

**MONTANA DEPARTMENT OF ADMINISTRATION**  
**State Financial Services Division**  
**Local Government Services Bureau**  
Mitchell Building, Room 270, PO Box 200547, Helena, Montana 59620-0547

**ENTITY #** 011601

**MONTANA**  
**GALLATIN COUNTY**  
**311 West Main Street**  
**BOZEMAN, MONTANA 59715**

**ANNUAL FINANCIAL**  
**REPORT**



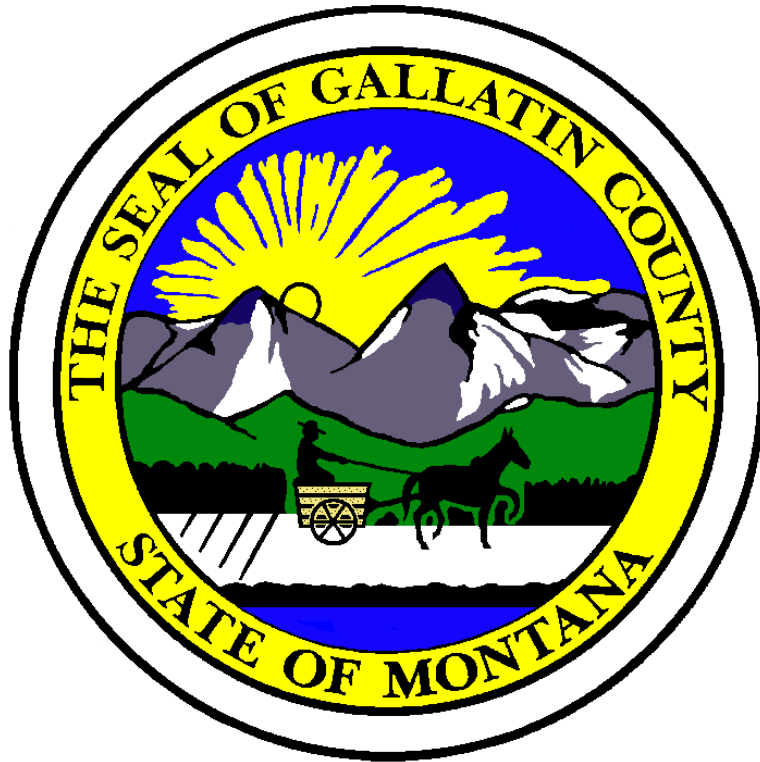
**Fiscal Year Ended June 30, 2015**

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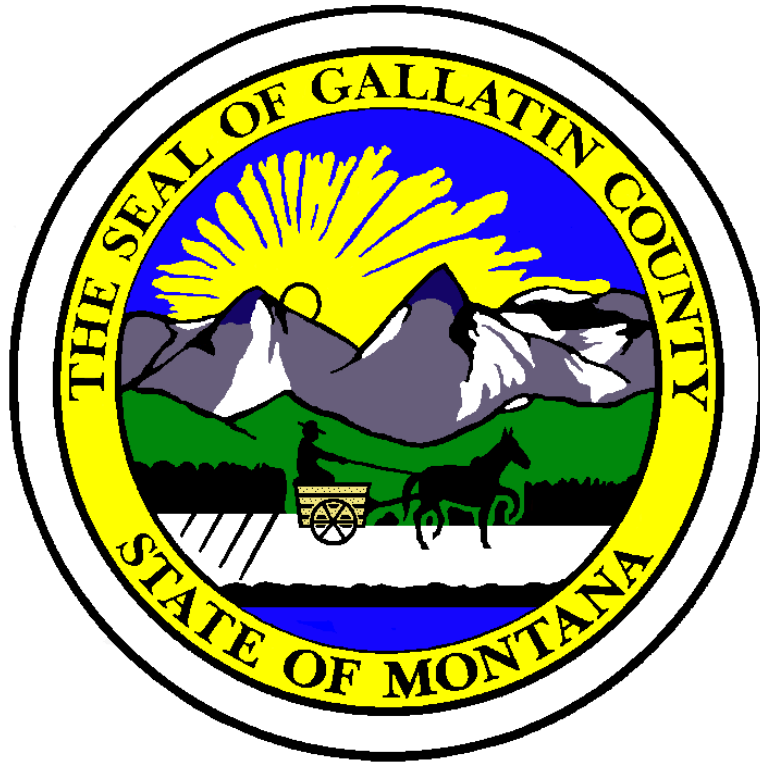
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# **INTRODUCTORY SECTION**



**GALLATIN COUNTY, STATE OF MONTANA**  
**ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended June 30, 2015

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# *County of Gallatin*

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311 W. Main, Courthouse • Bozeman, Montana 59715

December 31, 2015

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. Pursuant to that requirement, we hereby issue the annual financial report (AFR) of Gallatin County (hereafter referred to as County) for the fiscal year ended June 30, 2015.

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's comprehensive framework of internal controls has been designed 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 Anderson ZurMuehlen and Company 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, 2015 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 unmodified 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, 2015. 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 Title 2 is 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 the three district court judges serving six-year terms. The County seat is located in Bozeman, Montana.

The County has a land area of approximately 2,632 square miles and an estimated population of 97,304. 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 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, library, 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 anticipated changes. 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 Office before June 10<sup>th</sup> of each year, or on a date designated by the County Commission. The Finance Office for the County 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 department 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 the work sessions. Then on the last Tuesday of August, the Final Operating and Capital Budget is adopted along with the approval of the mills needed to fund the Budget by resolution. The appropriated budget is prepared by fund (General Fund), function (Public Safety), and department (Sheriff). 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.

The County experienced the effects of the national recession, which began locally in FY 2009 with a significant slowdown in residential and commercial construction throughout the County. This corresponded with a decrease in values for both commercial and residential property of up to 35%. In addition, the County saw reductions in document recordings, septic permits, addressing, applications for subdivision / zoning / variances and tonnage at the landfill. In the last six years, the County saw steady growth, with FY 2014-2015 construction permits similar to the highest years prior to the recession. In FY 2015-2016 construction and building values have continued to rebound and are estimated to be at pre-recession levels.

Property tax revenues have grown at an average of 5% per year since 2008. The largest growth in property taxes occurred in FY 2010 with the beginning of the Detention Center bond, and the lowest change being -0.11% in FY 2013. FY 2016 tax increase is 4.36% compared to 3.68% the previous year.

The County has seen unemployment go from the low in 2006 of 2.0% to a high in 2009 of 6.0% and to 2.5% as of July 2015. The County's unemployment is significantly below the State's unemployment rate of 4.0%, and the national rate of 5.0%. Bozeman's economy is expanding from growth at Montana State University, becoming a regional retail center, recognition of the area as a technology hub, increased visitation to Yellowstone National Park, along with the recreational opportunities throughout the year for the area.

### **Strategic Process**

The County continues to use planning processes (long-term, mid-term and short-term), to help guide the government and to ensure decisions are made in the best interest of the organization as a whole and with an eye toward the future. Efforts are made to 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 plans 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 Budget and the Capital Budget are 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). The Capital Improvement Plan Committee (CIPC) asks each department to identify and prioritize future needs along with identifying any potential funding for the request. The CIPC reviews, analyzes, and rates the requests over a two month period, and then the CIPC presents their recommendation to the Commission in March of each year as part of the budget process. The CIP provides an essential tool for managing capital improvements and replacements in the future. Since CIP is designed to deal with large capital expenditures, valued greater than \$50,000, and a useful life of 5 years or greater, staff identified several major areas that needed to be considered. The first was the identification and funding of 'Core' rolling stock – sheriff vehicles, fire engines, road and bridge rolling stock, etc. The program identified vehicles that were needed to maintain County operations on an ongoing basis with a new value of \$25,000, including equipment, and had a useful life of 5 years or greater. The plan calls for funding of up to \$600,000 per year from Newly Taxable Property (NTP). The County approved the 'Core Rolling Stock' program in 2010. The next program, approved in 2012, was the Bridge Replacement Program. This program calls for the funding of up to \$500,000 from NTP to replacement of bridges with a span of greater than 30' or to support the Bridge Department's need to replace bridges in an emergency. The current funding is \$400,000 per year.

## **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. 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 all tax supported funds and to encourage other funds to establish operating reserves.

The County aggressively collects real and personal property taxes throughout the year. The delinquent taxes for the 2014 tax year (collected in FY 2015) were 2.01%. The total of all delinquent real property taxes was 2.24% of the taxes billed in FY 2015. 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 with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt. We set fees and rates at levels which fully recover the total direct and indirect costs, including personnel, operations, capital outlay and debt, within allowances of law. The County recognizes that accounting principles generally accepted for local governments discourage the “earmarking” of General Fund revenues, and accordingly, the practice of designating General Fund revenues for specific programs is minimized in the County’s management of its fiscal affairs. This concept has been extended to the Public Safety fund as well.

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

The County prioritizes 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 better enables future administrations and Commissions to cope with the 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 investments of the County are managed by the Treasurer with support from an investment committee. The County has formally adopted an investment policy established by the Treasurer and Committee, which outlines investment goals and strategies. It has been the intent of the County to add additional 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. The State increased this shortfall, for Gallatin County, with the approval of House Bill 124, which was to provide major tax reform for local governments. This bill replaced the funding structure dependent on motor vehicle, gaming revenues and banking license tax, with an entitlement from the State. A separate bill, 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 because the 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. The legislature recognized that the cost of health insurance for a local government was prohibitive in light of restrictions associated with 15-10-420 Montana Code Annotated (MCA) and authorized increasing mills to cover premium increases.

## **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 of 2004. The Open Space program allowed the County to purchase 100 acres for a regional park, authorized conservation easements throughout the County through the ability to leverage private and federal funds for easements.

The Detention Center \$32 Million Bond was approved in November, 2008. This bond allowed the County to replace an aging facility with occupancy of 45-60 with a facility constructed 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 Library. This allows the County to adequately support the five city/town libraries in the County. The voters also approved the levying of nine mills, plus growth allowed by state law, for Enhanced Dispatch activities. This allowed for ongoing funding from a reliable revenue source for dispatch as well as funding for the dispatch center.

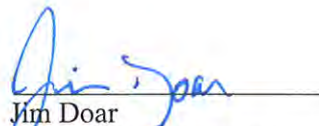
### Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the finance accountant and 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 for her dedication towards the completion of this report. Credit must also be given to the Board of County Commissioners and County Administrator for their unfailing support for maintaining the highest standards of professionalism in the management of Gallatin County's finances.

Respectfully submitted:



Charlotte Mills  
Clerk and Recorder

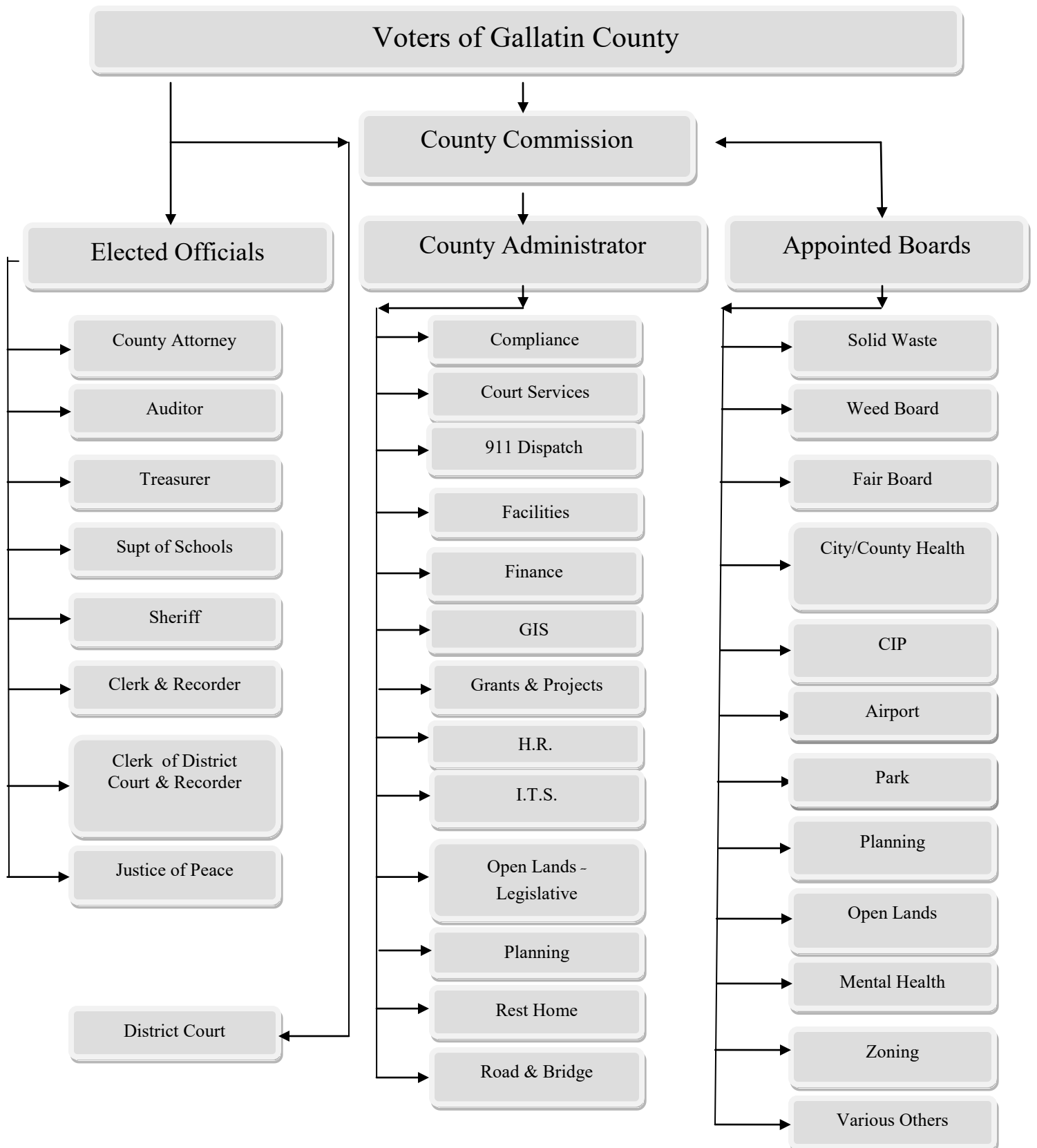


Jim Doar  
County Administrator



Edward G. Blackman  
Finance Director

# ORGANIZATIONAL CHART



**COUNTY OF GALLATIN  
ELECTED OFFICIALS/OFFICERS**

OFFICE	NAME OF COUNTY OFFICIALS/OFFICERS	DATE TERM EXPIRES
Commissioner, District #3 (Chairperson)	R. STEPHEN WHITE	DEC. 2018
Commissioner, District #2	JOSEPH SKINNER	DEC. 2016
Commissioner, District #1	DON SEIFERT	DEC. 2020
Attorney	MARTY LAMBERT	DEC. 2018
Auditor	JENNIFER BLOSSOM	DEC. 2018
Treasurer / Assessor	KIMBERLY BUCHANAN	DEC. 2018
Clerk and Recorder / Surveyor	CHARLOTTE MILLS	DEC. 2018
Clerk of District Court / Public Administrator	JENNIFER BRANDON	DEC. 2016
Justice of the Peace, Dept. 1	RICK WEST	DEC. 2018
Justice of the Peace, Dept. 2	BRYAN ADAMS	DEC. 2018
School Superintendent	LAURA AXTMAN	DEC. 2018
Sheriff / Coroner	BRIAN GOOTKIN	DEC. 2018
District Court Judge, District 18, Dept 2	MICHAEL SALVAGNI	DEC. 2020
District Court Judge, District 18, Dept 1	HOLLY BROWN	DEC. 2016
District Court Judge, District 18, Dept 3	JOHN C. BROWN	DEC. 2016

In accordance with State law, I hereby transmit the County of GALLATIN  
Annual Financial Report for the fiscal year ended June 30, 2015



Respectfully submitted;

*Charlotte Mills*

County Clerk and Recorder

*11/24/2015*

Date

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners  
Gallatin County, State of Montana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, State of Montana (the County), as of and for the year ended June 30, 2015, and 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 the County as of June 30, 2015, 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.

## **Emphasis of Matter**

As discussed in Note F to the financial statements, Gallatin County has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are 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 Funding Progress- Other Postemployment Benefits (OPEB), Schedule of Proportionate Net Pension Liability, and Schedule of Contributions 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 introductory section, supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, supplemental information, 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 January 25, 2016, on our consideration of the County'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Anderson Zur Muehlen & Co., P.C.*

Bozeman, Montana  
January 25, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Gallatin County, Montana**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2015**

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 ended June 30, 2015. 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, 2015, Gallatin County's governmental funds reported combined ending fund balances of \$40,443,097, compared with \$35,097,452 at June 30, 2014. The fund balance for the General Fund is \$4,922,832 – up \$919,894 from June 30, 2014. The increase is attributed to revenue increases associated with land use and planned use of working capital;
- Gallatin County continues to maintain a good financial standing because of positive property tax base, adoption of Growth Policy, setting aside of most Newly Taxable Property for capital projects and adoption and full funding of 'Core Rolling Stock' Vehicle Replacement Program, and Bridge Replacement Program.
- Gallatin County's primary government assets exceeded its liabilities at June 30, 2015 by \$141.1 million (net position), compared with \$161.2 million at June 30, 2014. Of this amount, \$35.4 million (25.1%) is unrestricted and may be used to meet the government's general obligations to citizens and creditors.
- The total net position decreased by \$20.1 million. The current year decrease comes from the recording of Net Pension Liability for the first time and an increase in other long-term Liabilities.
- Revenues from Taxes/Assessments were \$34,704,604 for governmental activities, up \$1,396,601 from fiscal year 2014. This increase primarily comes from an increase in valuations associated with new construction and increases in mill levies as allowed by law.
- The County Health Insurance Fund saw continued positive financial position as represented by unreserved cash in FY 2015 of \$2,470,759 (cash \$2,714,858 – Claims and Accounts Payable \$244,099), compared to unreserved cash in FY 2010 of \$2.4M, FY 2011 of \$2.5M, FY 2012 of \$2.5M, FY 2013 of \$2.4M and FY 2014 of \$2.0M.
- The County's debt (excluding OPEB and Pension liability) for Governmental Activity debt decreased by \$3,200,772 to \$51,023,159 with Business-Type Activity debt decreasing \$42,062 to \$2,977,396 with total debt decreasing by \$3,242,834 during fiscal year 2015.

## 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 reports 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 interfund 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, local option vehicle taxes and state and federal grants finance most of these 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 2015.

**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 the 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.

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

**Governmental Funds:** *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 96 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:** Gallatin County maintains two different types of *Proprietary Funds*; Enterprise funds and Internal Service 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, central communications, 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, for proprietary funds.

**Fiduciary Funds:** *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.

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

**Other information:** The basic financial statements are followed by 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, Information Technology, and Community Development/ Planning.

**Public Safety:**

Elected Offices

County Sheriff, Coroner.

Departments

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

**Public Works:**

Departments

Airport at Three Forks, Bridge, Facilities/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.

