPECIAL ASSESSMENT	DEBT SERVICE REQUIREMENTS		
		PRICIPAL	INTEREST	COVERAGE
2010	556,753	374,000	168,319	102.66%
2011	956,736	568,000	452,558	93.75%
2012	1,012,389	602,000	457,475	95.56%
2013	904,910	503,000	466,065	93.38%
2014	977,858	420,000	406,064	118.38%
2015	925,084	499,000	386,743	104.44%
2016	983,461	299,375	396,086	141.41%
2017	1,200,874	815,596	382,849	100.20%
2018	849,293	487,735	358,209	100.40%
2019	829,764	429,698	329,192	109.34%
2020	771,645	882,653	300,863	65.20%
2021	414,450	376,995	287,747	62.35%

(1) Special Assessment Collections include debt service charges collected and interest.
maintain between 5% and 10% in the RID Revolving Fund

GALLATIN COUNTY, MONTANA
RURAL SPECIAL DISTRICT ASSESSMENTS BILLING & COLLECTIONS

FISCAL YEAR	RID		RID CURRENT YEAR		%
	ASSESSMENTS BILLING	RID SPECIAL ASSESSMENT COLLECTIONS	DELINQUENCY		
2012	937,779	820,131	117,648		12.55%
2013	895,739	784,296	111,443		12.44%
2014	871,471	792,179	79,291		9.10%
2015	860,503	790,909	69,593		8.09%
2016	812,634	762,740	49,894		6.14%
2017	886,947	816,613	70,334		7.93%
2018	824,153	834,597	(10,444)		-1.27%
2019	807,467	728,652	78,815		9.76%
2020	745,256	675,767	69,489		9.32%
2021	773,325	697,578	75,747		9.79%

Note: The RID Special Assessment Collections exclude collections from previous years.

Statement of Changes
in Fund Balance - RSID Revolving Fund

	Audited FY 2015	Audited FY 2016	Audited FY 2017	Audited FY 2018	Audited FY 2019	Audited FY 2020	Audited FY 2021
Beginning Balance July 1	\$ 1,078,923	\$ 1,099,311	\$ 1,088,017	\$ 1,092,817	\$ 1,099,973	\$ 1,091,269	\$ 1,142,773
Property Taxes	7	-	-	-	-	-	-
Investment Earnings	8,329	9,701	11,662	14,665	16,943	16,222	5,973
Transfer In, Bond Proceeds	38,250	5,350	18,150	-	-	36,600	-
Expenditures	26,198	26,345	25,012	7,509	25,446	1,318	40
Receipts Over Disbursements	20,388	(11,294)	4,800	7,156	(8,503)	51,504	5,933
Ending Balance - June 30	\$ 1,099,311	\$ 1,089,804	\$ 1,092,909	\$ 1,099,855	\$ 1,091,354	\$ 1,142,796	\$ 1,148,706
Assets:							
Cash / Investments	\$ 1,098,133	\$ 1,088,016	\$ 1,090,382	\$ 1,096,521	\$ 1,089,282	\$ 1,142,773	\$ 1,148,706
Receivables	1,178	1,788	2,527	3,334	2,072	24	-
Total Assets	\$ 1,099,311	\$ 1,089,804	\$ 1,092,909	\$ 1,099,855	\$ 1,091,354	\$ 1,142,796	\$ 1,148,706
Total Liabilities	\$ -	\$ 1,788	\$ 93	\$ 83	\$ -	\$ -	\$ -
Fund Balance (Restricted)	1,090,503	1,090,503	1,090,503	1,099,772	1,090,503	1,142,773	1,090,503
Fund Balance (Committed)	8,808	(2,487)	2,313	-	-	-	52,270
TOTAL FUND BALANCE	1,099,311	1,088,016	1,092,816	1,099,772	1,090,503	1,142,773	1,142,773
TOTAL LIABILITIES/FUND BALANCE	\$ 1,099,311	\$ 1,089,804	\$ 1,092,909	\$ 1,099,855	\$ 1,090,503	\$ 1,142,773	\$ 1,142,773

There were no new Rural Improvement District Bonds issued in FY 2021.