**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 \$141,050,471 as of June 30, 2015.

**Gallatin County, State of Montana**  
**Statement of Net Position**  
**June 30, 2015**

	Primary Government - FY 2015			FY 14 TOTAL	FY 13 TOTAL	FY 12 TOTAL
	Governmental Activities	Business-type Activities	Total			
<b>ASSETS</b>						
Cash & Cash Equivalents	46,718,870	15,177,184	61,896,054	55,406,204	50,241,239	46,963,976
Other Assets	9,961,583	1,106,353	11,067,936	12,849,945	13,647,397	13,516,414
Capital Assets (net)	142,992,015	9,463,186	152,455,201	156,311,961	159,282,777	164,863,991
Total Assets	199,672,468	25,746,723	225,419,191	224,568,110	223,171,413	225,344,381
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Total deferred outflows of resources	1,499,064	237,949	1,737,013	-	-	-
<b>LIABILITIES</b>						
Current Liabilities	6,287,904	769,410	7,057,314	8,135,617	7,784,726	7,811,479
Long-Term Liabilities	47,615,112	2,819,768	50,434,880	54,903,005	64,938,442	58,485,796
OPEB and Pension Liabilities	16,292,180	3,311,851	19,604,031	-	-	-
Total Liabilities	70,195,196	6,901,029	77,096,225	63,038,622	72,723,168	66,297,275
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension deferrals	7,917,229	766,915	8,684,144	-	-	-
Bond Premium	325,364	-	325,364	339,163	-	-
Total deferred inflows of Resources	8,242,593	766,915	9,009,508	339,163	-	-
<b>NET POSITION</b>						
Net investment in capital assets	94,045,849	9,463,186	103,509,035	103,371,848	102,497,673	107,628,968
Restricted	16,826,033	2,161,138	18,987,171	19,374,628	2,114,567	3,729,532
Unrestricted	11,861,861	6,692,404	18,554,265	38,443,849	53,620,731	47,688,606
Total Net Position	122,733,743	18,316,728	141,050,471	161,190,325	158,232,971	159,047,106

The County provided condensed financial information for fiscal years 2010 through 2012. Comparative information is available for years 2012, 2013 and 2014 for Gallatin County. The analysis that follows focuses on the County's Net Position for governmental and business activities. Net Position– Unrestricted decreased by \$3.0M from carry-over of projects.

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 2010 (June 30, 2010)	151,075,768
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

Net Position is separated into Invested in Capital Assets at 77%, Restricted at 14%, and Unrestricted Net Position at 10%. 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 all three categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

The County's changes in net assets are shown in the following table. The report shows that primary governmental activities decreased net position to \$141,050,471, compared to 2014's \$161,190,325, with 2013 at \$158,232,971, fiscal year 2012's being \$159,047,106, fiscal year 2011's \$157,349,141, and fiscal year 2010's \$151,075,768. The portion Business-Type Activities shows a decrease in net position to \$18,316,728, a decrease of \$2,910,716.

**Gallatin County, State of Montana**  
**Statement of Activities**

	For the Year Ended June 30, 2015			For the Year Ended June 30, 2014		
	Net(Expense) Revenue and Changes in Net Position			Net(Expense) Revenue and Changes in Net Position		
	Primary Government			Primary Government		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Primary government net revenues	\$ (32,033,103)	\$ 391,462	\$ (31,641,641)	\$ (33,183,563)	\$ 139,416	\$ (33,044,147)
General Revenues						
Property Taxes for General Purposes	33,424,693	(491)	33,424,202	32,028,092	1,080	32,029,172
Grants & entitlements not restricted to specific	3,008,600	83,806	3,092,406	2,691,752	-	2,691,752
Investment Earnings	526,839	161,834	688,673	627,981	275,968	903,949
Miscellaneous	(19,541)	-	(19,541)	104,493	-	104,493
Gain (loss) on sale and disposal of fixed assets	18,320	39,105	57,425	11,204	260,931	272,135
Transfers - net:	-	-	-	(40,021)	40,021	-
Total general revenues	36,958,911	284,254	37,243,165	35,423,501	578,000	36,001,501
Change in net position	4,925,808	675,716	5,601,524	2,239,938	717,416	2,957,354
Net position - beginning	139,962,881	21,227,444	161,190,325	137,722,943	20,510,028	158,232,971
Restatements	(22,154,946)	(3,586,432)	(25,741,378)	-	-	-
Net position - ending	122,733,743	18,316,728	141,050,471	139,962,881	21,227,444	161,190,325

## **Government Activities**

Gallatin County spent \$48,884,521 for governmental activities in fiscal year 2015. Significant events affecting Governmental activities are as follows:

- Governmental Activity decreased due to Public Works activity increase for the TIGR grant, CTEP, road maintenance.
- Total Governmental expenses decreased overall by 8.54% or \$4,564,771

The previous statement shows the amount paid by property taxpayers was \$33,424,693 or 68.37% of primary government activity expenses. The following table shows the changes in the percentage taxes are to governmental activity expenses:

### **Governmental Activities**

<b><u>Year</u></b>	<b><u>Taxes</u></b>	<b><u>Expenses</u></b>	<b><u>Percentage</u></b>
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%
2010	29,436,161	45,205,151	65.12%
2009	24,914,109	37,734,693	67.98%
2008	24,650,399	34,976,300	70.74%
2007	22,671,650	32,326,125	70.13%
2006	21,077,536	32,703,445	64.45%
2005	18,765,212	28,114,640	66.74%
2004	16,482,487	26,270,917	62.77%

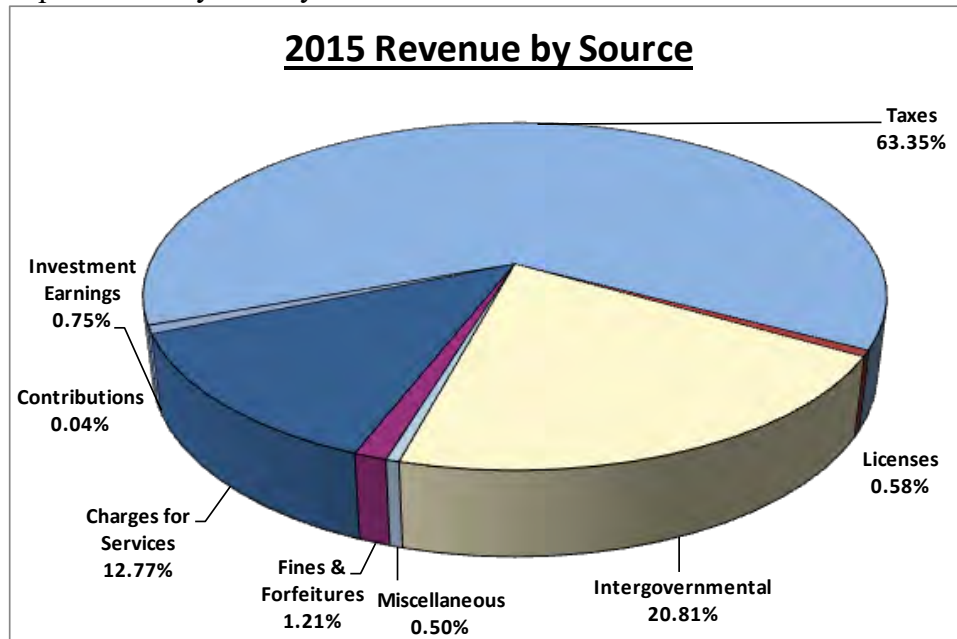
Some costs are paid directly by users of a service (Charges for Services). These revenues accounted for \$8,340,155 (17.06%) of fiscal year 2015 Governmental Activity expenses. Operating Grants & Contributions and Capital Grants and Contributions (Intergovernmental Revenues) generated \$8,511,263, accounting for 17.41% of expenses. Other Revenue sources generated the balance of money needed.

Overall, governmental program revenues, both primary government and business-type activity (revenue generated for services, fines, etc.), generated \$18,225,562 from charges for services, while operating grants and contributions and capital grants and contributions equaled \$8,652,283 accounting for \$26,877,845 or \$31,641,641 less than it cost to provide services (Total primary government expenses \$58,519,486 minus Program revenues \$26,877,845 equals \$31,641,641). 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.

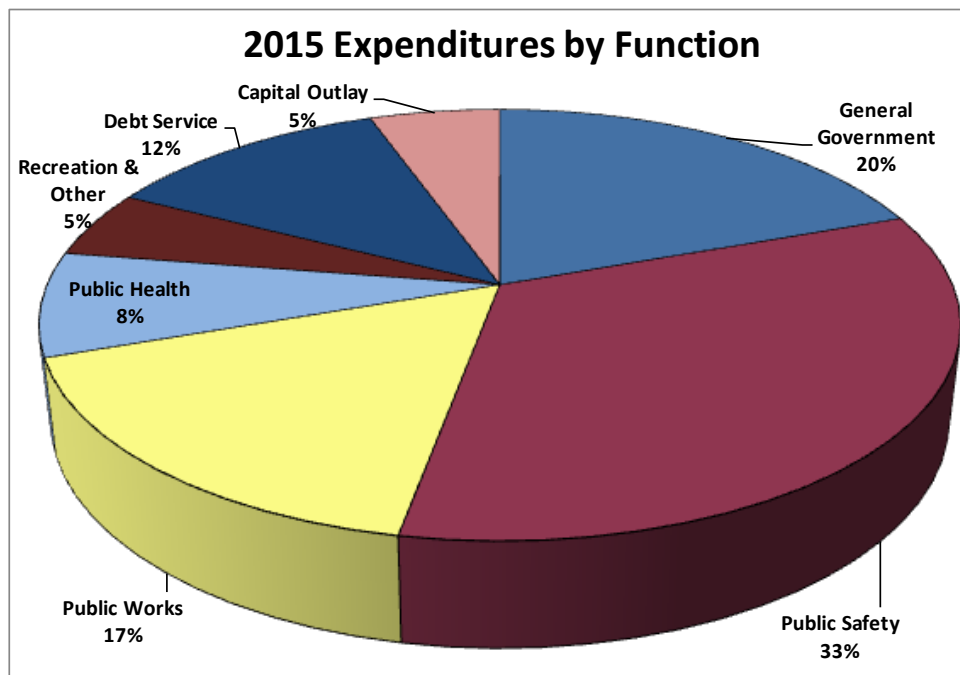
### **Graph of Revenues by Source – Activities**

Gallatin County received \$54,786,645 in revenues to finance governmental operations. Total expenses for governmental activities were \$48,884,521; which resulted in a net position increase of \$4,925,808.

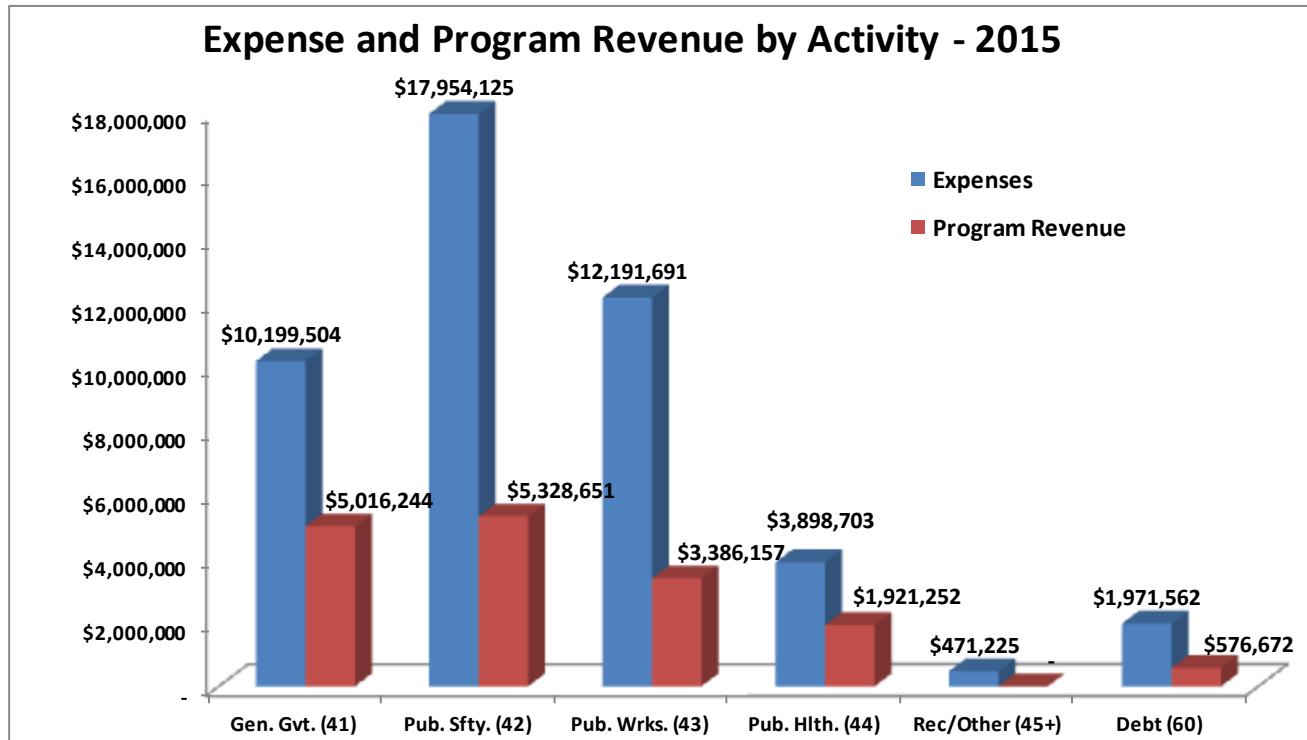
After all activities are considered, net position decreased from \$161,190,325 to \$141,050,471 for governmental activities and business type activities. The graphs that follow show revenues by source and expenditures by activity for all activities.



A listing of which departments are included in each function section of the following pie chart can be found on pages 14 and 15 of this document.



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



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.

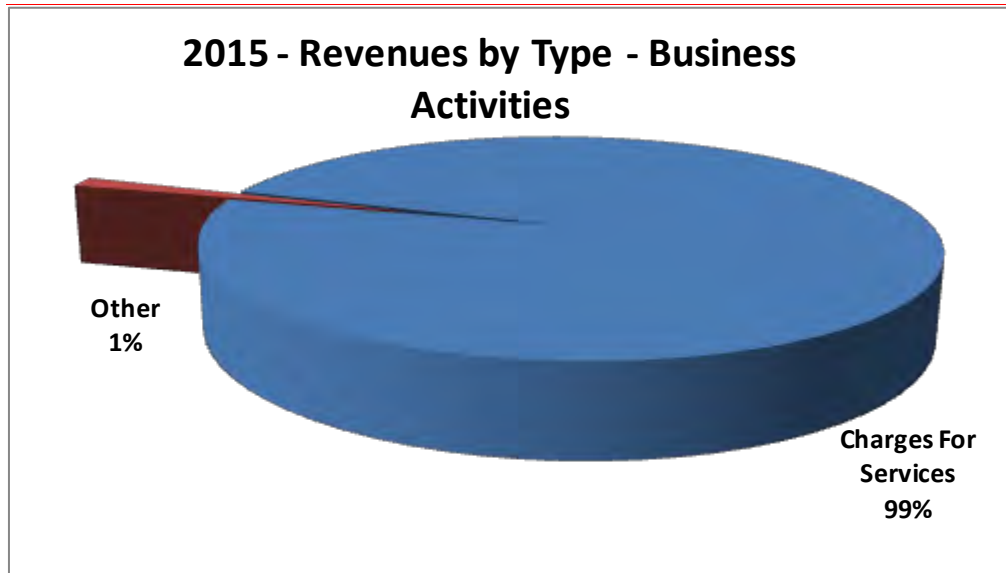
As a local government, Gallatin County uses tax revenues to support mandated services, as is the case with all county governments in Montana. To some extent, the County will need to increase tax levies from the inflationary mill, just to maintain service levels. In order to increase service levels, the 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), and/or
- 2) increase taxes - County Commission would need to utilize current taxing authority (inflationary mills / permissive medical levy) or request voter approval for an increase in taxes.

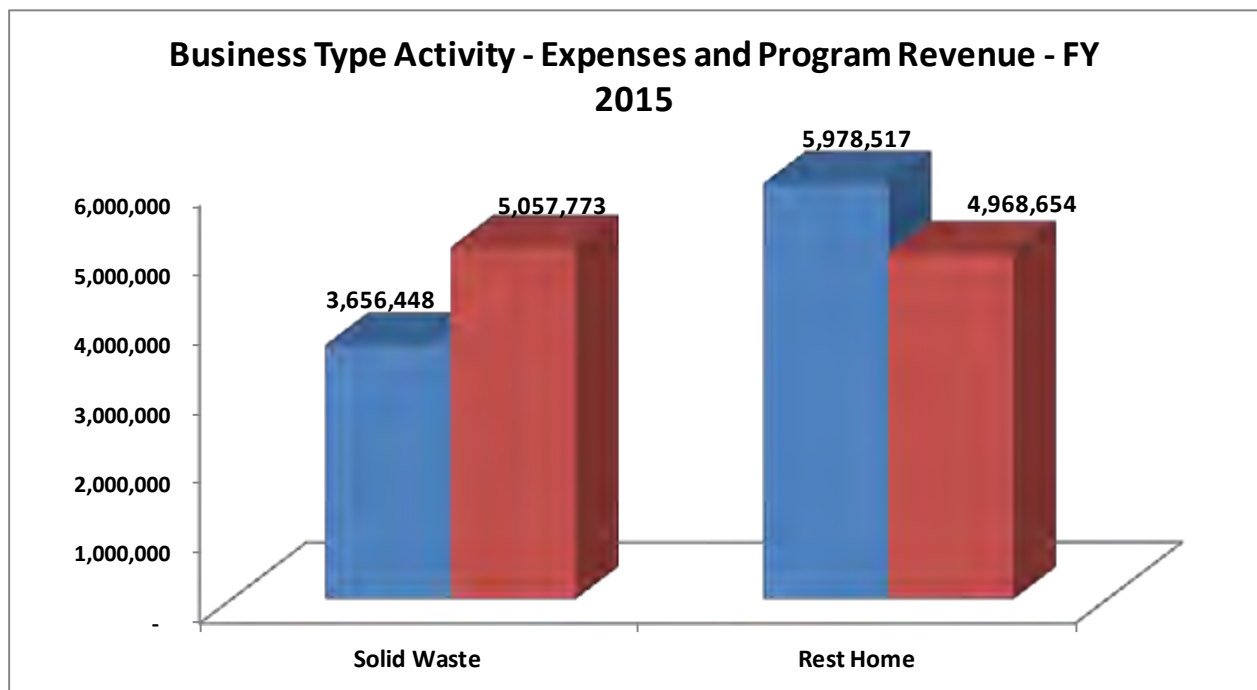
### **Business Type Activities**

The cost of all proprietary (business type) activities for FY 2015 was \$9,634,965. The amount paid by users of the Rest Home, Landfill and Refuse District was \$9,885,407.

Total resources for fiscal year 2015 to finance proprietary funds (business type) were \$10,026,427 (Charges for Services \$9,885,407 and Grants / Contributions \$141,020).



*Total proprietary expenses during the year were \$9,634,495.*



## **Funds of the County**

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

### **General Major Governmental Functions**

The information below compares revenues in FY 2015 to FY 2014:

**Gallatin County, State of Montana  
Statement of Activities  
For the Year Ended June 30, 2015**

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	CAPITAL PROJECTS	RID BOND DEBT SERVICE	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2014 TOTAL
<b>REVENUES</b>								
Property Taxes	\$ 7,295,040	\$ 12,276,202	\$ 1,162,008	\$ 1,580,322	\$ 895,055	\$ 11,495,977	\$ 34,704,604	32,635,084
Licenses & Permits	850	33,800	-	-	-	281,159	315,809	299,702
Intergovernmental Revenues	1,128,386	823,667	-	343,506	-	9,106,566	11,402,125	14,844,596
Charges for Services	2,468,674	2,929,634	-	92,410	-	1,505,234	6,995,952	6,404,529
Fines & Forfeitures	533,845	45,719	-	-	-	84,387	663,951	597,570
Miscellaneous	108,800	24,882	-	-	-	137,550	271,232	537,710
Investment Earnings (loss)	164,900	44,623	60,666	65,697	5,610	69,420	410,916	509,464
Transfers In	905,440	23,715	-	524,999	17,219	1,552,468	3,023,841	2,903,901
Contributions/Donations	-	22,056	-	-	-	-	22,056	2,903,901
<b>Total Revenues</b>	<b>\$ 12,605,935</b>	<b>\$ 16,224,298</b>	<b>\$ 1,222,674</b>	<b>\$ 2,606,934</b>	<b>\$ 917,884</b>	<b>\$ 24,232,761</b>	<b>\$ 57,810,486</b>	<b>61,636,457</b>

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

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	CAPITAL PROJECTS	RID BOND DEBT SERVICE	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2014 TOTAL
<b>EXPENDITURES</b>								
General Government	8,536,458	-	-	88,453	4,900	995,086	\$ 9,624,897	9,139,142
Public Safety	1,079,418	13,936,342	-	-	-	1,474,595	16,490,355	15,497,802
Public Works	868,424	-	437,965	3	-	6,940,778	8,247,170	13,341,837
Public Health	-	-	-	-	-	3,865,629	3,865,629	3,410,121
Social & Economic Services	397,008	-	-	-	-	63,740	460,748	446,952
Culture & Recreation	-	-	-	1,136	-	1,834,166	1,835,302	1,854,062
Housing & Community Dvlpmnt	-	-	-	-	-	85,778	85,778	73,916
Conservation of Natural Rsces	-	-	-	-	-	109,607	109,607	134,212
Principal retirement	192,100	156,314	-	-	499,000	3,098,913	3,946,327	3,693,048
Interest	30,969	10,155	-	-	386,743	1,547,661	1,975,528	2,081,877
Capital Outlay	50,469	418,168	-	1,270,175	-	958,721	2,697,533	3,223,866
Transfer Out	531,195	771,491	17,219	10,424	-	2,580,855	3,911,184	3,851,261
<b>Total Expenditures</b>	<b>\$ 11,686,041</b>	<b>\$ 15,292,470</b>	<b>\$ 455,184</b>	<b>\$ 1,370,191</b>	<b>\$ 890,643</b>	<b>\$ 23,555,529</b>	<b>\$ 53,250,058</b>	<b>\$ 56,748,096</b>

The General Fund is always a 'Major Fund'. Public Safety and RID Maintenance Funds are 'Major Funds' because liabilities, revenues and expenditures are all greater than 10% of the Special Revenue Funds. RID Bonds are considered a 'Major Fund' because they have greater than 10% assets and also have 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 Hebgen/West Yellowstone 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, 2015					For the Year Ended June 30, 2014			
Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Proprietary Funds		Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Proprietary Funds
Operating Revenues								
Operating Revenues	\$ 4,827,634	\$ 4,254,126	\$ 803,647	\$ 9,885,407	\$ 5,226,551	\$ 3,822,815	\$ 863,348	\$ 9,912,714
Operating Expenses	5,978,517	2,699,661	948,803	9,626,981	5,920,591	3,032,032	991,722	9,944,345
Operating Income (loss)	(1,150,883)	1,554,465	(145,156)	258,426	(694,040)	790,783	(128,374)	(31,631)
Nonoperating revenues (expenses)								
Nonoperating revenues (expenses)	238,584	190,032	(11,326)	417,290	265,183	401,404	42,439	709,026
Change in net position	(912,299)	1,744,497	(156,482)	675,716	(428,857)	1,192,187	(85,935)	677,395
Total net position - beginning	5,064,868	11,429,862	4,732,714	21,227,444	5,453,704	10,237,675	4,818,649	20,510,028
Restatements	(2,658,940)	(761,272)	(166,220)	(3,586,432)				
Total net position - ending	\$ 1,493,629	\$ 12,413,087	\$ 4,410,012	\$ 18,316,728	\$ 5,024,847	\$ 11,429,862	\$ 4,732,714	\$ 21,187,423

Because the focus on business type funds is a cost of service measurement or capital measurement, they have been included in the table below, which shows a comparison of net income to net position.

	----- PRIOR YEARS -----				CURRENT
	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>
Total Assets	24,220,996	24,406,597	24,384,437	25,329,817	25,746,723
Net Position	19,472,837	20,343,681	20,510,028	21,227,444	18,316,728
<b>TOTAL LIABILITIES</b>	5,748,159	4,062,916	3,874,009	4,102,373	7,429,995
Net Income – Business Activities	1,765,427	519,196	166,348	717,416	675,716
(DIVIDED BY)					
Ending Net Position (EQUALS)	19,472,837	20,343,681	20,510,028	21,227,444	18,316,728
<b>Return On Ending Net Position</b>	<b>9.06%</b>	<b>2.56%</b>	<b>0.81%</b>	<b>3.38%</b>	<b>3.69%</b>



## **Debt Administration**

Gallatin County maintained its bond rating from Standard and Poor at AA+, based on the 2014 Limited Tax General Obligation Bond, bonds, lease/purchase instruments, and similar obligations of Gallatin County are considered a liability of governmental activities. As a whole, Governmental Activities debt decreased in fiscal year 2015 by \$3,159,465 because of normal principal payments.

The cost per capita for governmental debt outstanding decreased from \$574.89 to \$524.60 in fiscal year 2015 (\$51,064,464 divided by estimated population of 97,340). Governmental activity debt summary for fiscal year 2015 is presented below.

	----- PRIOR YEARS -----				CURRENT
	FY 11	FY 12	FY 13	FY 14	FY 15
<b>DEBT PAYABLE ON (June 30)</b>					
<b>BEGINNING BALANCE</b>	<b>59,648,747</b>	<b>62,773,975</b>	<b>57,914,983</b>	<b>56,679,376</b>	<b>54,223,929</b>
<b>ADD:</b> Intercep Loan / Notes/Bonds	1,300,000	300,000	-0-	1,150,000	-0-
Special Assessment Bonds	4,715,000	-0-	-0-	-0-	765,000
G. O Bonds	2,301,000	-0-	7,840,000		-0-
Compensated Absences (INC)	159,428	109,168	23,378	87,478	-0-
Capital Lease Agreements	1,273,260	-0-	-0-	-0-	-0-
<b>LESS:</b> Loan/Lease Payments	1,954,084	2,774,953	835,133	895,825	985,227
Special Assessment Payments	568,000	602,000	698,000	420,000	499,000
Compensated Absence (DEC)	-0-	5,650	-0-	-0-	19,323
G.O. Payment/Refinancing	4,101,377	1,885,557	7,565,852	2,377,100	2,462,100
<b>DEBT PAYABLE (June 30)</b>	<b>62,773,975</b>	<b>57,914,983</b>	<b>56,679,376</b>	<b>54,223,929</b>	<b>51,023,279</b>
<b>Cost Per Capita</b>	<b>\$690.98</b>	<b>\$635.94</b>	<b>\$607.88</b>	<b>\$574.89</b>	<b>\$524.18</b>

Debt includes compensated absences (amount due to employees for accrued leave, including 1/4 sick leave, all vacation and compensatory time) of \$2,076,993 down \$19K from FY 14. The decrease of \$19,323 represents a change of 0.92%, primarily from retirements of employees and a change in Compensatory time accrual from maximum of 40 hours to a maximum of 20 hours. Debt does not include Governmental Activities Other Post Employment Benefits (OPEB) of \$1,296,869 and retirement shortfall of \$14,995,311.

The County, by statute, can have debt of 2.50% of Assessed Valuation. For fiscal year 2015 this equals \$375,763,746. County debt of \$43,690,464 (\$51,064,464 less Special Assessment Bonds (RID) \$7,374,000) means the County has used 11.63% of its borrowing capacity through fiscal year 2015, with unused borrowing capacity being \$332,073,282. 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.

The County did issue an additional \$3,200,000 in General Obligation Bonds for Open Space in October, 2015. The County's 'AA+' rating was reaffirmed.

## **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.

<b>Capital Assets</b>						
(net of depreciation)						
	<b>Governmental Activities</b>		<b>Business - Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Land</b>	4,527,205	4,527,206	1,657,607	1,657,607	6,184,812	6,184,813
<b>Buildings</b>	46,474,989	47,867,821	3,926,162	3,926,162	50,401,151	51,793,983
<b>Improvements other than buildings</b>	1,618,619	897,277	803,861	803,861	2,422,480	1,701,138
<b>Machinery and equipment</b>	9,915,082	9,934,483	3,190,351	3,190,351	13,105,433	13,124,834
<b>Intangibles</b>	14,307,258	14,129,564	7,747	7,747	14,315,005	14,137,311
<b>Infrastructure</b>	64,461,929	67,079,235	-	-	64,461,929	67,079,235
<b>Construction in progress</b>	1,686,933	2,049,197	241,454	241,454	1,928,387	2,290,651
<b>Total assets</b>	<b>142,992,015</b>	<b>146,484,783</b>	<b>9,827,181</b>	<b>9,827,182</b>	<b>152,819,196</b>	<b>156,311,965</b>

At the end of 2015 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 during 2015 included:

	<u>Governmental</u>	<u>Business-Type</u>
Land	\$ -0-	\$ -0-
Building Improvements	17,076	245,522
Improvements Not Buildings	820,924	13,272
Intangibles - Software	135,231	-0-
Intangibles - Easements	168,366	-0-
Infrastructure	1,650,947	-0-
Machinery & Equipment	1,417,996	399,916
Construction in Progress	286,310	104,781

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

## **Budgets and Budgetary Accounting**

### **County General and Public Safety Fund Budget Highlights and Variances**

The fiscal year 2015 adopted and final budgets for the General and Public Safety Funds totaled \$27,226,022. These budgets increased by \$557,388 during the year. Individual department budgets were amended, throughout the year, without affecting the total budget.

Original Budget	+	Continuing Appropriations	+	Encumbrances	=	Beg. Balance
<u>\$ 27,226,022</u>	+	<u>\$ -0-</u>	+	<u>\$ -0-</u>	=	<u>\$ 27,226,022</u>

Beg. Balance	+/-	Supplemental Changes	=	Final Budget
<u>\$27,226,022</u>	+	<u>\$557,388</u>	=	<u>\$ 27,783,410</u>

The beginning to final budget shows an increase of 2.04% 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 2015 Compared to FY 2016**

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 2015 and fiscal year 2016 by the County Commission. Changes in staffing were:

<b>Staffing Changes (FTE)</b>	
<b>Department / Division</b>	<b>Net Increase (Decrease)</b>
Attorney	0.83
Commission	0.50
Court Services	0.50
Detention Center	0.33
Dispatch / Law Enforcement Records	(0.25)
Fairgrounds	(0.50)
Geographic Information Services (GIS)	(0.25)
Grant Administration	(0.50)
Health - Human Services	1.55
Health - Environmental Services	0.92
Human Resources	0.50
Information Technology Services (ITS)	0.25
Planning	0.92
Sheriff - Support Staff	0.50
Sheriff - Sworn	1.46
Treasurer - Motor Vehicle	1.33
Other	0.83
<b>TOTAL COUNTY TAX SUPPORTED PERSONNEL</b>	<b>8.09</b>
Health - City / County - Grants	3.37
Public Safety Grants	(0.01)
Rest Home	(8.80)
Sheriff - Grant Sworn	(0.96)
Other Changes	2.28
<b>TOTAL NON TAX SUPPORTED PERSONNEL</b>	<b>(4.12)</b>
<b>TOTAL CHANGES IN PERSONNEL</b>	<b>3.97</b>

The following Capital Projects table identifies estimated costs of projects, amount expended through June 30, 2015 and the amount budgeted for FY 2016. The table includes ‘Capital Equipment (County accounts)’ for capital outlay funded through tax supported funds, ‘Capital Equipment (grants/misc.)’ which summarizes authorized capital purchases from Grants and miscellaneous funds and ‘Capital Equipment (special districts)’ for capital items funded from fire districts, etc.

#### FY 2016 CAPITAL PROJECTS / OUTLAY - FINAL BUDGET

##### Projects by Department / Project Name

CAPITAL PROJECT AND OUTLAY / RESERVES									Amount Needed
DESCRIPTION	YEAR	CIPC Priority	FY 2016 Budget	Estimated Project	Revenue Sources				
					County	Department	Other	TOTAL	
Core Rolling Stock	2013		1,558,700	27,578,000	1,558,700	628,907	-	2,187,607	25,390,393
Bridge Replacement Program	2014		1,200,000	23,948,640	1,200,000	-	-	1,200,000	22,748,640
Building Reserve (\$0.95/sq. ft.)	2000		615,186	615,186	615,186	-	-	615,186	-
Judicial / Law Enforcement Building	2010	1	381,600	22,500,000	381,600	-	-	381,600	22,118,400
Extension - Office Facility	2015	2	305,000	305,000	305,000	-	-	305,000	-
Storage Facilitye	2015	7	1,000,000	1,000,000	750,000	250,000	-	1,000,000	-
Pogreba Airport - Upgrades	2014	3	-	3,228,400	-	76,931	-	76,931	3,151,469
Detention Center (Reserve / Expansion)	2013		2,643,836	9,423,311	-	2,643,836	-	2,643,836	6,779,475
Storage Facility	2016		1,000,000	1,000,000	1,000,000	-	-	1,000,000	-
CTEP Projects	2015		396,476	396,476	-	-	396,476	396,476	-
Subtotal Budgeted Projects			9,100,798	89,995,013	5,810,486	3,599,674	396,476	9,806,636	80,188,377
Capital Reserves	2016		7,577,579						
Machinery & Equipment	2016		16,152,268						
CIP - Long Term					Estimates Only				
Sheriff - Remodel of L & J	2016			250,000					250,000
DES - Storage Facility	2018	2		540,000					540,000
Belgrade Senior Center	2016+			1,200,000					1,200,000
Communications - Dispatch	2017			29,000,000					29,000,000
GIS Pictometry	2018+			443,887					443,887
Fair - Exhibit Building Remodel	2016	5		55,000					55,000
Fair - Remodel Midway Facility	2019	4		62,000					62,000
Fair - Sale Pavilion	2015	8		60,000					60,000
Fair - Green Space, Sod, Trees, Shrubs	2019	7		60,000					60,000
Fair - Signage at Entrances	2015+			60,000					60,000
Fair - New Animal Wash Rack	2015			50,000					50,000
Fair - Indoor Swim Center	2015			7,195,000					7,195,000
Fair - Indoor Arena	2016			1,500,000					1,500,000
Fair - Storm Water Management	2016			60,000					60,000
Fair - Concourse Building	2018+			2,500,000					2,500,000
Fair - Event Center	2018+			4,500,000					4,500,000
Fair - Outdoor Lazy River Water Park	2018+			2,700,000					2,700,000
Fair - Model Train Building	2018+			150,000					150,000
Subtotal CIP - Long Term			-	50,385,887	-	-	-	-	50,385,887
TOTAL CAPITAL PROJECTS			32,830,646	140,380,900	5,810,486	3,599,674	396,476	9,806,636	130,574,264

Capital Projects increased to \$140.4 million for FY 2016, with \$32.8M funded in FY 2016. The previous table shows funding for all capital projects, capital outlay, capital equipment and those projects included in the long-term capital plan but not funded in the FY 2016 Budget. The Commission authorized \$1,558,700 for Core Rolling Stock, \$1,200,000 for the Bridge Replacement Program, \$615,186 for repair, remodeling and updating of County Facilities, \$381,600 for the Law Enforcement Building, \$1,000,000 for a new Storage Facility, \$305,000 for the Extension Office Facility, CTEP Projects of \$396,476 and \$2,643,836 reserved for Detention Center remodel and expansion.

## Summary

The fiscal year 2016 budget sees increases in taxes for operations and decreases in taxes for debt service. A comparison of budgeted taxes and mill levies for fiscal year 2010 through fiscal year 2016 shows:

<b>Comparison of Budgeted Taxes</b>							
<b>Taxes Budgeted</b>	<b>FY 2010</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>% Change</b>
County Operating Taxes	\$ 16,343,857	\$ 17,122,165	\$ 17,362,033	\$ 18,282,663	\$ 18,808,855	\$ 19,702,783	4.75%
Road and Library Taxes	3,153,566	3,373,752	3,563,417	3,686,493	3,762,770	3,944,991	4.84%
Debt Service/Insurance Tax	3,941,648	5,173,537	4,719,997	4,696,891	5,077,427	5,206,857	2.55%
<b>MILL LEVIES</b>							
County Operating Taxes	73.20	72.62	72.50	74.15	74.35	82.84	11.42%
Road and Library Taxes	25.23	25.48	26.34	26.44	26.29	30.04	14.26%
Debt Service/Insurance Tax	17.80	22.08	19.79	19.13	20.15	21.96	8.98%
<b>TAXABLE VALUATIONS</b>							
County Operating Valuation:	223,244	235,791	239,468	246,571	252,964	237,836	-5.98%
Road and Library Valuations	125,025	132,432	135,307	139,435	143,113	131,332	-8.23%
Open Land Valuations	217,532	231,290	235,498	242,437	249,047	234,986	-5.65%

This table shows decrease in the taxable valuation of property for FY 2016 caused by state wide reappraisal. However, under state law the Commission was allowed to increase the number of mills to offset the reduction in taxable values. In addition, taxes generated by newly taxable property (new construction) accounted for a 4.03% increase in taxes, with the balance coming from a small increase associated with inflationary mills. 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 and rural taxes as authorized by state law. This results in the County not assessing taxes of \$2,339,370. 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 406-582-3048 or e-mail [jill.therrien@gallatin.mt.gov](mailto:jill.therrien@gallatin.mt.gov).