Summary of Outstanding Rural Special Improvement Districts

June 30, 2021

Bond Issue	Original Issue	Maturity Date	Bonds Issued	Bonds Outstanding	Cash Balance	Assessments Outstanding	Delinquent Assessments
RSID 391	2006	2026	395,000	90,000	20,491	84,278	1,293
RSID 393	2007	2028	900,000	160,000	(38,943)	251,740	1,533
RSID 395	2010	2030	1,765,000	725,000	64,033	909,630	11,451
RSID 396	2010	2030	4,715,000	2,680,000	101,964	2,765,055	59,510
RSID 605	2015	2035	610,000	394,505	7,559	455,296	2,221
RSID 606	2015	2035	155,000	100,112	2,723	110,731	271
RSID 607	2016	2032	107,000	70,868	3,056	80,162	-
RSID 608	2017	2031	243,000	158,922	4,722	169,806	388
RSID 609	2017	2031	74,000	48,396	1,322	53,585	-
RSID 610	2017	2031	46,000	30,084	8,498	26,647	-
RSID 612	2020	2035	400,000	379,135	3,914	373,334	2,070
RSID 615	2020	2035	332,000	314,679	43,347	269,867	377
TOTAL			9,742,000	5,151,701	222,686	5,550,131	79,115

**GALLATIN COUNTY, MONTANA
DEMOGRAPHIC ACTIVITY**

Last Ten Fiscal Years

FISCAL YEAR	ESTIMATED POPULATION (a)	BIRTHS (b)	DEATHS (b)	ESTIMATED PER	PERSONAL
				CAPITA PERSONAL INCOME (a)	INCOME (a) (in millions of 212 dollars)
2012	92,506	1,117	479	35,293	3,933
2013	94,421	1,133	544	35,356	4,077
2014	97,029	1,305	504	38,079	4,406
2015	100,334	1,368	515	40,159	4,801
2016	104,072	1,391	592	40,237	5,080
2017	107,810	1,207	510	40,738	5,368
2018	111,548	1,261	566	51,220	5,662
2019	113,642	1,239	606	56,140	5,872
2020	115,433	1,201	635	58,068	6,072
2021	117,268	1,197	648	60,401	6,281

Source: (a) Woods & Poole (b) Clerk & Records Office

**GALLATIN COUNTY, MONTANA
Business Activity**

Last Ten Fiscal Years

FISCAL YEAR	YELLOWSTONE	BUILDING	AIRLINE	ELECTRICAL	NATURAL GAS
	PARK - RECREATION	PERMITS (in thousands)	PASSENGERS (Deboardings)	CONNECTIONS	CONNECTIONS
2012	3,447,729	159,000	433,288	747	464
2013	3,188,030	201,000	442,120	994	678
2014	3,513,484	235,000	483,832	1,263	694
2015	4,097,710	216,000	509,423	1,438	891
2016	4,257,177	222,000	553,134	1,558	962
2017	4,116,524	315,000	599,176	1,631	1,051
2018	4,115,000	345,563	671,367	1,529	852
2019	4,020,288	331,206	788,154	1,535	923
2020	3,806,305	354,177	443,466	1,476	792
2021	4,860,242	586,496	966,492	1,546	831

Source: irma.nps.gov

SCHOOLS

EMPLOYMENT STATISTICS

FISCAL YEAR	PUBLIC SCHOOL	PRIVATE/HOME	UNIVERSITY	UNEMPLOYMENT	
	ENROLLMENT (1)	SCHOOL ENROLLMENT (1)	ENROLLMENT (2)	EMPLOYED (3)	RATE (3)
2012	11,296	1,398	14,153	49,895	5.00%
2013	11,667	1,417	14,660	52,604	4.10%
2014	12,015	1,482	15,264	64,904	3.50%
2015	12,277	1,568	15,421	57,622	3.10%
2016	12,635	1,731	16,440	60,245	2.90%
2017	13,073	1,856	16,703	63,106	2.80%
2018	13,431	1,854	16,902	65,697	2.50%
2019	13,745	1,853	16,766	68,422	2.30%
2020	14,075	1,962	16,249	67,418	4.90%
2021	13,602	2,680	16,841	72,116	2.40%

Sources: (1) Gallatin County Superintendent of Schools (2) University of Montana (3) Montana Department of Labor & Industry

GALLATIN COUNTY, MONTANA

FULL-TIME EQUIVALENT COUNT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

FUNCTION / PROGRAM	2010	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT								
Legislative services	5.00	4.00	4.50	4.52	4.50	4.50	4.77	4.75
Judicial services	34.57	34.90	35.40	35.90	36.88	30.38	37.81	38.50
Administrative services	21.75	22.15	23.15	21.90	22.78	22.68	25.13	24.09
Financial services	24.96	26.17	27.50	29.50	30.50	39.89	31.62	31.33
Election & record services	13.75	12.75	12.75	12.75	12.75	13.17	12.81	12.75
Planning services	7.75	8.15	9.07	9.65	9.90	2.75	9.90	9.90
Legal services	21.00	21.00	21.83	22.75	23.36	23.00	24.81	25.00
Other general government	2.57	-	1.00	1.00	1.00	1.00	1.00	1.00
PUBLIC SAFETY								
Law enforcement services	59.41	63.51	64.00	68.00	61.63	34.47	72.36	81.75
Detention services	30.43	53.50	53.83	55.50	65.25	67.75	68.36	70.30
Animal control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch & Law records	30.00	32.75	32.50	33.50	35.25	37.00	38.17	38.00
Other public safety services	2.57	-	2.79	2.79	2.79	2.79	2.79	2.79
PUBLIC WORKS								
Bridge maintenance	7.36	7.41	7.41	7.06	7.06	7.06	6.76	6.76
Road and street maintenance	25.11	26.14	26.14	26.99	27.49	72.60	28.24	28.24
Facilities administration	3.12	6.74	6.74	6.74	7.00	-	7.81	7.73
Solid waste	20.50	18.00	18.00	19.00	19.00	57.26	20.03	23.38
Weed spraying services	2.25	2.75	2.75	2.75	2.75	-	2.75	3.00
PUBLIC HEALTH								
Health administration	3.83	3.00	3.00	4.25	4.50	1.00	5.54	5.50
Health environmental services	10.17	10.00	10.92	11.75	12.75	5.00	14.00	14.00
Health human services	16.80	21.40	24.30	26.87	28.60	8.56	28.42	29.75
Nursing home	102.90	107.68	98.88	85.28	73.09	-	76.41	79.45
RECREATION AND OTHER								
Extension	4.00	3.00	3.00	3.25	3.25	0.50	3.25	0.38
Fair	10.00	9.00	8.50	7.50	7.10	3.25	7.81	7.75
Parks	1.10	1.06	1.06	1.06	1.06	1.06	1.06	1.06
TOTAL	<u>461.89</u>	<u>496.06</u>	<u>500.02</u>	<u>501.26</u>	<u>501.24</u>	<u>436.68</u>	<u>532.61</u>	<u>548.16</u>