Gallatin County, Montana  
Board of County Commissioners



R. Stephen White, Chairman



# **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



Gallatin County, State of Montana  
Statement of Net Position  
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 46,718,870	\$ 13,016,046	\$ 59,734,916
Cash & Investments-Restricted	-	2,161,138	2,161,138
Tax/Assessments Receivable (Net)	8,264,242	1,038	8,265,280
Other Receivables	1,498,359	1,105,315	2,603,674
Inventories	198,982	-	198,982
Capital Assets (net)	142,992,015	9,463,186	152,455,201
Total assets	<u>\$ 199,672,468</u>	<u>\$ 25,746,723</u>	<u>\$ 225,419,191</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Contribution to pension plan(s) in current fiscal year	1,499,064	237,949	1,737,013
Total deferred outflows of resources	<u>1,499,064</u>	<u>237,949</u>	<u>1,737,013</u>
<b>LIABILITIES</b>			
Accounts Payable	1,251,938	316,346	1,568,284
Accrued Payroll & Other Liabilities	1,435,245	295,436	1,730,681
Deposits Payable	12,233	-	12,233
Unearned grant revenue	180,441	-	180,441
Current Portion Of Long Term Debt	4,196,792	157,628	4,354,420
Noncurrent Portion Of Long Term Debt	46,826,367	856,291	47,682,658
Landfill Closure/Post Closure Costs	-	1,963,477	1,963,477
OPEB Liability	1,296,869	347,970	1,644,839
Net pension liability	14,995,311	2,963,881	17,959,192
Total liabilities	<u>70,195,196</u>	<u>6,901,029</u>	<u>77,096,225</u>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	7,917,229	766,915	8,684,144
Bond Premium	325,364	-	325,364
Total deferred inflows of resources	<u>8,242,593</u>	<u>766,915</u>	<u>9,009,508</u>
<b>NET POSITION</b>			
Net investment in capital assets	94,045,849	9,463,186	103,509,035
Restricted	16,826,033	2,161,138	18,987,171
Unrestricted	11,861,861	6,692,404	18,554,265
Total net position	<u>\$ 122,733,743</u>	<u>\$ 18,316,728</u>	<u>\$ 141,050,471</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Statement of Activities  
For the Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General Government	\$ 10,199,504	\$ 2,828,366	\$ 1,837,526	\$ 350,352	\$ (5,183,260)	\$ -	\$ (5,183,260)
Public Safety	17,954,125	3,759,794	1,568,857	-	(12,625,474)	-	(12,625,474)
Public Works	12,191,691	79,963	610,217	2,695,977	(8,805,534)	-	(8,805,534)
Public Health	3,898,703	479,736	1,441,516	-	(1,977,451)	-	(1,977,451)
Social & Economic Services	471,225	-	-	-	(471,225)	-	(471,225)
Culture & Recreation	1,971,562	569,854	6,818	-	(1,394,890)	-	(1,394,890)
Housing & Community Development	107,796	537,192	-	-	429,396	-	429,396
Conservation of Natural Resources	114,387	85,250	-	-	(29,137)	-	(29,137)
Debt Service Interest	1,975,528	-	-	-	(1,975,528)	-	(1,975,528)
Total governmental activities	48,884,521	8,340,155	5,464,934	3,046,329	(32,033,103)	-	(32,033,103)
Business-type activities:							
West Yellowstone Refuse District	948,803	803,647	-	-	-	(145,156)	(145,156)
Gallatin County Rest Home	5,978,517	4,827,634	141,020	-	-	(1,009,863)	(1,009,863)
Gallatin County Landfill	2,707,645	4,254,126	-	-	-	1,546,481	1,546,481
Total business-type activities	9,634,965	9,885,407	141,020	-	-	391,462	391,462
Total primary government	\$ 58,519,486	\$ 18,225,562	\$ 5,605,954	\$ 3,046,329	\$ (32,033,103)	\$ 391,462	\$ (31,641,641)
General revenues:							
Property Taxes for General Purposes					33,424,693	(491)	33,424,202
Unrestricted grants and contributions					3,008,600	83,806	3,092,406
Investment Earnings					526,839	161,834	688,673
Miscellaneous					(19,541)	-	(19,541)
Gain (loss) on Sale/Disposal of Fixed Assets					18,320	39,105	57,425
Total general revenues, special items, and transfers					36,958,911	284,254	37,243,165
Change in net position					4,925,808	675,716	5,601,524
Net position - beginning					139,962,881	21,227,444	161,190,325
Restatements					(22,154,946)	(3,586,432)	(25,741,378)
Net position - ending					\$ 122,733,743	\$ 18,316,728	\$ 141,050,471

The notes to financial statements are an integral part of this statement.

# **FUND FINANCIAL STATEMENTS**

Gallatin County, State of Montana  
Balance Sheet  
Governmental Funds  
June 30, 2015

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	Total Non Major Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash & Investments	\$ 5,243,405	\$ 5,260,184	\$ 6,056,116	\$ 343,585	\$ 7,114,265	\$ 17,435,801	\$ 41,453,356
Real Estate Taxes Receivable	118,454	221,916	32,393	89,834	33,627	262,455	758,679
Personal Property Taxes Receivable	103,387	182,529	-	-	27,251	228,871	542,038
Protested Taxes Receivable	223	425	1,207	289	65	567	2,776
Special Assessments Receivable	-	-	-	6,960,749	-	-	6,960,749
Accounts Receivable-Net	236,020	433,992	-	-	10,641	779,187	1,459,840
Due from other funds	34,196	21,002	-	-	13,382	56,209	124,789
Inventories	129,368	-	-	-	-	69,614	198,982
<b>Total assets</b>	<b>\$ 5,865,053</b>	<b>\$ 6,120,048</b>	<b>\$ 6,089,716</b>	<b>\$ 7,394,457</b>	<b>\$ 7,199,231</b>	<b>\$ 18,832,704</b>	<b>\$ 51,501,209</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 115,147	\$ 204,817	\$ 31,901	\$ -	\$ 173,131	\$ 619,711	\$ 1,144,707
Contracts/Loans Payable	-	-	12,233	-	-	-	12,233
Other Accrued Payables	455,527	431,481	4,998	-	-	286,591	1,178,597
Due To Other Funds	-	-	126	-	-	124,663	124,789
Unearned Grant Revenue	-	35,797	-	-	-	144,644	180,441
<b>Total liabilities</b>	<b>570,674</b>	<b>672,095</b>	<b>49,258</b>	<b>-</b>	<b>173,131</b>	<b>1,175,609</b>	<b>2,640,767</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue, Fines and Forfeitures, Fees	149,482	-	-	-	-	3,619	153,101
Unavailable Revenue, Property Taxes	222,065	404,869	33,599	7,050,872	60,944	491,895	8,264,244
<b>Total Deferred Inflows of Resources</b>	<b>371,547</b>	<b>404,869</b>	<b>33,599</b>	<b>7,050,872</b>	<b>60,944</b>	<b>495,514</b>	<b>8,417,345</b>
<b>Fund balances:</b>							
Nonspendable:							
Inventories	129,368	-	-	-	-	69,614	198,982
Restricted for:							
Grants	-	-	-	-	883,440	3,896,593	4,780,033
Debt Service Obligations	-	-	-	-	-	1,589,931	1,589,931
RID Debt Services	-	-	-	343,585	-	-	343,585
Construction Projects	-	-	-	-	-	2,397,490	2,397,490
General Government	562,890	-	-	-	-	19,529	582,419
Public Safety	-	81,705	-	-	-	-	81,705
Committed for:							
Contractual Obligations	-	-	-	-	6,081,716	-	6,081,716
RID Maintenance	-	-	6,006,859	-	-	-	6,006,859
General Government	3,753,449	-	-	-	-	3,871,859	7,625,308
Public Safety	-	4,885,453	-	-	-	43,608	4,929,061
Public Works	-	-	-	-	-	2,628,708	2,628,708
Public Health	-	-	-	-	-	1,579,478	1,579,478
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	563,665	563,665
Housing & Community Development	-	-	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-	501,106	501,106
Assigned for:							
General Government	477,125	-	-	-	-	-	477,125
Public Safety	-	75,926	-	-	-	-	75,926
<b>Total fund balances</b>	<b>4,922,832</b>	<b>5,043,084</b>	<b>6,006,859</b>	<b>343,585</b>	<b>6,965,156</b>	<b>17,161,581</b>	<b>40,443,097</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,865,053</b>	<b>\$ 6,120,048</b>	<b>\$ 6,089,716</b>	<b>\$ 7,394,457</b>	<b>\$ 7,199,231</b>	<b>\$ 18,832,704</b>	<b>\$ 51,501,209</b>

The notes to financial statements are an integral part of this statement.

**Gallatin County, Montana**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**  
**June 30, 2015**

**Total fund balances - governmental funds**                      \$                      40,443,097

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

Capital assets	249,618,561	
Accumulated depreciation	<u>(107,320,313)</u>	
		142,298,248

Property taxes receivable are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	8,264,244
--	-----------

Unamortized Debt Issuance Costs	(325,364)
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Fines and forfeitures receivables are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources in the funds	153,101
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An internal service fund is used by management to charge the costs of employees medical insurance. The governmental portion of the internal service fund are included with governmental activities	5,577,938
--	-----------

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(50,988,025)
--	--------------

Net other post employment benefit obligation reported in the statement of net position do not require the use of current financial resources and are not reported as liabilities in government funds until actually due.	(1,276,020)
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Contributions to the pension plan(s) in the current fiscal year are deferred outflows of resources on the Statement of net position.	1,499,064
--	-----------

Pension plan deferrals are deferred inflows of resources on the Statement of Net Position.	(7,917,229)
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Net pension liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(14,995,311)
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<b>Total net position - governmental activities</b>	<b>\$</b>	<u><u>122,733,743</u></u>
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The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2015

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	CAPITAL PROJECTS	RID BOND DEBT SERVICE	Total Non Major Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 7,295,040	\$ 12,276,202	\$ 1,162,008	\$ 1,580,322	\$ 895,055	\$ 11,495,977	\$ 34,704,604
Licenses & Permits	850	33,800	-	-	-	281,159	315,809
Intergovernmental Revenues	1,128,386	823,667	-	343,506	-	9,106,566	11,402,125
Charges for Services	2,468,674	2,929,634	-	92,410	-	1,505,234	6,995,952
Fines & Forfeitures	533,845	45,719	-	-	-	84,387	663,951
Miscellaneous	108,800	24,882	-	-	-	137,550	271,232
Investment Earnings (loss)	164,900	44,623	60,666	65,697	5,610	69,420	410,916
Contributions/Donations	-	22,056	-	-	-	-	22,056
Total revenues	11,700,495	16,200,583	1,222,674	2,081,935	900,665	22,680,293	54,786,645
<b>EXPENDITURES</b>							
Current:						202	
General Government	8,536,458	-	-	88,453	4,900	995,086	9,624,897
Public Safety	1,079,418	13,936,342	-	-	-	1,474,595	16,490,355
Public Works	868,424	-	437,965	3	-	6,940,778	8,247,170
Public Health	-	-	-	-	-	3,865,629	3,865,629
Social & Economic Services	397,008	-	-	-	-	63,740	460,748
Culture & Recreation	-	-	-	1,136	-	1,834,166	1,835,302
Housing & Community Development	-	-	-	-	-	85,778	85,778
Conservation of Natural Resources	-	-	-	-	-	109,607	109,607
Debt service:							
Principal retirement	192,100	156,314	-	-	499,000	3,098,913	3,946,327
Interest	30,969	10,155	-	-	386,743	1,547,661	1,975,528
Capital Outlay	50,469	418,168	-	1,270,175	-	958,721	2,697,533
Total expenditures	11,154,846	14,520,979	437,965	1,359,767	890,643	20,974,674	49,338,874
Excess (deficiency) of revenues over expenc	545,649	1,679,604	784,709	722,168	10,022	1,705,619	5,447,771
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers Out	(531,195)	(771,491)	(17,219)	(10,424)	-	(2,580,855)	(3,911,184)
Sale of Fixed Assets	-	4,547	-	-	-	15,670	20,217
Transfers In	905,440	23,715	-	524,999	17,219	1,552,468	3,023,841
Bonds Proceeds	-	-	-	-	-	765,000	765,000
Total other financing sources (uses)	374,245	(743,229)	(17,219)	514,575	17,219	(247,717)	(102,126)
Net change in fund balances	919,894	936,375	767,490	1,236,743	27,241	1,457,902	5,345,645
Fund balances - beginning	4,002,938	4,106,709	5,239,369	5,728,413	316,344	15,703,679	35,097,452
Fund balances - ending	\$ 4,922,832	\$ 5,043,084	\$ 6,006,859	\$ 6,965,156	\$ 343,585	\$ 17,161,581	\$ 40,443,097

The notes to financial statements are an integral part of this statement.

**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, 2015**

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

Net change in fund balances - total governmental funds	\$	5,345,645
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital assets purchased or constructed	\$	3,580,440	
Depreciation expense		(7,202,273)	
			(3,621,833)

In the statement of activities, the loss or gain on the sale or disposal of capital assets is recognized. The governmental funds recognize only the proceeds from the sale of these assets.

Loss from the sale of capital assets	(1,897)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(1,388,651)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in compensated absences	21,859	
Increase in GASB 45 OPEB Obligation	(117,388)	
Amortization of bond premium	13,799	
		(81,730)

The change in the proportionate share of collective net pension liability related to the proportionate share of collective pension expense is reported on the Statement of Activities but is not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

411,625

On behalf State contributions to pensions not reported as revenues on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

329,845

The issuance of long-term debt provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Issuance of debt	(765,000)	
Principal payments on long-term debt	3,946,447	
		3,181,447

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.

751,357

Change in net position - statement of activities

\$ 4,925,808

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Statement of Net Position  
Proprietary Funds  
June 30, 2015

	Business-type Activities-Enterprise Funds			Governmental Activities	
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash & Investments	\$ 3,225,136	\$ 7,637,427	\$ 2,153,483	\$ 13,016,046	\$ 5,265,514
Cash & Investments-Restricted	-	2,161,138	-	2,161,138	-
Noncurrent assets:					
Real Estate Taxes Receivable	241	-	612	853	-
Personal Taxes Receivable	185	-	-	185	-
Accounts Receivable-Net	356,198	608,550	140,567	1,105,315	38,519
Capital Assets-Net	1,326,056	5,736,415	2,400,715	9,463,186	693,767
Total assets	<u>4,907,816</u>	<u>16,143,530</u>	<u>4,695,377</u>	<u>25,746,723</u>	<u>5,997,800</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Contribution to pension plan(s) in current fiscal year	176,413	50,508	11,028	237,949	-
Total deferred outflows of resources	<u>176,413</u>	<u>50,508</u>	<u>11,028</u>	<u>237,949</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts Payable	131,387	107,730	77,229	316,346	107,231
Contracts/Loans Payable	-	125,000	-	125,000	-
Other Accrued Payables	161,467	122,923	11,046	295,436	256,648
Compensated Absences	24,804	5,305	2,519	32,628	3,513
Total current liabilities	<u>317,658</u>	<u>360,958</u>	<u>90,794</u>	<u>769,410</u>	<u>367,392</u>
Noncurrent liabilities:					
Contracts/Loans Payable	-	562,500	-	562,500	-
GASB 45 OPEB Obligation	283,739	54,045	10,186	347,970	20,849
Net pension liability	2,197,388	629,126	137,367	2,963,881	-
Closure/Post Closure Costs	-	1,963,477	-	1,963,477	-
Compensated Absences	223,233	48,056	22,502	293,791	31,621
Total noncurrent liabilities	<u>2,704,360</u>	<u>3,257,204</u>	<u>170,055</u>	<u>6,131,619</u>	<u>52,470</u>
Total liabilities	<u>3,022,018</u>	<u>3,618,162</u>	<u>260,849</u>	<u>6,901,029</u>	<u>419,862</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	568,582	162,789	35,544	766,915	-
Total deferred inflows of resources	<u>568,582</u>	<u>162,789</u>	<u>35,544</u>	<u>766,915</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,326,056	5,736,415	2,400,715	9,463,186	693,767
Restricted (expendable)	-	2,161,138	-	2,161,138	-
Unrestricted	167,573	4,515,534	2,009,297	6,692,404	4,884,171
Total net position	<u>\$ 1,493,629</u>	<u>\$ 12,413,087</u>	<u>\$ 4,410,012</u>	<u>\$ 18,316,728</u>	<u>\$ 5,577,938</u>

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

	Business-type Activities			Governmental Activities	
	GALLATIN COUNTY REST HOME	GALLATIN COUNTY LANDFILL	WEST YELLOWSTONE REFUSE DISTRICT	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,824,959	\$ 4,232,644	\$ 802,272	\$ 9,859,875	\$ 622,338
Miscellaneous	2,675	21,482	1,375	25,532	524
Internal Services	-	-	-	-	6,989,616
Total operating revenues	<u>4,827,634</u>	<u>4,254,126</u>	<u>803,647</u>	<u>9,885,407</u>	<u>7,612,478</u>
<b>OPERATING EXPENSES</b>					
Public Works Personnel Services	-	900,177	213,627	1,113,804	-
Public Works Operations	-	1,189,051	514,024	1,703,075	-
Public Works Depreciation	-	610,433	221,152	831,585	-
Public Health Personnel	4,049,987	-	-	4,049,987	-
Public Health Operations	1,798,310	-	-	1,798,310	-
Internal Service Personnel	-	-	-	-	506,919
Internal Service Supplies	-	-	-	-	183,250
Internal Service Purchased Services	-	-	-	-	1,374,588
Internal Service Fixed Charges	-	-	-	-	828,115
Internal Service Depreciation	-	-	-	-	102,668
Internal Serv Benefit Payments	-	-	-	-	4,801,373
Public Health Depreciation	130,220	-	-	130,220	-
Total operating expenses	<u>5,978,517</u>	<u>2,699,661</u>	<u>948,803</u>	<u>9,626,981</u>	<u>7,796,913</u>
Operating income (loss)	<u>(1,150,883)</u>	<u>1,554,465</u>	<u>(145,156)</u>	<u>258,426</u>	<u>(184,435)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Property Taxes	(491)	-	-	(491)	-
Intergovernmental Revenues	203,153	17,789	3,884	224,826	-
Investment Earnings (loss)	41,605	96,404	23,825	161,834	50,346
Gain (loss) on Sale of Fixed Assets	(5,683)	83,823	(39,035)	39,105	(1,897)
Interest Expense	-	(7,984)	-	(7,984)	-
Total nonoperating revenues (expenses)	<u>238,584</u>	<u>190,032</u>	<u>(11,326)</u>	<u>417,290</u>	<u>48,449</u>
Income (loss) before contributions and transfers	<u>(912,299)</u>	<u>1,744,497</u>	<u>(156,482)</u>	<u>675,716</u>	<u>(135,986)</u>
Transfers In	-	-	-	-	929,140
Transfers Out	-	-	-	-	(41,797)
Change in net position	<u>(912,299)</u>	<u>1,744,497</u>	<u>(156,482)</u>	<u>675,716</u>	<u>751,357</u>
Total net position - beginning	5,064,868	11,429,862	4,732,714	21,227,444	4,826,581
Restatements	(2,658,940)	(761,272)	(166,220)	(3,586,432)	-
Total net position - ending	<u>\$ 1,493,629</u>	<u>\$ 12,413,087</u>	<u>\$ 4,410,012</u>	<u>\$ 18,316,728</u>	<u>\$ 5,577,938</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities	
	GALLATIN COUNTY REST HOME	GALLATIN COUNTY LANDFILL	WEST YELLOWSTONE REFUSE DISTRICT	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash from interfund	\$ -	\$ -	\$ -	\$ -	\$ 7,475,639
Cash Other	2,675	21,482	-	24,157	-
Cash receipts from customer	4,882,544	4,194,674	812,610	9,889,828	322,840
Other payments	(32,183)	83,787	-	51,604	-
Payments to employees	(4,098,161)	(924,222)	(215,254)	(5,237,637)	(485,323)
Payments to interfund	(56,700)	-	-	(56,700)	(35,100)
Payments to suppliers	(1,718,775)	(1,345,676)	(491,804)	(3,556,255)	(7,324,826)
Net cash provided (used) by operating activities	(1,020,600)	2,030,045	105,552	1,114,997	(46,770)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental Revenue	203,153	17,789	3,884	224,826	-
Subsidy from taxes	381	-	-	381	-
Transfers from (to) Other Funds	-	-	-	-	887,343
Net cash provided (used) by noncapital financing activities	203,534	17,789	3,884	225,207	887,343
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Interest Paid on Debt	-	(7,984)	-	(7,984)	-
Principal on Debt	-	(125,000)	-	(125,000)	-
Proceeds from sale of capital assets	784	204,003	-	204,787	1,500
Purchases/acquisition/const. of Capital Assets	(67,371)	(657,521)	(38,599)	(763,491)	(237,031)
Net cash provided (used) by capital and related financing activities	(66,587)	(586,502)	(38,599)	(691,688)	(235,531)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Earnings	41,605	96,404	23,825	161,834	50,346
Net cash provided (used) by investing activities	41,605	96,404	23,825	161,834	50,346
Net increase (decrease) in cash and cash equivalents	(842,048)	1,557,736	94,662	810,350	655,388
Balances - beginning of year	4,067,184	8,240,829	2,058,821	14,366,834	4,610,126
Balances - end of the year	\$ 3,225,136	\$ 9,798,565	\$ 2,153,483	\$ 15,177,184	\$ 5,265,514
Cash and Investments consist of:					
Cash and investments	\$ 3,225,136	\$ 7,637,427	\$ 2,153,483	\$ 13,016,046	\$ 5,265,514
Restricted cash and investments	-	2,161,138	-	2,161,138	-
Total cash and investments	\$ 3,225,136	\$ 9,798,565	\$ 2,153,483	\$ 15,177,184	\$ 5,265,514
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating Income	\$ (1,150,883)	\$ 1,554,465	\$ (145,156)	\$ 258,426	\$ (184,435)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation Expense	130,219	610,433	221,152	961,804	102,668
Pension Adjustments	(69,383)	(19,865)	(4,337)	(93,585)	-
Changes in assets and liabilities:					
Accounts Receivable	57,585	(37,970)	8,963	28,578	186,000
Accounts Payable	(8,837)	(155,222)	22,220	(141,839)	(70,034)
Other Accrued Payables	(5,689)	(7,443)	262	(12,870)	(85,687)
Closure/Post Closure Costs	-	83,613	-	83,613	-
Compensated absences	628	(2,821)	1,518	(675)	2,536
GASB 45 OPEB Obligation	25,760	4,855	930	31,545	2,182
Net cash provided (used) by operating activities	\$ (1,020,600)	\$ 2,030,045	\$ 105,552	\$ 1,114,997	\$ (46,770)

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Statement of Net Position  
Fiduciary Funds  
June 30, 2015

	Investment Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and investments	\$ 65,695,025	\$ 4,789,820
Tax/assessment receivable (net)	-	5,064,784
Accrued Interest Receivable	53,456	-
Total Assets	<u>65,748,481</u>	<u>9,854,604</u>
<b>LIABILITIES</b>		
Accounts payable	-	1,455,411
Protested taxes payable	-	21,824
Due to other governments	-	8,377,369
Total Liabilities	<u>-</u>	<u>9,854,604</u>
<b>NET POSITION</b>		
Held in trust for investments and other purposes	<u>\$ 65,748,481</u>	<u>-</u>

The notes to financial statements are an integral part of this statement.

**COUNTY OF GALLATIN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Investment Trust Funds</b>
	<hr/>
<b>ADDITIONS:</b>	
Investment earnings (loss)	\$ 15,787
Contributions to investment trust	354,368,632
	<hr/>
<b>Total Additions</b>	<b>354,384,419</b>
	<hr/>
<b>DEDUCTIONS:</b>	
Distribution of investments	362,255,204
	<hr/>
<b>Total Deductions</b>	<b>362,255,204</b>
	<hr/>
Change in net position	(7,870,785)
Net assets - July 1, 2014	73,619,266
	<hr/>
Net assets - June 30, 2015	<b>\$ 65,748,481</b>
	<hr/>

The notes to the financial statements are an integral part of this statement

## **NOTES TO THE FINANCIAL STATEMENTS**

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Gallatin County, State of Montana (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The County has adopted the provision of the following GASB pronouncement for fiscal year 2015:

Statement No. 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment to GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**A. Reporting Entity**

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 accompanying financial statements present the primary government.

Certain activities such as Fair, Library, Weed, and Planning have separate boards but are included in the basic financial statements as special revenue funds because they are not legally separate or fiscally independent from the County and the County is financially accountable. Other activities such as the Soil Conservation District, West Yellowstone TV District, Sewer and Water Districts, Fire Districts, Fire Service Areas, Cemetery Districts, Dyke Districts, Cities, and School Districts are reflected only in the fiduciary statement of net position as agency funds, since the County is responsible, by law, for the collection of taxes and/or maintenance cash funds for those entities. These entities are considered primary governments and are not a part of the County.

**B. Fund Accounting**

The County uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all financial activities of the general government not recorded in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Fiduciary funds include all trust and agency funds which account for assets held by the County as a trustee or as an agent for individuals, other governmental units and/or other funds. The investment trust fund accounts for the external portion of the County's investment pool, which is invested for County school districts, special districts, and the protest tax fund. These districts have all agreed to voluntarily participate in the investment pool. Agency funds generally are used to account for funds being held on an interim basis on behalf of others as their agent. Such funds are custodial in nature since all assets are due to individuals or entities at some future time.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Nonmajor funds are aggregated and presented in a single column. The internal service funds are aggregated in a single column on the face of the proprietary fund statement.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred as under accrual accounting. Principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded as fund liabilities when payment is due.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The accrual basis of accounting is utilized by proprietary funds and the investment trust fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency funds are custodial in nature and do not involve measurement of results of operations.

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The County reports deferred inflows of resources on its governmental funds' balance sheets. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred inflows of resources is removed from the combined balance sheet and revenue is recognized. The County reports uncollected property tax revenues as deferred inflows of resources for governmental funds.

Those revenues susceptible to accrual are interest revenue, grant revenues, and charges for services. Changes in the fair value of investments are recognized in revenue at the end of each year. Fines and permits are not susceptible to accrual because generally they are not measurable and available until received in cash.

The government reports the following major governmental funds:

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

Public Safety Special Revenue Fund – This is the fund that accounts for all financial resources of the County's Sheriff Department, Coroner, Disaster & Emergency Services / Hazardous Materials and County Rural Fire.

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

Capital Projects Fund-This fund accounts for all of the County's capital improvement activities.

RID Bonds Fund – This is the summary of funds that account for all financial resources for the debt service of all RID Bonds for the County.

The Government reports the following major proprietary funds:

Rest Home Fund – This fund is used to account for the operating and non-operating revenues and expenses of the Rest Home operated by the County. The fund is maintained on the full accrual basis of accounting.

County Landfill Fund – This fund is used to account for the operating and non-operating revenues and expenses of the landfill operated by the County. The fund is maintained on the full accrual basis of accounting.

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.

Additionally, the government reports the following fund types:

Internal Service Funds – These funds account for services provided by the government to its various departments or agencies or to other governments, on a cost recovery basis.

Fiduciary Funds – These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The County's agency funds include cash and investments, property tax receivables, and surety bonds and performance deposits for county school districts and other county special districts.

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

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



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**E. Assets, Liabilities, and Net Position or Fund Balance**

**1. Cash and Investments**

Except for certain specific bank deposits and investments held separately on behalf of certain fiduciary funds, cash resources, to the extent available, of the individual funds are combined to form an investment pool. The pool is managed by the County Treasurer. The pool is not registered with the Securities and Exchange Commission as an investment company and is not subject to regulatory oversight. Investments of the pool, which are authorized by state law, consist primarily of repurchase agreements, the State of Montana's Short Term Investment Pool (STIP), U.S. Treasury Bills, and securities of the U. S. Government, its agencies, or government sponsored entities and are carried at quoted market prices. The fair value of investments is determined annually, and is based on quoted market prices. The method used to determine the values of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of withdrawal. Bank deposits include demand deposits and overnight repurchase agreements in County banks. Interest income earned as a result of pooling and changes in the fair value of investments are distributed to the appropriate funds as designated by state law utilizing a formula based on the applicable cash balance participation of each fund. The general fund receives interest revenue from those funds not specifically designated by state law to receive interest. Government sponsored entities include: Fannie Mae, Freddie Mac, Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Company, and Federal Farm Credit Bank.

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2015 to support the value of shares in the pool.

The County issues warrants in payment of its obligations. Cash balances are reported net of outstanding warrants.

For purposes of the statement of cash flows, the County considers all highly liquid debt instruments with an original maturity of three months or less, including restricted cash and demand investments, as cash equivalents.

**2. Receivables and Payables**

Activity between funds that are representative of lending or borrowing arrangements outstanding at fiscal year-end are referred to as due from/to other funds.

Accounts receivable represents amounts due from fines and forfeitures, charges for services, and intergovernmental revenues. These amounts are shown net of an allowance for uncollectible accounts. The allowance for bad debts for the Rest Home is 2% of aged accounts receivable. For the County Rest Home the allowance for doubtful accounts at June 30, 2015 was \$7,204. The process for determining the allowance for bad debts for Justice Court is 30% of balances that are less than 5 years old and receivables that are 5 years or older are written off. For Justice Court the allowance for doubtful accounts at June 30, 2015 was \$56,056. All other receivables are considered fully collectible.

Property tax levies are set on the later of the first Thursday in September or within thirty calendar days after receiving certified taxable valuation (MCA 7-6-4036) in connection with the budget process. 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. These taxes attach as an enforceable lien immediately if not paid when due. A lien is placed upon the property and after three years, the County may exercise the lien and take title to the property. 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 is due thirty days after billing; the second due November 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges. Personal property taxes attach as an enforceable lien immediately if not paid when due. Only amounts collected in the current year meet the criteria for revenue recognition. The remainder amounts are deferred until collected.

Special assessments are set based on a square foot, per lot or per utilization basis for each district created by the County Commission (RID Bond, RID Maintenance, Local Water Quality, Planning / Zoning, and Lighting Districts) on the later of the first Thursday in September or within thirty calendar days after receiving certified taxable valuation, in connection with the budget process. They are either billed in one installment due November 30 or two equal installments due November 30 and the following May 31. Only amounts due in the current year meet the criteria for revenue recognition. The remainder amounts are deferred until due.

An allowance for uncollectible accounts was not maintained for real and personal property taxes and special assessments receivable. The direct write off method is used for these accounts. This is an immaterial departure from generally accepted accounting principles.

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The tax levies for the fiscal year ended June 30, 2015 were based upon the County wide taxable valuation of \$252,812,574.

All payables are reported in the government-wide financial statements with the proprietary funds payables also being presented on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and other voluntary termination benefits are reported as a liability in the fund financial statements only to the extent that there are unpaid reimbursable balances for terminated employees at year end.

**3. Inventories**

All inventories are valued at cost using the First-In First-Out (FIFO) method. Inventories are recorded as expenditures when purchased. Any material inventory remaining at year-end is included in the balance sheets of each fund at cost. The reported inventory is offset equally by a fund balance reserve which indicates that it does not constitute available spendable resources even though it is included in net current assets.

**4. Restricted Assets**

Certain assets of the proprietary funds are restricted for specific use as required by the bond indenture agreement covenants established with the issuance and sale of the revenue bonds. This represents a liability to the proprietary funds. These restricted assets represent cash and investments restricted for use to repay current debt, future debt, landfill closure/post closure liabilities and replacement and depreciation for the purpose of replacing the system in the future. 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.

**5. Capital Assets**

Capital assets which include: property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, curbs, etc), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, except for the Rest Home where assets with a value of \$500 or more are capitalized. Such assets are recorded at historical cost or capital estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Building Improvements	10-20
Infrastructure:	
Road	20-60
Bridge	50-75
Vehicles	7
Equipment other than Vehicles	5-20
Office Equipment	5-20
Computer Equipment	5
Intangibles:	
Software	7

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position (or fund balance) that applies to a future period(s) so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has some pension related deferred outflows of resources in the current fiscal year.

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In addition to liabilities, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the District's governmental fund balance sheet, there was one item that qualified as a deferred inflow of resources. This item was entirely comprised of unavailable revenue for property taxes and fines and forfeitures as of June 30, 2015. These amounts are (and were) reported as revenue in the government-wide financial statements in the period in which they were earned/levied and thus no deferred inflows of resources were reported. The government-wide and proprietary Statements of Net Position did report some deferred inflows of resources for pension related activities.

**7. Compensated Absences**

As required by State law, the County allows for employees to accumulate earned but unused vacation and sick leave benefits. Unused vacation leave benefits are 100 percent payable upon separation and 25 percent of unused sick leave benefits are payable upon separation. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation. Excess accruals can be carried for up to 90 days into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. The liability associated with governmental fund-type employees is reported in the general long-term debt account group, while the liability associated with proprietary fund-type employees is recorded in each respective fund. Expenditures for unpaid vacation and sick leave benefits are recorded when paid in the governmental funds on the modified accrual basis of accounting and expenses for vacation and sick leave benefits are recorded when accrued in the proprietary funds on the full accrual basis of accounting. The County also allows exempt employees to carry up to 40 hours in compensatory time. Only non-exempt employees are paid compensatory time at 100% upon termination.

**8. Net pension liability**

The County must now report its proportionate share of the collective net pension liability, pension expense, deferred inflows, and deferred outflows of resources associated with pension plans that its employees are eligible to participate in.

**9. Other postemployment benefits**

Per state law requirements, the County allows retirees that have finished employment with the County to remain on the County health insurance plan. Another postemployment benefit arises from the difference in the County health insurance cost the retirees are incurring and what they would otherwise be paying on the open market for a similar plan. This benefit is reflected in the financials as a long term liability following the guidance of GASB Statement No. 45.

**10. Long-term Obligations**

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

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

**11. Fund Balance**

The County implemented Governmental Accounting Standard Board (GASB) Statement No. 54 as of June 30, 2011. As a result, the classifications for fund balance now used for governmental funds are reported in two general classifications, nonspendable and spendable.

Nonspendable represents the portion of fund balance that is not in spendable form. Nonspendable fund balance includes items such as inventory or amounts legally or contractually required to remain intact. Spendable fund balance is further categorized as restricted, committed, assigned and unassigned.

Restricted fund balance classification includes amounts that can only be spent or used for specific purposes and the constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws and/or regulations of other governments, imposed by law through constitutional provisions, or imposed by enabling legislation that is legally enforceable by an external party.

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Committed fund balance classification includes amounts that can only be used for specific purposes when constraints placed on the resources are either imposed by formal action of the governments highest level of decision making authority or amounts that are contractual obligations to the extent the existing resources in the fund have been specifically committed for uses in satisfying those contractual requirements. Committed fund balances will be authorized by the County Commission in a public meeting by resolution and according to policy.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for a specific purpose and the intent to spend down fund balance to fund the next year's projected deficit spending if this exists or amounts that are neither nonspendable, restricted or committed. Assigned fund balance may be assigned by the County Commission informally after a fund balance review has been completed by the accounting department and reviewed and approved by the F.A.Ac.T. (Finance, Auditor, Accounting, Treasurer) Committee.

Unassigned fund balance represents spendable amounts that have not been Restricted, Committed or Assigned to a specific purpose within the general fund.

**Hierarchy of spending**

The County has adopted a policy determining whether restricted, committed, assigned and unassigned amounts are considered to have been spent. In the General Fund and the Special Revenue Funds, the policy for assumed order of spending is restricted first, committed second, and assigned last unless there are legal documents/contracts that prohibit this approach.

**Minimum General Fund-Fund Balance**

The County does not maintain a stabilization fund. The County has a formal minimum fund balance policy that requires maintaining a minimum 10% of expenses in the General Fund as Unrestricted Fund Balance. No specific circumstances in which this balance in the General Fund can be spent exist; it is determined in the budget process which is formally adopted by the County Commission and as circumstances arise and deemed necessary by the County Commission.

**12. Interfund Transactions**

Interfund transactions consisting of identified services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as revenue in the fund performing the services. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Advances between funds are accounted for in the appropriate interfund receivable and payable accounts.

**13. Net Position**

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position does not include either capitalized assets or the related debt for Rural Special Improvement Districts (RSIDs). Infrastructure improvements built and maintained through RSIDs are the financial responsibility of the benefited property owners and are not the responsibility of the County other than in a fiduciary capacity. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations by other governments.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Appropriations are created by fund, function, and activity and may further be detailed by department. Per MCA 7-6-4004 expenditures are limited to appropriations; (1) Local government officials may not make a disbursement or expenditure or incur an obligation in excess of the total appropriations for a fund.

Purchase orders outstanding at year end are reported as expenditures or liabilities because the commitments will not be expropriated or honored during the subsequent fiscal year.

**B. Excess of Expenditures over Appropriations**

There were no funds with excess of expenditures over appropriations for the fiscal year ended June 30, 2015.

**C. Deficit Fund Balances**

At June 30, 2015, deficit fund balances were reported in funds #2836, MTUPP Grant Fund, for \$710 and #2153, Predatory Animal Control, for \$3,538.

**3. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The County maintains a cash and investment pool for all funds under the control of the County Treasurer. The non-pooled investments represent those investments held for other individuals or districts to be utilized for a specific purpose or capital project. The County's investments are categorized below to give an indication of the level of risk assumed by the County at June 30, 2015. All investments meet collateral requirements specified by State Law. 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 pool investments.

Montana statutes require that the County obtain securities for the uninsured portion of the deposits as follows 1) securities equal to 50% of such deposits if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more or 2) securities equal to 100% of the uninsured deposits if the institution in which the deposits are made has a net worth to total assets ratio of less than 6%. State statutes do not specify in whose custody or name the collateral is to be held. The amount of collateral held for County deposits at June 30, 2015 equaled or exceeded the amount required by State statutes.