Source: Gallatin County Finance Office

**GALLATIN COUNTY, MONTANA
OPERATING INDICATORS BY FUNCTION / PROGRAM**

Last Ten Fiscal Years

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT										
Registered Voters	65,109		71,021	65,722	68,883	73,259	74,761	78,078	88,553	87,601
Property Transactions										
Filings with Clerk & Recorder	30,562	34,604	30,662	31,410	33,478	32,245	33,605	30,907	38,314	52,247
Deeds Recorded	4,525	5,620	5,704	6,184	6,414	6,627	6,500	6,054	6,230	8,129
Property Tax Information										
Real Taxes Billed	128,575,814	133,107,370	142,000,872	149,088,398	153,629,085	163,834,054	178,446,431	192,190,508	215,388,482	224,145,500
Real Taxes Collected - w/Delinquency	130,006,433	135,875,106	145,205,907	149,856,320	153,198,506	163,391,812	174,554,255	191,709,312	211,843,334	223,371,041
Real Taxes Protested	1,700,155	1,482,659	1,162,867	7,428	200,020	220,191	58,428	6,222	50,778	8,586
Total Outstanding	7,222,725	5,110,757	4,672,995	3,476,511	3,567,185	2,821,864	3,892,176	481,196	3,545,148	774,459
Number of Bills Sent	48,149	48,112	48,437	48,933	49,106	49,981	50,865	52,005	54,362	55,445
Redemption & Tax Deeds	1,129,632	2,112,487	2,545,034	1,627,040	1,392,296	1,317,292	753,782	693,840	667,556	724,061
Motor Vehicle - Titles Processed	26,788	28,465	29,790	32,030	37,907	37,036	37,072	39,019	35,835	45,845
Registrations Processed	62,694	69,534	84,608	88,445	90,114	70,373	71,854	83,349	84,294	87,557
Justice Court										
Cases Filed	8,092	7,356	7,894	8,054	8,260	7,472	7,931	8,225	7,513	7,437
Fines & Forfeitures	400,184	430,756	455,303	437,403	504,207	443,524	456,372			
Charges Filed	7,785	6,835	7,642	8,189	8,329	7,051	7,614	6,884	6,604	7,360
County Attorney										
Felonies	385	437	N/A	514	629	643	747	816	814	789
Involuntary Commitments	50	69	N/A	71	62	68	53	49	95	85
Juvenile Cases	189	150	N/A	156	146	176	58	78	86	47
PUBLIC SAFETY										
Sheriff										
Arrests			4,503	4,457	4,332	4,944	1,021	5,566	4,815	4,542
Prisoner Days	41,978	45,625	62,537	59,754	47,559	53,813	57,493	64,916	56,508	58,208
Average Daily Population -DC	115	125	164	159	147	154	153	178	154	159
Calls Dispatched	25,366	32,286	33,749	44,159	46,852	48,001	46,525	43,958	40,664	43,312
Citations			1,488	848	1,690	1,592	702	702	1,253	1,023
Dispatch / Fire										
Events Processed	102,910	110,254	102,628	106,930	111,877	117,823	140,424	129,659	121,684	131,358
Fire Dispatches	5,941	6,775	6,685	7,307	8,552	9,172	17,915	10,065	9,902	9,993
9-1-1 Calls Answered	29,521	31,712	30,414	29,721	25,666		18,599	25,628	30,392	34,315
PUBLIC WORKS										
Refuse Disposal										
Refuse disposed of	105,665	103,474	108,213	120,408	123,229	130,280	146,866	155,123	161,140	173,226
Recycling - (tons diverted)	2,479	3,301	3,126	3,207	3,148	2,890	3,013	3,051	3,242	3,420
Other Materials Diverted	4,019	5,081	5,074	7,717	8,855	9,872	9,840	11,456	10,773	12,212
Road / Bridge										
Road Resurfaced (miles)			8	-	4	-	6	6	2	-
Bridge Repairs / Replaced (hours)	1,434	1,896	1,870	763	2,151	707	785	2,428	1,283	2,147
Junk Vehicle Hauled	96	75	30	67	88	103	76	92	85	107
Noxious Weed spray (acres)	4,560	4,560	4,560	5,128	4,232	4,574	4,632	4,354	4,410	4,400
PUBLIC HEALTH										
Septic System Permits Issued	200	226	271	302	351	303	395	335	350	440
Licensed Establishment Inspections	1,723	1,617	1,743	1,637	1,502	1,474	1,502	1,485	1,004	482
Communicable Disease Cases	998	1,398	1,107	1,528	1,194	1,893	1,790	2,451	2,741	15,614
Immunizations Administered	10,313	8,712	9,533	7,616	9,095	7,483	7,449	5,646	5,202	43,016
RECREATION AND OTHER										
County Fair Attendees	49,000	49,300	51,875	27,000	39,015	43,073	44,335	37,590	-	48,246
Winterfest Attendees	8,900	9,500	8,923	1,576	-	-	-	-	-	-
4-H Participants	509	537	575	635	637	639	620	645	523	573

Comparison of Budgeted Taxes

<u>Taxes Budgeted</u>	<u>FY 2010</u>	<u>FY 2015</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
County Operating Taxes	\$ 16,343,857	\$ 18,808,855	\$ 21,761,399	\$ 23,082,863	\$ 25,345,937	\$ 28,932,591	\$ 30,513,388
Road and Library Taxes	3,153,566	3,762,770	4,437,478	4,626,481	4,857,714	5,018,596	5,221,346
Open Space & Park Voted Levy	-	-	-	1,331,823	1,589,033	1,650,211	1,966,727
Permissive/Bond Funds	3,941,648	5,077,427	5,867,951	6,202,096	6,606,316	6,647,028	7,452,507
<u>Mill Levies</u>							
County Operating Taxes	73.20	74.35	75.84	78.04	71.83	78.96	69.82
Road and Library Taxes	25.23	76.29	27.30	27.75	24.59	24.53	21.47
Open Space & Park Voted Levy	-	-	-	4.50	4.50	4.50	4.50
Debt Service / Insurance Taxes	17.80	20.15	20.52	21.02	18.74	18.16	17.66
<u>Taxable Valuations</u>							
County Operating Valuations	223,244	252,964	286,963	295,802	352,837	366,377	437,051
Open Space & Park Voted Levy	-	-	-	295,802	352,837	366,377	437,051
Road and Library Valuations	125,025	143,113	162,547	166,725	197,527	204,664	243,193