Investments are categorized into these three categories of custodial credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

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At June 30, 2015, the County's pooled and non-pooled cash and investment balances were as follows:

Pooled Cash and Investments:	Category			Reported Amount/
	1	2	3	Fair Value
U.S. Government agencies	\$ 76,351,108	\$ -	\$ -	\$ 76,351,108
Cash in overnight repurchase agreements	-	-	23,014,971	23,014,971
Cash on hand and demand deposits	425,478	-	-	425,478
Subtotal	<u>\$ 76,776,586</u>	<u>\$ -</u>	<u>\$ 23,014,971</u>	99,791,557
<u>Investments Not Subject to Categories:</u>				
State Treasurer's Investment Pool (STIP)				23,214,947
Total Pooled Cash and Investments				<u>\$ 123,006,504</u>
Nonpooled Cash and Investments:	Category			Reported Amount/
	1	2	3	Fair Value
Treasury bills and money market accounts	\$ 1,000,978	\$ -	\$ -	\$ 1,000,978
Certificates of deposit	1,588,364	-	-	1,588,364
Subtotal	<u>\$ 2,589,342</u>	<u>\$ -</u>	<u>\$ -</u>	2,589,342
<u>Investments Not Subject to Categories:</u>				
State Treasurer's Investment Pool (STIP)				6,785,053
Total Nonpooled Cash and Investments				<u>\$ 9,374,395</u>
Total cash and investments				<u>\$ 132,380,899</u>

Along with limitations placed on investments by state law, the County minimizes custodial risk by restrictions set forth by County policy. Custodial risk is the risk that in an event of a financial institution failure, the County investments may not be returned or the County will not be able recover the collateral securities in the possession of the outside party. The County maintains a listing of financial institutions which are approved for investment purposes.

The amounts above are reported in the accompanying financial statements as follows:

Government wide	\$ 61,896,054
Investment Trust Funds	65,695,025
Agency Funds	<u>4,789,820</u>
Total cash and cash equivalents	<u>\$ 132,380,899</u>

Cash and cash equivalents on the government-wide statement of net position is comprised of the following:

Unrestricted	\$ 59,734,916
Restricted - See Note G	<u>2,161,138</u>
	<u>\$ 61,896,054</u>

Cash on hand and demand deposits – Cash on hand represents two types of cash items: petty cash and change funds on hand. Cash in demand deposits represents cash on deposit in local bank accounts.

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Cash in overnight repurchase agreements – This represents cash invested on a daily basis by the County’s primary bank. Invested funds represent the nightly balance of collected funds in the County’s main depository bank account. The overnight repurchase agreement has the funds re-deposited into the County’s main bank account the next business day. The invested funds are collateralized by permissible U.S. government securities.

Cash in State Treasurer’s Investment Pool (STIP)

STIP is considered an external investment pool. STIP is also classified as a “2a-7 like” pool. A “2a-7-like” pool is an external investment pool that is not registered with the Securities and Exchange Commission as an investment fund, but has a policy that it will and does operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. The County’s investment position in STIP is determined by the pool’s share price, which is dollar denominated.

The STIP portfolio includes, but is not limited to, “variable rate” and “asset-backed” securities to provide diversification and a competitive rate of return. Because of the pooled funds concept, cash held in STIP cannot be categorized as to custodial risk. These securities are described below:

Asset-backed Securities are debt securities collateralized by a pool of mortgages and non-mortgage assets, such as trade and loan receivables, equipment leases, and credit cards, etc. pledged by the issuer. Asset-backed securities have one or more forms of credit enhancement to raise the quality of the security. Examples of credit enhancement include, but are not limited to, letter of credit, reserve fund, or senior/subordinate arrangements.

Variable Rate (Floating-Rate) Securities provide many advantages of short-term bonds because they are designed to minimize the investor's interest rate risk. As with variable rate loans issued by banks, the interest rate paid by the issuer of these securities is reset periodically depending on market conditions. The value of these securities will usually remain at or near par because their interest rates are reset to maintain a current market yield.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The County securities have credit risk as measured by major credit rating services. This risk is that the issuer of a County security may default in making timely principal and interest payments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit risk quality per GASB No. 40. The credit ratings presented in the following tables are provided by Standard and Poor’s Corporation (S&P) rating service. If no rating is available from S&P, then a Moody’s Investment Service, Inc. rating will be used. The County does not have policies regarding credit ratings of investments.

<b>Primary Government Investments</b>	<b>Value</b>	<b>Yield</b>	<b>Maturity Date</b>	<b>S&amp;P</b>	<b>Moody’s</b>
Fannie Mae	\$24,844,590	.80%-1.125%	2017-2018	AA+	AAA
Freddie Mac	5,498,552	1.0%-2.0%	2017-2020	AA+	AAA
Federal National Mortgage Association	7,472,315	.90%-1.25%	2017-2020	AA+	AAA
Federal Home Loan Bank	26,907,294	.92%-2.15%	2017-2020	AA+	AAA
Federal Home Loan Mortgage Company	8,607,668	1.05%-2.0%	2018-2020	AA+	AAA
Federal Farm Credit Bank	2,993,160	0.90%	2017	AA+	AAA
Unrecognized loss on investments	27,529				
<b>TOTAL</b>	<b><u>\$76,351,108</u></b>				

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**B. Interfund Receivables, Payables, and Transfers:**

**Interfund Transfers**

The principal purpose of the County's interfund transfers were indirect costs and administrative and grant fees. The following is an analysis of operating transfers in and out during the fiscal year ended June 30, 2015:

<b>Transfer Out:</b>								
<b>Transfer In:</b>	General Fund	Public Safety Fund	RID Maintenance	Capital Projects	Other Governmental	Total Governmental	Internal Service Fund	Total Transfers In
<b><u>Governmental funds:</u></b>								
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 905,440	\$ 905,440	\$ -	\$ 905,440
Public Safety	3,715	-	-	-	20,000	23,715	-	23,715
RID Bond Debt Service	-	-	17,219	-	-	17,219	-	17,219
Capital Projects	17,738	507,261	-	-	-	524,999	-	524,999
Other Governmental	<u>509,742</u>	<u>264,230</u>	<u>-</u>	<u>10,424</u>	<u>726,275</u>	<u>1,510,671</u>	<u>41,797</u>	<u>1,552,468</u>
Total governmental funds	531,195	771,491	17,219	10,424	1,651,715	2,982,044	41,797	3,023,841
<b><u>Proprietary funds:</u></b>								
Internal Service	-	-	-	-	929,140	929,140	-	929,140
Total Transfers Out	<u>\$ 531,195</u>	<u>\$ 771,491</u>	<u>\$ 17,219</u>	<u>\$ 10,424</u>	<u>\$ 2,580,855</u>	<u>\$ 3,911,184</u>	<u>\$ 41,797</u>	<u>\$ 3,952,981</u>

**Interfund Receivables and Payables**

The composition of interfund receivable and payable balances as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 34,196
Public Safety	Other Governmental Funds	21,002
Capital Projects	Other Governmental Funds	13,382
Other Governmental Funds	RID Maintenance	126
Other Governmental Funds	Other Governmental Funds	<u>56,083</u>
		<u>\$ 124,789</u>



**GALLATIN COUNTY, STATE OF MONTANA**  
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**C. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,527,205	\$ -	\$ -	\$ 4,527,205
Construction in progress	2,049,197	286,310	(648,574)	1,686,933
Total capital assets , not being depreciated	<u>6,576,402</u>	<u>286,310</u>	<u>(648,574)</u>	<u>6,214,138</u>
Capital assets, being depreciated:				
Buildings	57,216,920	17,076	(1,228)	57,232,768
Intangibles Software	1,826,603	135,231	-	1,961,834
Intangibles Easements	13,773,336	168,366	-	13,941,702
Improvements other than buildings	1,511,955	820,924	-	2,332,879
Machinery and equipment	21,631,166	1,471,996	(673,656)	22,429,506
Infrastructure	145,264,673	1,650,947	(91,020)	146,824,600
Total capital assets being depreciated	<u>241,224,653</u>	<u>4,264,540</u>	<u>(765,904)</u>	<u>244,723,289</u>
Total capital assets	247,801,055	4,550,850	(1,414,478)	250,937,427
Less accumulated depreciation:	<u>(101,316,275)</u>	<u>(7,304,941)</u>	<u>675,804</u>	<u>(107,945,412)</u>
Governmental activities capital assets, net	<u><u>\$ 146,484,780</u></u>	<u><u>\$ (2,754,091)</u></u>	<u><u>\$ (738,674)</u></u>	<u><u>\$ 142,992,015</u></u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,657,607	\$ -	\$ -	\$ 1,657,607
Construction in progress	241,454	104,781	(94,003)	252,232
Total capital assets, not being depreciated	<u>1,899,061</u>	<u>104,781</u>	<u>(94,003)</u>	<u>1,909,839</u>
Capital assets, being depreciated:				
Buildings	7,208,436	245,523	-	7,453,959
Intangibles	65,668	-	-	65,668
Improvements other than buildings	3,279,773	13,272	(23,779)	3,269,266
Machinery and equipment	7,113,711	399,916	(730,598)	6,783,029
Total capital assets, being depreciated	<u>17,667,588</u>	<u>658,711</u>	<u>(754,377)</u>	<u>17,571,922</u>
Total capital assets	19,566,649	763,492	(848,380)	19,481,761
Less accumulated depreciation	<u>(9,739,468)</u>	<u>(961,805)</u>	<u>682,698</u>	<u>(10,018,575)</u>
Business-type activities capital assets, net	<u><u>\$ 9,827,181</u></u>	<u><u>\$ (198,313)</u></u>	<u><u>\$ (165,682)</u></u>	<u><u>\$ 9,463,186</u></u>

**GALLATIN COUNTY, STATE OF MONTANA**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:			
General Government			\$ 544,259
Public Safety			1,781,466
Public Works			4,823,302
Public Health			6,024
Social and Economic Services			2,433
Culture and Recreation			135,665
Housing and Community Development			8,501
Conservation of Natural Resources			3,291
Total depreciation expense - governmental activities			<u>\$ 7,304,941</u>
Business-type activities:			
Rest Home			\$ 130,220
Gallatin County Landfill			610,433
West Yellowstone Refuse Dist.			221,152
Total depreciation expense - business-type activities			<u>\$ 961,805</u>

**D. Accrued Payroll and Other Liabilities**

Accrued payroll and other liabilities reported on the Statement of Net Position include:

	Governmental Activities	Business-type Activities	Total
Payroll Payable	\$ 1,017,811	\$ 205,240	\$ 1,223,051
Security Deposits Payable	14,071	87,000	101,071
Accrued Interest Payable	37,496	3,196	40,692
Abandon Property Payable	109,219	-	109,219
Internal Service Payables	256,648	-	256,648
	<u>\$ 1,435,245</u>	<u>\$ 295,436</u>	<u>\$ 1,730,681</u>

**GALLATIN COUNTY, STATE OF MONTANA**  
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**E. Long-Term Debt**

During the fiscal year ended June 30, 2015, the following changes in liabilities were reported in long-term debt:

<b>Governmental Activities:</b>	Balance			Balance	Due within
	July 1, 2014	Additions	Deletions	June 30, 2015	one year
General Obligation Bonds	\$ 41,871,700	\$ -	\$ (2,462,100)	\$ 39,409,600	\$ 2,557,100
Special Assessment Bonds	7,108,000	765,000	(499,000)	7,374,000	289,375
Compensated Absences	2,096,316	-	(19,323)	2,076,993	207,699
Intercap Loans	2,230,495	-	(863,463)	1,367,032	350,479
Capital Leases	<u>917,420</u>	<u>-</u>	<u>(121,886)</u>	<u>795,534</u>	<u>792,139</u>
Total	<u>\$ 54,223,931</u>	<u>\$ 765,000</u>	<u>\$ (3,965,772)</u>	<u>\$ 51,023,159</u>	<u>\$ 4,196,792</u>

<b>Business-Type Activities</b>	Balance			Balance	Due within
	July 1, 2014	Additions	Deletions	June 30, 2015	one year
Revenue Bonds	\$ 812,500	\$ -	\$ (125,000)	\$ 687,500	\$ 125,000
Compensated Absences	327,094	-	(675)	326,419	32,628
Closure/postclosure care costs	<u>1,879,864</u>	<u>83,613</u>	<u>-</u>	<u>1,963,477</u>	<u>-</u>
Total	<u>\$ 3,019,458</u>	<u>\$ 83,613</u>	<u>\$ (125,675)</u>	<u>\$ 2,977,396</u>	<u>\$ 157,628</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, 2015 were as follows:

Purpose	Issue Date	Interest Rate	Term of years	Final maturity	Bonds issued	Outstanding June 30, 2015	Annual serial payment
Progreba Field	7/7/2005	2%	10	2/28/2016	\$ 8,500	\$ 850	850
Open Space	2/1/2006	4.25%	20	7/1/2026	5,000,000	240,000	Varies
Open Space	12/15/2008	3.50-4.85%	18	7/1/2026	4,000,000	3,015,000	Varies
Progreba Animal Fence	7/29/2008	3.625%	10	2/28/2018	12,500	3,750	1,250
Detention Center	2/1/2009	3.25-4.75%	20	2/1/2029	32,000,000	25,940,000	Varies
Hope House	7/1/2010	2.0-4.0%	20	7/1/2030	1,000,000	810,000	Varies
Open Space	4/12/2011	2.3-3.25%	10	7/1/2021	2,300,000	1,470,000	Varies
Open Space	10/23/2013	2%	10	7/1/2023	2,450,000	1,950,000	Varies
Open Space	6/9/2013	1.0-3.0%	12	7/1/2026	3,390,000	3,315,000	Varies
I-90	12/27/2012	1.0-2.25%	10	7/1/2023	2,000,000	1,610,000	Varies
Ice Facility	8/6/2013	.85-4.0%	20	7/1/2033	<u>1,150,000</u>	<u>1,055,000</u>	Varies
<b>Total G.O. Bonds</b>					<u>\$ 53,311,000</u>	<u>\$ 39,409,600</u>	

**GALLATIN COUNTY, STATE OF MONTANA**  
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*Revenue Bonds* – The County also issues bonds where the County pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year-end were as follows:

Purpose	Issue Date	Interest Rate	Term of years	Final maturity	Bonds issued	Outstanding June 30, 2015	Annual serial payment
Landfill Land	2010	1.25	10	2020	\$ 1,250,000	\$ 687,500	Varies
<b>Total Revenue Bonds</b>					<u>\$ 1,250,000</u>	<u>\$ 687,500</u>	

Revenue bond resolutions include various restrictive covenants. The more significant covenants 1) require that cash be restricted and reserved for operations, construction, debt service, and replacement and depreciation; 2) specify minimum required operating revenue; and 3) specific and timely reporting of financial information to bond holders and registrar. The County was in compliance with applicable covenants as of June 30, 2015.

*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. Special Assessment Debt outstanding at year-end was as follows:

Purpose	Issue Date	Interest Rate	Term of years	Final maturity	Bonds issued	Outstanding June 30, 2015	Annual serial payment
#371	1999	3.0-7.2	20	2020	\$ 63,000	\$ 8,000	Varies
#378	2001	3.6-5.5	20	2021	1,188,000	300,000	Varies
#382	2002	1.85 - 4.25%	15	2017	199,000	15,000	Varies
#383	2002	2.2-5.5	20	2023	200,200	30,000	Varies
#386	2003	1.75-4.9	15	2018	300,000	75,000	Varies
#387	2005	2.1-5.0	15	2020	180,000	60,000	Varies
#388	2005	2.1-5.0	15	2020	160,000	40,000	Varies
#391	2006	2.0-5.25	20	2026	395,000	195,000	Varies
#392	2006	3.0-7.0	15	2026	60,000	11,000	Varies
#393	2007	4.2-5.5	19	2027	900,000	535,000	Varies
#395	2010	2.0-6.0	20	2030	1,765,000	1,450,000	Varies
#396	2010	2.5-6.0	20	2030	4,715,000	3,890,000	Varies
#605	2015	4.00%	20	2035	650,000	610,000	Varies
#606	2015	4.00%	20	2035	155,000	155,000	Varies
<b>Total Special Assessment Bonds</b>					<u>\$ 10,930,200</u>	<u>\$ 7,374,000</u>	

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**Intercap Loans**

Loans and Contracted Debt outstanding as of June 30, 2015 were as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2015</u>	<u>Date of Last Payment</u>
Re-Entry Facility	\$ 800,000	2006	Varies	\$ 90,996	2016
Courthouse Annex	999,000	2007	Varies	292,911	2018
9-1-1 Center	1,000,000	2009	Varies	434,720	2019
Road & Bridge Shop Complex	1,300,000	2008	Varies	418,388	2019
Search & Rescue Building	<u>300,000</u>	2012	2.75	<u>130,017</u>	2023
<b>Total</b>	<u><u>\$4,399,000</u></u>			<u><u>\$ 1,367,032</u></u>	

The interest rate variances are based on an annual adjustment by the Montana Board of Investments.

**Compensated Absences Payable**

Compensated absences payable as of June 30, 2015, which represents vacation and sick leave earned by employees and is payable upon separation, is as follows:

Enterprise Funds	\$ 326,419
General Governmental Activities	2,041,859
Internal Service Funds	<u>35,134</u>
	<u><u>\$2,403,412</u></u>

**Capital Leases**

The County has entered into several leases which meet the criteria of a capital lease as defined by GAAP. GAAP defines a lease generally as a lease which transfers benefits and risks of ownership to the lessee.

Equipment under capital leases in capital assets at June 30, 2015, includes the following:

Equipment	\$ 1,273,260
Less: Accumulated depreciation	<u>(1,037,117)</u>
Total	<u><u>\$ 236,143</u></u>

Amortization of equipment under capital assets is included with depreciation expense.

**GALLATIN COUNTY, STATE OF MONTANA**  
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**Requirements to Amortize Debt**

The annual requirements to amortize all long-term debt outstanding, except compensated absences and closure/post closure care costs, as of June 30, 2015 were as follows:

For Fiscal Year Ended	G. O. Principal	G. O. Interest	Revenue Bond Principal	Revenue Bonds Interest
2016	\$ 2,557,100	\$ 1,461,943	\$ 125,000	\$ 20,625
2017	2,656,250	1,382,873	125,000	19,688
2018	2,756,250	1,308,184	125,000	17,500
2019	2,860,000	1,225,578	125,000	12,500
2020	2,985,000	1,141,497	125,000	8,438
2021-2025	14,715,000	4,178,109	62,500	3,124
2026-2030	10,650,000	1,270,766	-	-
2031-2035	230,000	18,600	-	-
Total	<u>\$ 39,409,600</u>	<u>\$ 11,987,550</u>	<u>\$ 687,500</u>	<u>\$ 81,875</u>

	Special Bonds Principal	Special Bonds Interest	Intercap Loans Principal	Intercap Loans Interest
2016	\$ 289,375	\$ 422,419	\$ 350,479	\$ 34,768
2017	400,661	400,646	374,547	25,477
2018	426,738	377,639	342,850	16,462
2019	467,858	350,747	210,629	7,490
2020	495,024	323,290	21,996	2,438
2021-2025	2,410,326	1,207,592	66,531	3,619
2026-2030	2,631,408	508,351	-	-
2031-2035	252,610	28,499	-	-
Total	<u>\$ 7,374,000</u>	<u>\$ 3,619,183</u>	<u>\$ 1,367,032</u>	<u>\$ 90,254</u>

	Capital Lease Principal	Capital Lease Interest	Grand Total
2016	\$ 792,139	\$ 22,062	\$ 4,114,093
2017	3,395	15,902	3,559,853
2018	-	-	3,650,838
2019	-	-	3,663,487
2020	-	-	3,627,020
2021-2025	-	-	17,254,357
2026-2030	-	-	13,281,408
2031-2035	-	-	482,610
Total	<u>\$ 795,534</u>	<u>\$ 37,964</u>	<u>\$ 49,633,666</u>

**GALLATIN COUNTY, STATE OF MONTANA**  
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**F. State-Wide Retirement Plans**

**General Information about the Pension Plans**

All full-time County employees are covered under one of the following retirement plans: Montana Public Employees Retirement System (PERS), Sheriffs Retirement System (SRS), or Teachers Retirement System (TRS). The plans are established by State law and administered by the State of Montana. The plans are cost-sharing multi-employer defined benefit plans that provide retirement, disability and death benefits to plan members and beneficiaries, with the amount determined by the State.

**1. Public Employee Retirement System (PERS):**

**Plan Description**

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers 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 PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP). For members that choose to join the PERS-DCRP or the MUS-RP, a percentage of the employer contributions will be used to pay down the liability of the PERS-DBRP.

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. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

**Summary of Benefits**

**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;

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

**Eligibility for benefit**

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 services;
- 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.

Vesting

- Age 55, 5 years of membership service

**GALLATIN COUNTY, STATE OF MONTANA**  
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**Monthly benefit formula**

Members hired prior to July 1, 2011:

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

Members hired on or after July 1, 2011:

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

**Guaranteed Annual Benefit Adjustment (GABA)\***

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007

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.

\*At this time, as a result of permanent injunction issued in the AMRPE vs State litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013, is pending.

Total number of members (employees) covered by benefit terms as of June 30, 2015:

- Active plan members: 28,237
- Inactive members entitled to but not yet receiving benefits or a refund:
  - Vested: 2,925
  - Non-vested: 8,839
- Inactive members and beneficiaries currently receiving benefits:
  - Service Retirements: 20,080
  - Disability Retirements: 176
  - Survivor Benefits: 425

**Overview of Contributions**

1. Rates are specified by state law for periodic employer and employee contributions  
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. Local government entities are required to contribution 8.17% of members' compensation.
  - b. Following the 2013 Legislative Session, PERS-employer contributions were temporarily increased. Effective July 1, 2013, employer contributions increased 1.0%. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The employer additional contributions including the 0.27% added in 2007 and 2009, terminates on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates.
  - c. Effective July 1, 2013, the additional employer contributions for DCRP and MUS-RP is allocated to the defined benefit plan's Plan Choice Rate unfunded liability.
  - d. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
4. Non Employer Contributions
  - a. Special Funding: The State contributes 0.1% of members' compensation on behalf of local government entities.
  - b. Not Special Funding: The State contributes from the Coal Tax Severance fund



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**Stand-Alone Statements**

The PERS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154.

CAFR information including our stand alone financial statements can be found on our website at <http://mpera.mt.gov/annualreports.shtml>.

The latest actuarial valuation and experience study can be found at our website at <http://mpera.mt.gov/actuarialvaluations.shtml>.

**Actuarial Assumptions**

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of the last actuarial experience study, dated May 2010, for the six-year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

- General Wage Growth\* 4.00%
- \*includes Inflation at 3.00%
- Merit Increases 0% to 6%
- Investment Return 7.75%
- Postretirement Benefit Increases
  - 3% for members hired prior to July 1, 2007
  - 1.5% for members hired on or after July 1, 2007

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.

\*At this time as a result of permanent injunction issued in the AMRPE vs State litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013 is pending.

- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.75%. 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. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. 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 2122. 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.

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**Target Allocations**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.50%
Real Estate	8.00%	4.50%

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return adopted by similar public sector systems, and by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

**Sensitivity Analysis**

	1.0% Decrease	Current Discount	1.0% Increase
	-6.75%	Rate	-8.75%
PERS' Net Pension Liability	\$ 1,982,274,732	\$ 1,246,010,898	\$ 625,044,646
Employer's proportion	\$ 23,096,338	\$ 14,517,810	\$ 7,282,665

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 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

**Summary of Significant Accounting Policies**

The Montana Public Employee Retirement Administration (MPERA) 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 and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, 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 when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

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**Net Pension Liability**

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 Public Employees' Retirement System (PERS). Statement 68 became effective June 30, 2015, and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows, and Deferred Outflows of resources associated with pensions.

In accordance with Statement 68, PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, local governments and school districts are 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 State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Severance Tax and interest. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer.

		Net Pension Liability as of 6/30/13	Net Pension Liability as of 6/30/14	Percent of Collective NPL
Employer Proportionate Share		\$ 18,682,191	\$ 14,517,810	1.1651430%
State of Montana Proportionate Share associated with Employer		\$ 228,138	\$ 177,285	1.4801160%
<b>Total</b>		\$ 18,910,329	\$ 14,695,095	2.6452590%

At June 30, 2015, the employer recorded a liability of \$14,517,810 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of July 1, 2014. The employer's proportion of the Net Pension Liability was based on the employer's contributions received by PERS during the measurement period July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of PERS' participating employers. At June 30, 2014, the employer's proportion was 1.165143 percent.

*Changes in actuarial assumptions and methods:* There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

*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 employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

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At June 30, 2015, the employer recognized a Pension Expense of \$1,117,635 for its proportionate share of the PERS' Pension Expense. The employer also recognized grant revenue of \$410,502 for the support provided by the State of Montana for its proportionate share of the Pension Expense that is associated with the employer.

	Pension Expense as of 6/30/14
Employer's Proportionate Share	\$ 707,133
State of Montana Proportionate share	<u>410,502</u>
	\$ 1,117,635

**Recognition of Beginning Deferred Outflow - GASB 71**

At June 30, 2015, the employer recognized a beginning deferred outflow of resources for the employers FY2014 contributions of \$1,120,248.

**Deferred Inflows and Outflows**

At June 30, 2015, the employer reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	-	3,751,163
Changes in proportion differences between employer contributions and proportionate share of contributions	-	5,373
Difference between actual and expected contributions	1,165,531	-
#Contributions paid to PERS subsequent to the measurement date - FY 2015		
<b>Total</b>	<b>\$ 1,165,531</b>	<b>\$ 3,756,536</b>

#Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	-	939,582	(939,582)
2017	-	939,582	(939,582)
2018	-	939,791	(937,791)
2019	-	-	-
Thereafter	-	-	-

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**2. Sheriffs' Retirement System (SRS):**

**Plan Description**

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**

**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.

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

**Eligibility for benefit**

20 years of membership service, regardless of age.

**Early Retirement**

Age 50, 5 years of membership service, actuarially reduced.

**Vesting**

5 years of membership service.

**Monthly benefit formula**

2.5% of HAC per year of service.

**Guaranteed Annual Benefit Adjustment (GABA)**

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

- 3% for members hired **prior to** July 1, 2007
- 1.5% for members hired **on or after** July 1, 2007

**Total number of members (employees) covered by benefit terms as of June 30, 2015:**

1. Active plan members: 1,336
2. Inactive members entitled to but not yet receiving benefits or a refund:
  - Vested: 81
  - Non-vested: 342
3. Inactive members and beneficiaries currently receiving benefits:
  - Service Retirements: 523
  - Disability Retirements: 32
  - Survivor Benefits: 22

**Overview of Contributions**

1. Rates are specified by state law for periodic employer and employee contributions.  
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 9.245% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.
3. Employer contributions to the system:
  - a. The employers are required to contribute 9.825% of members' compensation.
  - b. Effective July 1, 2013, employer contributions are required to be paid on working retiree compensation. Member contributions are not required for working retirees.

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**Stand-Alone Statements**

The SRS financial information is reported in the Public Employees' Retirement Board's *Comprehensive Annual Financial Report* for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154.

CAFR information including our stand alone financial statements can be found on our website at <http://mpera.mt.gov/annualReports.shtml>

The latest actuarial valuation and experience study can be found at our website at <http://mpera.mt.gov/actuarialValuations.asp>

**Actuarial Assumptions**

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of the last actuarial experience study, dated May 2010, for the six-year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

• General Wage Growth*	4.00%
• *includes Inflation at	3.00%
• Merit Increases	0% to 7.3%
• Investment Return	7.75%
• Postretirement Benefit Increases	
• For members hired <b>prior to</b> July 1, 2007	3.00%
• For members hired <b>on or after</b> July 1, 2007	1.50%

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.

- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.75%. 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. 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 2122. 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.

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**Target Allocations**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.5%
Real Estate	8.00%	4.50%

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return adopted by similar public sector systems, and by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

**Sensitivity Analysis**

	1.0% Decrease	Current Discount	1.0% Increase
	-6.75%	Rate	-8.75%
SRS' Net Pension Liability	\$ 87,589,281	\$ 41,617,020	\$ 3,675,904
Employer's proportion	\$ 7,078,264	\$ 3,363,154	\$ 297,057

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 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

**Summary of Significant Accounting Policies**

The Montana Public Employee Retirement Administration (MPERA) 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 and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, 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 when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

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**Net Pension Liability**

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 Sheriffs' Retirement System (SRS). Statement 68 became effective June 30, 2015, and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows, and Deferred Outflows of resources associated with pensions.

	Net Pension Liability as of 6/30/13	Net Pension Liability as of 6/30/14	Percent of Collective NPL
Employer Proportionate Share	\$ 8,629,749	\$ 3,363,154	8.0811990%

At June 30, 2015, the employer recorded a liability of \$3,363,154 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of July 1, 2014. The employer's proportion of the Net Pension Liability was based on the employer's contributions received by SRS during the measurement period July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of SRS' participating employers. At June 30, 2014, the employer's proportion was 8.081199 percent.

**Changes in actuarial assumptions and methods:** Because the beginning and ending values are based on the same actuarial valuation and there were no significant events, no liability gains or losses due to experience are reported this year. The plan did report a change in assumption because there was an increase in the discount rate resulting in a decrease in the Liability. There were no other changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

**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 employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

**Pension Expense**

	Pension Expense as of 6/30/14
Employer's Proportionate Share	\$187,898

At June 30, 2015, the employer recognized a Pension Expense of \$187,898 for its proportionate share of the SRS' Pension Expense.

**Recognition of Beginning Deferred Outflow - GASB 71**

At June 30, 2015, the employer recognized a beginning deferred outflow of resources for the employers FY2014 contributions of \$540,577.



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**Deferred Inflows and Outflows**

At June 30, 2015, the employer reported its proportionate share of SRS' deferred outflows of resources and deferred inflows of resources related to SRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	3,431,666
Difference between projected and actual earnings on pension plan investments	-	1,482,250
Changes in proportion differences between employer contributions and proportionate share of contributions	-	-
Difference between actual and expected contributions	563,399	-
#Contributions paid to SRS subsequent to the measurement date - FY 2015		
<b>Total</b>	<b>\$ 563,399</b>	<b>\$ 4,913,916</b>

#Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	-	942,488	(942,488)
2017	-	942,488	(942,488)
2018	-	942,488	(942,488)
2019	-	571,983	(571,983)
Thereafter	-	571,983	(571,983)

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**4. Teachers' Retirement System (TRS):**

**A. Net Pension Liability**

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, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. 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.

	Net Pension Liability as of 6/30/13	Net Pension Liability as of 6/30/14	Percent of Collective NPL
Employer Proportionate Share	\$ 90,423	\$ 78,229	0.0051%
State of Montana Proportionate Share associated with Employer	<u>65,002</u>	<u>56,237</u>	<u>0.0037%</u>
<b>Total</b>	\$ 155,425	\$ 134,466	0.0088%

At June 30, 2015, the employer recorded a liability of \$78,229 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2014, the employer's proportion was 0.0051 percent.

***Changes in actuarial assumptions and methods:*** The following changes in assumptions or other inputs that affected the measurement of the Total Pension Liability have been made since the previous measurement date.

- 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 expensed 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.
  - 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.

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- 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.

**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 employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

**Pension Expense**

	1.0% Decrease	Current Discount	1.0% Increase
	-6.75%	Rate	-8.75%
Employer's proportion of Net Pension Liability	\$ 108,685	\$ 78,229	\$ 52,498

At June 30, 2015, the employer recognized a Pension Expense of \$7,530 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$3,149 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

**Recognition of Beginning Deferred Outflow – GASB 71**

At June 30, 2015, the employer recognized a beginning deferred outflow of resources for the employers FY 2014 contributions of \$5,430.

**Deferred Inflows and Outflows**

At June 30, 2015, the employer reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 774	\$ -
Changes in assumptions	1,773	-
Difference between projected and actual earnings on pension plan investments	-	12,117
Changes in proportion differences between employer contributions and proportionate share of contributions	-	1,575
Difference between actual and expected contributions	5,536	-
#Contributions paid to TRS subsequent to the measurement date - FY 2015		
<b>Total</b>	<b>\$ 8,083</b>	<b>\$ 13,692</b>

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\*Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	849	3,423	(2,574)
2017	849	3,423	(2,574)
2018	849	3,423	(2,574)
2019	-	3,423	(3,423)
Thereafter	-	-	-

**Plan Description**

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](http://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)
- 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  $1.6667 \times \text{AFC} \times \text{years of creditable service}$ )

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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 calculated prior to July 1, 2013, was 1.5% of the benefit payable as of January 1st. Effective July 1, 2013, the GABA to be calculated for Tier One and Tier Two members 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. The legislative enactment that allows for reduction of the GABA for Tier One members is currently being litigated. A temporary restraining order requires continued calculation of the GABA at the full 1.5% rate for Tier One members pending resolution of the litigation.

**Overview of 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 State and University Employers. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1<sup>st</sup> 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.

The tables below show the history of legislated contributions for TRS members, employers, and the State.

	<b><u>School District and Other Employers</u></b>			Total Employee
	<u>Members</u>	<u>Employers</u>	<u>General Fund</u>	<u>&amp; 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%

**TRS Stand-Alone Statements**

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

**GALLATIN COUNTY, STATE OF MONTANA**  
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**JUNE 30, 2015**

**Actuarial Assumptions**

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of July 1, 2014. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2014, valuation were based on the results of the last actuarial experience study, dated May 1, 2014. Among those assumptions were the following:

- Total Wage Increases\* 8.51%
- Investment Return 7.75%
- Price Inflation 3.25%
- Postretirement Benefit Increases 1.50%  
(starting three years after retirement)
- Mortality among contributing members, service retired members, and beneficiaries
  - 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.
  - 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
  - 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.

\*Total Wage Increases include 4.00% general wage increase assumption and 4.51% merit and longevity increases.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. 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 2116. 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**

Asset Class	Target Asset Allocation	Real Rate of Return <u>Arithmetic Basis</u>
Broad U.S. Equity	36.00%	4.80%
Broad International Equity	18.00%	6.05%
Private Equity	12.00%	8.50%
Intermediate Bonds	23.40%	1.50%
Core Real Estate	4.00%	4.50%
High Yield Bonds	2.60%	3.25%
Non-Core Real Estate	4.00%	7.50%
	<u>100.00%</u>	

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared every four years for the System. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated May 1, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans, which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

**Sensitivity Analysis**

	1.0% Decrease	Current Discount	1.0% Increase
	-6.75%	Rate	-8.75%
Employer's proportion of Net Pension Liability	\$ 108,685	\$ 78,229	\$ 52,498

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 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

**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>.

**Local Retirement Plans**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all County employees permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**H. Restricted Cash and Investments**

The following restricted cash and investments were held by the County as of June 30, 2015. These amounts are reported within the cash and investment account on fund financial statements.

<u>Description</u>	<u>Amount</u>
Gallatin County Landfill	\$ 2,161,138
Total	<u>\$ 2,161,138</u>

**I. Restricted Fund Balance and Net Position**

Restricted Fund Balance shows amounts that are not appropriate for expenditure or are legally restricted for specific uses. The restricted net position in the proprietary funds is for landfill closure and post closure requirements and loan document requirements.

**J. Landfill Closure and Post Closure Care Costs**

State and Federal laws and regulations require that the 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. The County has elected to use the Local Government Financial Test to satisfy its financial responsibility under RCRA Subtitle D. Although closure and post closure 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 post closure 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. Independent engineering reports show that there is a \$1,963,477 liability for landfill closure and post closure as of June 30, 2015, which represents the cumulative amount reported to date based on the use of 54.01% of the estimated capacity of the landfill. The remaining estimated cost of closure and post closure care will be recognized as the remaining estimated capacity is filled.

The estimated total current cost of closure and post closure care remaining to be recognized is \$1,672,223. These amounts are based on what it should cost to perform all closure and post closure in 2015. The County expects to close the landfill in the year 2026. Actual costs may be higher due to inflation, changed in technology or changes in regulations. The engineering report estimates 11.3 years of life remaining from the date of the report – August 2015.

The County is required by State and Federal laws and regulations to demonstrate financial assurance for the costs of closure and post closure care costs. For the fiscal year ended June 30, 2015 the County demonstrated its ability to handle closure and post closure care costs by passing the local government financial test.

**K. Services Provided to Other Governments**

The 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 is 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.



**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**L. 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. Commercial policies transferring all risks of loss, except for relatively small deductible amounts are purchased for property and content damage, employees' torts, and professional liabilities. Employee medical insurance is provided for by purchase of re-insurance, and given the lack of coverage available; the County has minimal coverage for potential losses from environmental damages. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County has contracted with Traveler's insurance company for workers' compensation coverage. The County budgets and pays the required premium on a quarterly basis.

**Self-Insurance**

The County provides medical insurance coverage for its employees via a partially self-insured plan. 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. Incurred but unreported claims at June 30, 2015, were estimated by the plan administrator. Claims payable as of yearend are:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning claims payable	\$ 270,391	\$ 248,793	\$ 321,733
Claims incurred	4,591,793	5,681,109	4,713,940
Claims paid	<u>(4,613,391)</u>	<u>(5,608,169)</u>	<u>(4,801,373)</u>
Ending claims payable	<u>\$ 248,793</u>	<u>\$ 321,733</u>	<u>\$ 234,300</u>

**M. Commitments**

At June 30, 2015, the County had approximate contractual commitments of the following:

Department	Amount	Project
Finance	\$ 2,108	Engineering and Design of new No FG entrance & road
Finance	7,584	FG Access Road Improvements
Open Lands/Parks	920	Engineering & Surveying LWCF Grt Imp Regional Park
Open Lands/Parks	3,000	Engineering & Surveying for Dog Park
Open Lands/Parks	15,502	Construction of 3 Ponds at 13 Acre Dog Park
Commission	76,200	External Audit FY15 & FY16
Road	806,779	Graders
Grants	3,464	CTEP Manhattan Trail
Grants	5,008	CTEP Three Forks Milwaukee Park
Grants	7,603	CTEP Three Forks West Side Trail
Grants	10,797	CTEP Anderson School Phase II
Grants	17,942	CDBG Big Sky - PAR
Grants	150,555	TIGERIV
Facilities	24,137	L&J Light Poles
Facilities	8,452	GMC Light Poles
Facilities	2,700	Install Electrical Meters
Facilities	4,360	Relocate Generator
Facilities	2,710	Parking Lot Striping
Facilities	994	Concrete Repairs L&J/CH
Facilities	33,968	Connect Circuits to Backup Generator
Facilities	13,038	Victim Witness Carpet
GIS	<u>6,145</u>	Mapping/Website Development
	<u>\$1,203,966</u>	

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Future appropriations will fund these commitments as work is performed.

**N. Other Postemployment Benefits (OPEB)**

As required by Governmental Accounting Standards Board (GASB) Statement No. 45 Other Postemployment Benefits, the County has calculated and included a post employment benefit liability in 2015.