SINGLE AUDIT SECTION

Gallatin County, Montana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Cluster Title/Federal Grantor/Pass-through Grantor /Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
Forest Service Schools and Roads Cluster				
<u>United State Department of Agriculture</u>				
<i>Passed through Montana Department of Administration</i>				
Schools and Roads - Grants to States	10.665	NA	\$ 146,741	\$ -
Total United States Department of Agriculture			<u>\$ 146,741</u>	<u>\$ -</u>
Total Forest Service Schools and Roads Cluster			<u>\$ 146,741</u>	<u>\$ -</u>
Highway Safety Cluster				
<u>Department of Transportation</u>				
<i>Passed through Montana Department of Transportation</i>				
State and Community Highway Safety	20.600	110778	\$ 2,723	\$ -
State and Community Highway Safety	20.600	111210	7,725	-
National Priority Safety Programs	20.616	110778	2,140	-
Total Department of Transportation			<u>\$ 12,588</u>	<u>-</u>
Total Highway Safety Cluster			<u>\$ 12,588</u>	<u>\$ -</u>
Transit Services Programs Cluster				
<u>Department of Transportation</u>				
<i>Passed through Montana Department of Transportation</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	111649	\$ 33,851	\$ -
Total [Federal Grantor Name]			<u>\$ 33,851</u>	<u>-</u>
Total Transit Services Programs Cluster			<u>\$ 33,851</u>	<u>\$ -</u>
Other Programs				
<u>Department of Homeland Security</u>				
<i>Passed through Montana Department of Disaster and Emergency Services</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA- 4508-DR-MT	\$ 128,464	\$ -
Emergency Management Performance Grants	97.042	EMD-2020-EP-00003	121,204	-
Emergency Management Performance Grants	97.042	19EMPG-R-SP-Gallatin	15,000	-
Homeland Security Grant Program	97.067	N/A	52,144	-
Homeland Security Grant Program	97.067	N/A	43,403	-
Homeland Security Grant Program	97.067	N/A	5,265	-
Homeland Security Grant Program	97.067	N/A	19,693	-
Homeland Security Grant Program	97.067	N/A	63,491	-
Homeland Security Grant Program	97.067	N/A	3,530	-
Total Department of Homeland Security			<u>\$ 452,194</u>	<u>\$ -</u>
<u>United States Department of Justice</u>				
<i>Direct</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	\$ 8,800	\$ -
Public Safety Partnership and Community Policing Grants	16.71	N/A	123,650	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	10,551	-
				-
<i>Passed through Montana Board of Crime Control</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	20-CV01-92662	94,460	-
Crime Victim Assistance	16.575	20-V01-92585	217,574	-
Violence Against Women Formula Grants	16.588	20-W02-92616	140,985	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19-G01-92643	223,962	165,032
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	16-CP01-92032	3,277	-
Total United States Department of Justice			<u>\$ 823,259</u>	<u>\$ 165,032</u>

Gallatin County, Montana
Schedule of Expenditures of Federal Awards - continued
For the Year Ended June 30, 2021

<u>Cluster Title/Federal Grantor/Pass-through Grantor /Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
Department of Transportation				
<i>Direct</i>				
Airport Improvement Program and COVID-19 Airports Programs	20.106	N/A	\$ 900	-
Airport Improvement Program and COVID-19 Airports Programs	20.106	N/A	30,000	-
National Infrastructure Investments	20.933	N/A	510,251	-
Total Department of Transportation			<u>\$ 541,151</u>	<u>\$ -</u>
Department of Health and Human Services				
<i>Passed through Montana Department of Public Health and Human Services</i>				
Public Health Emergency Preparedness	93.069	20-07-6-11-022-0	\$ 125,902	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	HMHB	5,000	-
Immunization Cooperative Agreements	93.268	21-07-4-31-116-0	354,379	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	20-07-6-11-022-0	68,859	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	20-07-6-11-022-0	58,566	-
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	21-07-3-01-007-0	6,120	-
Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke-	93.435	21-07-3-01-007-0	12,142	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	20-25-5-41-174-0	513,891	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	21-07-3-01-007-0	60,791	-
Maternal and Child Health Services Block Grant to the States	93.994	21-25-5-01-017-0	66,392	-
Maternal and Child Health Services Block Grant to the States	93.994	20-07-5-01-017-0	43,215	-
<i>Passed through Yellowstone City County Health Department, Riverstone Health</i>				
HIV Care Formula Grants	93.917	20-07-4-51-105-0	471	-
<i>Direct</i>				
Provider Relief Fund	93.498	N/A	416,929	-
Total Department of Health and Human Services			<u>\$ 1,732,657</u>	<u>\$ -</u>
Department of the Treasury				
<i>Passed through Montana Department of Administration Local Government Services</i>				
Coronavirus Relief Fund	21.019	N/A	\$ 541,705	-
Coronavirus Relief Fund	21.019	N/A	6,828,373	3,350,589
Total Department of the Treasury			<u>\$ 7,370,078</u>	<u>\$ 3,350,589</u>

Gallatin County, Montana
Schedule of Expenditures of Federal Awards - continued
For the Year Ended June 30, 2021

<u>Cluster Title/Federal Grantor/Pass-through Grantor /Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
United States Department of Agriculture				
<i>Passed through Montana Department of Public Health and Human Services</i>				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	20-25-5-21-009-0	\$ 91,789	\$ -
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	21-25-5-21-009-0	273,047	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	20-25-5-21-009-0	2,986	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	21-25-5-21-009-0	11,204	-
Cooperative Forestry Assistance	10.664	WSF-17-002	193,134	-
Cooperative Forestry Assistance	10.664	WSF-17-001	74,860	-
Total United States Department of Agriculture			<u>\$ 647,020</u>	<u>\$ -</u>
Total Other Programs			<u>\$ 11,566,359</u>	<u>\$ 3,515,621</u>
Total Federal Financial Assistance			<u>\$ 11,759,539</u>	<u>\$ 3,515,621</u>

The accompanying notes are an integral part of this schedule

GALLATIN COUNTY, MONTANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2021

Note 1: Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of the County under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected not to use the 10 percent minimis indirect cost rate in Sec. 200.414 Indirect Costs under Uniform Guidance.

Note 3: Indirect Cost Rate

Gallatin County has elected not to use the 10-percent de minimis indirect cost rate in Sec. 200.414 Indirect Costs under the Uniform Guidance.

Note 4: Schools and Roads - Forest Reserve:

\$146,741.01 was reported in the Road Fund and represents 66 2/3 percent of the total amount of \$220,111.51 received by the County. The remaining \$73,370.50 which represents 33 1/3 percent was distributed directly to the countywide school levy funds as required by state statute.

Note 5:

PHSI and Promotoras is split between two different funds (revenue & expenditures) -2979 & 2968. For FY21, we received the final deliverable payment, but did not have expenses in FY21.

Note 6:

The Rest Home was awarded \$416,267.18 in FY '20 from HRSA for General Distribution and Targeted Distribution formula funding for Covid infection response. We had a remaining balance of \$411,750.62 to carry forward and we received additional funding in FY21.

The tax year 2020 1099-misc. has \$705,587.57 as the paid amount. On the FY20 SEFA, \$416,929.46 in expenses were reported to correspond to the Period 1 Portal report of lost revenues submitted for payments received 4/10/20-6/30/20.

Note 7:

Gallatin County received the asset of a van through this grant program. The van value is \$39,825. MT Department of Transportation paid \$33,851.25 and Gallatin County cost shared (paid to MDT) \$5,973.75.

Note 8: Subrecipients

Of the federal expenditures presented in the schedule, Gallatin County provided federal awards to the subrecipients as follows:

<u>Program Name</u>	<u>CDFA</u>	<u>Subrecipient</u>	<u>Amount</u>
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	City of Bozeman	\$ 68,412
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	City of Helena	28,211
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	Lewis & Clark County SO	40,129
DOJ Edward Byrne Memorial - Missouri River Drug Task Force	16.738	Park County SO	28,280
		Total Paid	\$ <u><u>165,032</u></u>

<u>Program Name</u>	<u>CDFA</u>	<u>Subrecipient</u>	<u>Amount</u>
Coronavirus Relief Funds	21.019	Big Sky Fire District	\$ 794,036
Coronavirus Relief Funds	21.019	Central Valley Fire District	2,087,735
Coronavirus Relief Funds	21.019	Gallatin Valley Conservation District	29,670
Coronavirus Relief Funds	21.019	Hebgen Basin Fire District	281,005
Coronavirus Relief Funds	21.019	Fort Ellis Fire District	2,950
Coronavirus Relief Funds	21.019	Hyalite Fire District	155,193
		Total Paid	\$ <u><u>3,350,589</u></u>

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South – P.O. Box 1957 Kalispell, MT 59903-1957

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

Board of County Commissioners
Gallatin County
Bozeman, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, Montana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Gallatin County’s basic financial statements and have issued our report thereon dated March 29, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses listed as items 2021-001 and 2021-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gallatin County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-003.

Gallatin County's Response to Findings

Gallatin County's response to the findings identified in our audit is described in the Auditee's Corrective Action Plan. Gallatin County's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Denning, Downey and Associates, CPA's, P.C.

March 29, 2023

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of County Commissioners
Gallatin County
Bozeman, Montana

Report on Compliance for Each Major Federal Program

We have audited Gallatin County, Montana's, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Gallatin County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Gallatin County, Montana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S., *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Gallatin County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Gallatin County's compliance.

Opinion on Each Major Federal Program

In our opinion, Gallatin County, Montana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-004. Our opinion on each major federal program is not modified with respect to these matters.

Gallatin County, Montana's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Gallatin County, Montana's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Gallatin County, Montana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Derring, Downey and Associates, CPA's, P.C.

March 29, 2023

GALLATIN COUNTY, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	<i>Unmodified</i>
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(s) identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified	None Reported
Type of auditor’s report issued on compliance for major programs:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section II – Financial Statement Findings

2021-001 Cash Reconciliation (Repeat Finding 2020-001, 2019-001, and 2018-001)

Condition:

The County was not performing monthly cash reconciliations of its bank statements and cash balances in accounting records. This is a repeating finding from prior year audits.

Context:

The auditor noted these issues in the prior year's audits, and did not receive a final cash reconciliation for fiscal year ending June 30, 2021 until January 2023. Timely reconciliations were not being completed throughout the fiscal year of 2021.

Criteria:

Adequate control procedures should require that the cash of the County be reconciliation on a monthly basis, and be presented to the Commissioners.

Effect:

The internal controls of the County are weakened increasing the risk of misappropriation of assets or misstatements due to error. There is an unreconciled balance at the end of fiscal year 2021 equal to \$93,006, which represents an immaterial amount to the overall cash.

Cause:

The County did no complete a cash reconciliation on a monthly basis during fiscal year 2021.

Recommendation:

The County should implement policies and procedures to ensure a cash reconciliation is completed on monthly basis, and the cash reconciliation be presented to Commissioners for review once prepared.

2021-002 Payroll Accrual and Related Controls

Condition:

The County had the following reporting and control deficiencies as it relates to the year-end payroll accrual:

1. The payroll payable recognized was materially understated
2. The County does not have sufficient control procedure for recording the payroll payable.

Context:

1. The auditor obtained the payroll reports for July 2021 and identified the payroll periods covered for these dates. Based on the dates of the payroll periods, we identified the amount of days that pertain to June 2021 and estimated the payroll liability based on the percent of the days prior to June 30, 2021.

2. Upon further inquiry and observation, it was identified that the County is back dating its payroll batches into the period that the payroll period ends. This caused the payroll accrual to be understated as payroll was processed in funds and moved to payroll clearing fund.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Criteria:

1 & 2. Generally Accepted Accounting Principals (GAAP) require payroll expenditures and expenses be recognized in the period in which the services are provided and recognized in the funds that the costs were incurred.

Effect:

1 & 2. The internal controls for recording the payroll payable at end of year is not sufficient to properly record these payables at year end causing misstatements in financial statements. The payroll payable was understated \$503,484, and cash and warrants payable overstated \$1,824,877 in the General Funds . The payroll payable and cash were understated in the Public Safety Fund \$652,140, Federal Grant Fund \$633, Rest Home Fund \$173,930, Landfill Fund \$61,224, and the All Other Aggregate Funds \$433,465. This has been corrected for the audit, and the financial statements reflect changes.

Cause:

1. & 2. The County's process for posting the payroll accrual does not properly accrue the costs because payroll is actually being processed and back dated June. There were not adequate controls in place to reconcile and monitor these transactions to ensure proper reporting of the payroll payable.

Recommendation:

1. & 2. We recommend that the County stop processing the first payrolls and post them on the payroll payment dates per the payroll calendars, and implement procedures to for accounting identify the payroll payables that exist at the end of the fiscal year to be recorded as accrual journal voucher that is reversed in subsequent periods.

2021-003 Annual Financial Report (AFR) (Repeat Finding 2020-002 and 2019-002)

Condition:

The County did not file an AFR with the MT Local Government Services Bureau.

Context:

Review of the State website, communication with the County indicated that an AFR was never filed with the MT Local Government Services Bureau. The County historically has submitted its audit in lieu of the AFR, but since 2019 has not been ready to have its audit completed timely.

Criteria:

Montana Code Annotated (MCA) 2-7-503(1) states "The governing body or managing or executive officer of a local government entity, other than a school district or associated cooperative, shall ensure that a financial report is made every year."

Effect:

The County is not in compliance with MCA 2-7-503(1), further effective May 2, 2019, if a local government entity fails to file an AFR with the department of Local Government Services Bureau as required by 2-7-501(1) a person identified in subsection (2) of this section who has received a written determination from the department under 2-7-524(3) or (4)(b) may bring a cause of action against the local government entity for failure to comply with the local government entity's fiduciary requirements, MCA 2-7-523(1).

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Cause:

The County has not had processes in place to ensure that timely cash reconciliations are completed to be able to close out its fiscal years in reasonable time to complete audit by the AFR due date.

Recommendation:

We recommend the County complete an AFR for all future years within 6 months of their fiscal year end as required by MCA.

Section III – Federal Award Findings and Questioned Costs

2021-004 Audit Report Deadline (Repeat Finding 2020-003 and 2019-003)

CFDA Title: Water and Waste Disposal Systems for Rural Communities

CFDA Number: 10.760

Federal Award Number: 00-003, 00-04, 92-05

Federal Agency: U.S. Department of Agriculture

Pass-through Entity: Direct

Condition:

Montana local governments with a June 30th fiscal year end must submit their audit report to the MT Department of Administration and the Federal Clearing house by March 31st (later postponed to September 30th due to COVID), following the fiscal year end. The County did not have an audit completed until March 2023.

Context:

Per review of the audit compliance requirements for both the State of Montana and the Federal government.

Criteria:

The audit for the fiscal year ended June 30th 2021 was due to the State and the Federal government by September 30th, 2021 as required by MT Administrative Rules 2.4.411 and the Federal Uniform Guidance/A-133 rules.

Effect:

The County was over a year late in completing their fiscal year 2021 audit.

Cause:

The County did not complete its 2020 audit until December 2022 in order to finish the close out of its fiscal year 2021 year to be ready for audit.

Recommendation:

We recommend the County complete their annual audits in compliance with MT Administrative Rules 2.4.411 and federal rules described in the Uniform Guidance/A-133.

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

Board of County Commissioners
Gallatin County
Bozeman, Montana

The prior audit report contained three recommendations. The action taken on each recommendation is as follows:

<u>Recommendation</u>	<u>Action Taken</u>
2020-001 Cash Reconciliation	Repeated
2020-002 Financial Reporting	Repeated
2020-003 Late Submission of the Single Audit Reporting Package and Data Collection Form to the Federal Audit Clearinghouse ("FAC")	Repeated

Denning, Downey and Associates, CPA's, P.C.

March 29, 2023



GALLATIN COUNTY

Contact Person:

Justine Swanson, Chief Financial Officer

Expected Completion Date of Corrective Action Plan:

March 31, 2024

CORRECTIVE ACTION PLAN

FINDING 2021-001: Cash Reconciliation (Repeated 2020-001, 2019-001, and 2018-001)

Response: Gallatin County is working towards monthly cash reconciliations. On May 4, 2021, the Commission passed resolution 2021-050 delegating certain duties of the Gallatin County Treasurer's Office to the Board of County Commissioners. The duties were then assigned to the Finance Department and three additional staff members were hired that constituted our Revenue team. Over the next several months, a transition plan was put in place. The Revenue team took over responsibility, among other things, for the cash reconciliation process. Since taking over responsibility for cash reconciliations, the new team has identified the cash reconciliation error in FY 2019, completed the cash reconciliations for FY 2020 and FY 2021 despite not being hired until June and July of 2021, and has made significant improvements to our processes for accuracy and efficiency. The goal is to implement monthly cash reconciliations by FY 2024.

FINDING 2021-002: Payroll Accrual and Related Controls

Response: Gallatin County is implementing the recommendation from Denning, Downey and Associates on accounting for payroll accruals. The County will post the payroll on the processing date and have the Accounting Office record the payroll payables through a journal voucher.

FINDING 2021-003: Annual Financial Report (AFR) (Repeated 2020-002 and 2019-002)

Response: Gallatin County has contracted with Denning, Downey and Associates to assist us with the completion of our audits. We are scheduled to complete FY 2021 by March 31, 2023 and FY 2022 by July 31, 2023. This will get us caught up and will facilitate having our FY 2023 Annual Financial Reports submitted by the December 31st deadline.

FINDING 2021-004: Audit Report Deadline (Repeated 2020-003 and 2019-003)

Response: Gallatin County has contracted with Denning, Downey and Associates to assist us with the completion of our audits. We are scheduled to complete FY 2021 by March 31, 2023 and FY 2022 by July 31, 2023. This will get us caught up and will facilitate having our FY 2023 Audit completed by the March 31st deadline.

STATUS OF PRIOR AUDIT FINDINGS

FINDING 2020-001: Cash Reconciliation

Response: See current year finding 2021-001.

FINDING 2020-002: Financial Reporting

Response: See current year finding 2021-003.

FINDING 2020-003: Late Submission of the Single Audit Reporting Package and Data Collection Form to the Federal Audit Clearinghouse ("FAC")

Response: See current year finding 2021-004.

Respectfully submitted,

A handwritten signature in blue ink that reads "Justine Swanson". The signature is written in a cursive style with a long horizontal flourish at the end.

Justine Swanson,
Chief Financial Officer