**Plan Description**

The County maintains a single-employer self-insured medical plan. The plan currently provides defined healthcare insurance benefits for eligible employees, retirees, spouses and dependants, included are medical, dental, and vision benefits. Participation is elected by the retiree at the time of retirement. Benefit provisions are set annually by the Board of County Commissioners and may be revoked or altered at any time.

**Funding Policy**

The County provides no direct subsidy to the health insurance premiums for retirees. Retirees pay for the entire cost of the health insurance premium. Eligible retired employees include former fulltime and certain other employees. As of June 2015 there are 34 retirees and/or survivors enrolled for the employer's sponsored health insurance plan.

**Annual OPEB Cost Obligation.**

The County's other postemployment benefit (OPEB) cost (expense) is calculated based on the entry age normal actuarial cost method. Under this method, each individual's present value of benefits is levelly spread over the individual's projected earnings or service from entry age to assumed exit age. Typically, when this method is introduced, it tends to produce lower initial contributions while still keeping contributions level as a percentage of payroll.

Annual required contribution	\$ 314,947
Interest on net OPEB obligation	37,343
Adjustment to annual required contribution	<u>(51,261)</u>
Annual OPEB cost (expense)	301,029
Contributions made	<u>(149,913)</u>
Increase in net OPEB obligation	151,116
Net OPEB obligation - beginning of year	<u>1,493,723</u>
Net OPEB obligation - end of year	<u><u>\$ 1,644,839</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the years ended June 30, 2015, 2014, 2013, and 2012 are as follows:

Fiscal Year	Annual	% of	Net OPEB
Ended	OPEB Cost	Annual OPEB Cost Contributed	Obligation
2012	\$ 201,457	35.6%	\$ 960,268
2013	\$ 444,924	38.2%	\$ 1,234,879
2014	\$ 467,768	44.7%	\$ 1,493,723
2015	\$ 301,029	49.8%	\$ 1,644,839

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$2,843,552 all of which was unfunded. There are no assets set aside to fund these benefits as the County funds post-retirement health insurance benefits on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the Plan) was \$18,165,236 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.7%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the note to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

1. Retirement and Disability rates are assumed to follow the RP2000 Healthy Combined Table with mortality improvements by Scale AA on a fully generational basis.
2. Turnover rates were based on specific gender age data assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.
3. Amortization factor for a 30-year, level percent of pay amortization on an open basis, using a 2.5 percent discount rate and a 4 percent payroll growth assumption.
4. Healthcare cost trend rate (HCCTR) was based on projections from historical rates of the County. A rate of 5.0% initially in 2015 with variations of 1% to 3.0% in subsequent years.

**O. Pending Litigation**

The County is involved in numerous lawsuits, which arise out of the normal course of operations. Management intends to vigorously defend each claim, and does not believe any of the outstanding cases have a probable negative outcome. It is reasonably possible that some of the cases may result in future losses, but, based on the complexities of each case, it is not possible to determine or reasonably estimate any losses as of the date of this financial report.

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**P. PRIOR PERIOD RESTATEMENT**

For the year ended June 30, 2015, the County has implemented GASB Statement No. 68, regarding the reporting of pension liabilities, and GASB Statement No. 71, regarding reporting of pension contributions subsequent to the measurement date of June 30, 2014. Accordingly, beginning net position has been restated to reflect the previously unrecognized pension liability as follows:

	<u>Govt Activities</u>	<u>Bus-Type Activities</u>
Beginning net position, as originally reported	\$ 145,025,890	\$ 21,903,160
Pension liability, June 30, 2013	(23,592,497)	(3,815,136)
Retirement contributions in 2014	<u>1,437,551</u>	<u>228,704</u>
Net restatement	<u>(22,154,946)</u>	<u>(3,586,432)</u>
Beginning net position, as restated	<u>\$ 122,870,944</u>	<u>\$ 18,316,728</u>

As the pension expense, deferred inflows and deferred outflows related to the net pension liability were not available for the period ending June 30, 2014, the prior year financial statements have not been restated.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Gallatin County, State of Montana  
General  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 6,886,260	\$ 6,886,260	\$ 7,295,040	\$ 408,780
General Business Licenses	900	900	850	(50)
Federal Grants	19,276	19,276	12,755	(6,521)
Federal Payments in Lieu of Tx	-	-	291	291
State Grants	79,159	79,159	93,093	13,934
State Shared Revenue	855,000	855,000	1,012,670	157,670
Local Grants	-	-	9,577	9,577
Charges for Services	1,872,263	1,903,563	2,468,674	565,111
Fines & Forfeitures	462,500	462,500	514,245	51,745
Miscellaneous	85,300	85,300	108,800	23,500
Investment Earnings	75,000	75,000	164,900	89,900
Total revenues	10,335,658	10,366,958	11,680,895	1,313,937
<b>EXPENDITURES</b>				
Current:				
General Government-Personnel	7,422,152	7,432,227	7,127,363	304,864
General Government-Operations	1,723,778	1,719,950	1,409,095	310,855
Public Safety-Personnel	633,351	633,351	627,211	6,140
Public Safety-Operations	433,615	457,615	452,207	5,408
Public Works-Personnel	541,781	541,781	451,207	90,574
Public Works-Operations	621,729	621,729	417,217	204,512
Social & Economic Services-Personnel	45,232	45,232	45,318	(86)
Social & Economic Services-Operations	353,154	353,154	351,690	1,464
Total current	11,774,792	11,805,039	10,881,308	923,731
Debt service:				
Principal retirement	192,316	192,316	192,100	216
Interest	32,000	32,000	30,969	1,031
Total debt service	224,316	224,316	223,069	1,247
Capital outlay:				
General Government-Capital Expenditures	47,066	48,119	3,865	44,254
Public Works-Capital Expenditures	245,114	245,114	46,604	198,510
Social & Econ Serv-Capital Expenditures	2,500	2,500	-	2,500
Total capital outlay	294,680	295,733	50,469	245,264
Total expenditures	12,293,788	12,325,088	11,154,846	1,170,242
expenditures	(1,958,130)	(1,958,130)	526,049	2,484,179
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	(428,995)	(428,995)	(531,195)	(102,200)
Transfers In	517,824	517,824	905,440	387,616
Total other financing source (uses)	88,829	88,829	374,245	285,416
Net change in fund balances	(1,869,301)	(1,869,301)	900,294	2,769,595
Fund balances - beginning	4,002,938	4,002,938	4,002,938	-
Fund balances - ending	\$ 2,133,637	\$ 2,133,637	\$ 4,903,232	\$ 2,769,595

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
PUBLIC SAFETY FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 11,605,640	\$ 11,605,640	\$ 12,276,202	\$ 670,562
Other licenses	30,000	30,000	33,800	3,800
Federal Grants	40,000	48,000	70,906	22,906
State Grants	10,000	15,000	38,762	23,762
State Shared Revenue	523,500	523,500	666,648	143,148
Local Grants	-	53,447	47,351	(6,096)
Charges for Services	1,533,266	2,868,060	2,929,634	61,574
Fines & Forfeitures	45,000	45,000	45,719	719
Miscellaneous	15,000	15,000	24,882	9,882
Investment Earnings	11,000	11,000	44,623	33,623
Contributions/Donations	-	6,617	22,056	15,439
Total revenues	13,813,406	15,221,264	16,200,583	979,319
EXPENDITURES				
Current:				
Public Safety-Personnel	10,200,633	10,282,096	10,079,400	202,696
Public Safety-Operations	3,767,027	3,829,528	3,855,434	(25,906)
Total current	13,967,660	14,111,624	13,934,834	176,790
Debt service:				
Principal retirement	162,731	162,731	156,314	6,417
Interest	7,000	7,000	10,155	(3,155)
Total debt service	169,731	169,731	166,469	3,262
Capital outlay:				
Public Safety-Capital Expenditures	794,843	1,176,967	419,676	757,291
Total capital outlay	794,843	1,176,967	419,676	757,291
Total expenditures	14,932,234	15,458,322	14,520,979	937,343
expenditures	(1,118,828)	(237,058)	1,679,604	1,916,662
OTHER FINANCING SOURCES (USES)				
Transfers Out	(921,085)	(1,756,597)	(771,491)	985,106
Transfers In	-	-	23,715	23,715
Sale of Fixed Assets			4,547	4,547
Total other financing source (uses)	(921,085)	(1,756,597)	(743,229)	1,013,368
Net change in fund balances	(2,039,913)	(1,993,655)	936,375	2,930,030
Fund balances - beginning	4,106,709	4,106,709	4,106,709	1,916,662
Fund balances - ending	\$ 2,066,796	\$ 2,113,054	\$ 5,043,084	\$ 4,846,692

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
RID Maintenance  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 1,279,621	\$ 1,279,621	\$ 1,162,008	\$ (117,613)
Investment Earnings	-	-	60,666	60,666
Total revenues	<u>1,279,621</u>	<u>1,279,621</u>	<u>1,222,674</u>	<u>(56,947)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works-Operations	<u>6,517,121</u>	<u>6,517,121</u>	<u>437,965</u>	<u>6,079,156</u>
Total expenditures	<u>6,517,121</u>	<u>6,517,121</u>	<u>437,965</u>	<u>6,079,156</u>
expenditures	<u>(5,237,500)</u>	<u>(5,237,500)</u>	<u>784,709</u>	<u>6,022,209</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	(17,219)	(17,219)
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(17,219)</u>	<u>(17,219)</u>
Net change in fund balances	(5,237,500)	(5,237,500)	767,490	6,004,990
Fund balances - beginning	<u>5,239,369</u>	<u>5,239,369</u>	<u>5,239,369</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,869</u>	<u>\$ 1,869</u>	<u>\$ 6,006,859</u>	<u>\$ 6,004,990</u>

The notes to financial statements are an integral part of this statement.



**Gallatin County, State of Montana**  
**EMPLOYEE GROUP BENEFITS PLAN - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
**REQUIRED SUPPLEMENTAL SCHEDULES**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio %</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll %</u>
	(a)	(b)	(b-a)	(a/b)	( c )	(b-a/c)
June 30, 2009	\$ -	\$ 3,731,698	\$ 3,731,698	0.00%	\$ 17,387,654	21.50%
June 30, 2011	\$ -	\$ 1,477,499	\$ 1,477,499	0.00%	\$ 16,393,964	9.01%
June 30, 2012	\$ -	\$ 1,606,557	\$ 1,606,557	0.00%	\$ 17,049,722	9.40%
June 30, 2013	\$ -	\$ 3,751,564	\$ 3,751,564	0.00%	\$ 17,094,644	22.50%
June 30, 2014	\$ -	\$ 4,007,572	\$ 4,007,572	0.00%	\$ 17,778,430	22.50%
June 30, 2015	\$ -	\$ 2,843,552	\$ 2,843,552	0.00%	\$ 18,165,236	15.65%

This schedule is based on the actuarial values as of July 1, 2008, January 1, 2012 and January 1, 2015.  
Information for prior years is not available.

The notes to financial statements are an integral part of this statement.

**Gallatin County, State of Montana**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**REQUIRED SUPPLEMENTAL SCHEDULES**

**Schedule of Proportionate Share of the Net Pension Liability:**

	<b>PERS</b>	<b>SRS</b>	<b>TRS</b>
Employer's proportion of the net pension liability	\$ 14,517,810	\$ 3,363,154	\$ 78,229
Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)	1.16514%	8.08120%	0.0051%
State of MT proportionate share of the net pension liability associated with the Employer	\$ 177,285	\$ -	\$ 56,237
<b>Total</b>	\$ 14,695,095	\$ 3,363,154	\$ 134,466
Employer's covered-employee payroll	\$ 13,189,401	\$ 5,226,324	\$ 64,108
Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage)	110.0750%	64.35%	122.03%
Plan fiduciary net position as a percentage of the total pension liability	79.9000%	87.24%	70.36%

**Schedule of Contributions:**

	<b>PERS</b>	<b>SRS</b>	<b>TRS</b>
Contractually required contributions	\$ 1,165,531	\$ 563,399	\$ 5,536
Contributions in relation to the contractually required contributions	\$ 1,165,531	\$ 563,399	\$ 5,536
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 13,441,636	\$ 5,569,930	\$ 64,595
Contributions of covered-employee payroll (as a percentage)	8.6711%	10.1150%	8.5703%

The notes to financial statements are an integral part of this statement.

## **OTHER SUPPLEMENTARY INFORMATION**

**COMBINING and INDIVIDUAL  
FUND STATEMENTS  
and  
SCHEDULES:  
NONMAJOR SPECIAL REVENUE FUNDS**

## GALLATIN COUNTY, STATE OF 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 library's 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 – Track 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  
Bridger Canyons  
Sypes Canyon #2  
Bear Canyon  
Big Sky

So. Gallatin Canyon  
Hyalite  
Wheatland  
Springhill  
Zoning #1

Hebgen Lake  
Sypes Canyon #1  
Zoning #6  
Trail Creek  
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 and the Western Montana Mental Health Association contract.

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

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 city's or town's.

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 fund expenditures for the increases in premiums 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.

Churchill	Logan
Riverside	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 Way	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	

## **GALLATIN COUNTY, STATE OF MONTANA**

### **SPECIAL REVENUE FUNDS**

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 the control of mosquitoes within the two districts.

#### **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.

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.

## **GALLATIN COUNTY, STATE OF MONTANA**

### **SPECIAL REVENUE FUNDS**

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

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. These moneys receipt of grant revenue from the state to the City / County Health Department used as required by the grant.

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.

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 sent to the state and other dedicated revenue used to support the construction of the Airport I-90 Interchange.

#### 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.

#### Public Safety Grants (continued)

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



## **GALLATIN COUNTY, STATE OF MONTANA**

### **SPECIAL REVENUE FUNDS**

#### **Public Safety Grants (continued)**

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.

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 Forfeitures 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.

## **GALLATIN COUNTY, STATE OF MONTANA**

### **SPECIAL REVENUE FUNDS**

#### **Other Special Revenue Funds – (continued)**

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2110 ROAD	2110 ROAD IMPACT FEE FUND	2140 NOXIOUS WEED	2153 PREDATORY ANIMAL	2160 FAIR FUND	2200 MOSQUITO DISTRICT
<b>ASSETS</b>						
Cash & Investments	\$ 3,290,370	\$ 73,480	\$ 184,157	\$ 3,475	\$ 237,369	\$ 153,689
Real Estate	73,161	-	3,479	26	9,116	3,945
Personal	50,505	-	854	9,675	7,402	838
Protested	213	-	-	-	17	-
Accounts Receivable-Net	3,149	-	3,159	-	32,916	-
Due from Advance to Other fund	-	-	-	-	-	-
Inventories	69,614	-	-	-	-	-
Total assets	<u>\$ 3,487,012</u>	<u>\$ 73,480</u>	<u>\$ 191,649</u>	<u>\$ 13,176</u>	<u>\$ 286,820</u>	<u>\$ 158,472</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 126,016	\$ -	\$ 3,490	\$ 7,013	\$ 65,824	\$ 12,928
Other Accrued Payables	68,370	-	10,034	-	32,618	4,636
Due To Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-	-
Unavailable Revenue, Property	123,879	-	7,493	9,701	16,535	4,783
Total liabilities	<u>318,265</u>	<u>-</u>	<u>21,017</u>	<u>16,714</u>	<u>114,977</u>	<u>22,347</u>
<b>FUND BALANCES:</b>						
Inventories	69,614	-	-	-	-	-
Restricted for:						
Grants	742,129	-	-	-	-	-
Debt Service Obligations	-	-	-	-	-	-
RID Debt Service	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Committed for:						
Contractual Obligations	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	2,357,004	73,480	170,632	-	-	-
Public Health	-	-	-	(3,538)	-	136,125
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	171,843	-
Housing & Community	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-
Assigned For:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
<b>Total Fund Balance</b>	<u>3,168,747</u>	<u>73,480</u>	<u>170,632</u>	<u>(3,538)</u>	<u>171,843</u>	<u>136,125</u>
Total Liabilities and fund balances (deficits)	<u>\$ 3,487,012</u>	<u>\$ 73,480</u>	<u>\$ 191,649</u>	<u>\$ 13,176</u>	<u>\$ 286,820</u>	<u>\$ 158,472</u>

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2210 PARK	2220 LIBRARY	2250 COUNTY WIDE PLANNING	2251 ZONING DISTRICTS	2255 OPEN SPACE LANDS FUND	2260 COUNTY EMERGENCY
<b>ASSETS</b>						
Cash & Investments	\$ 15,913	\$ 374,590	\$ 259,161	\$ 614	\$ 497,820	\$ 6,325
Real Estate	-	22,256	4,914	1,677	-	-
Personal	-	15,567	3,756	-	-	-
Protested	-	65	-	-	-	-
Accounts Receivable-Net	-	-	-	-	7,325	-
Due from Advance to Other fund	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 15,913</u>	<u>\$ 412,478</u>	<u>\$ 267,831</u>	<u>\$ 2,291</u>	<u>\$ 505,145</u>	<u>\$ 6,325</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,809	\$ -	\$ 149	\$ -	\$ 104	\$ -
Other Accrued Payables	-	-	-	-	3,935	(22)
Due To Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Unearned Grant Revenue	460	-	-	-	-	-
Unavailable Revenue, Property	-	37,888	8,670	1,677	-	-
Total liabilities	<u>2,269</u>	<u>37,888</u>	<u>8,819</u>	<u>1,677</u>	<u>4,039</u>	<u>(22)</u>
<b>FUND BALANCES:</b>						
Inventories	-	-	-	-	-	-
Restricted for:						
Grants	-	-	-	-	-	-
Debt Service Obligations	-	-	-	-	-	-
RID Debt Service	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
General Government	-	-	-	-	-	6,347
Public Safety	-	-	-	-	-	-
Committed for:						
Contractual Obligations	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-
General Government	-	-	259,012	614	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	13,644	374,590	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation of Natural	-	-	-	-	501,106	-
Assigned For:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
Total Fund Balances	<u>13,644</u>	<u>374,590</u>	<u>259,012</u>	<u>614</u>	<u>501,106</u>	<u>6,347</u>
Total Liabilities and fund balances (deficits)	<u>\$ 15,913</u>	<u>\$ 412,478</u>	<u>\$ 267,831</u>	<u>\$ 2,291</u>	<u>\$ 505,145</u>	<u>\$ 6,325</u>

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2270 HEALTH	2361 HISTORIC PRESERVATI	2372 PERMISSIVE MEDICAL	2390 DRUG FORFEITURES	2393 CLK & REC. RECORDS	2395 ECONOMIC DEVELOPMENT
<b>ASSETS</b>						
Cash & Investments	\$ 1,081,804	\$ 3,588	\$ 113,947	\$ 3,777	\$ 110,488	\$ 365,564
Real Estate	30,871	-	33,110	-	-	-
Personal	25,340	-	26,675	-	-	-
Protested	59	-	64	-	-	-
Accounts Receivable-Net	63,765	-	-	-	-	-
Due from Advance to Other fund	56,083	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 1,257,922</u>	<u>\$ 3,588</u>	<u>\$ 173,796</u>	<u>\$ 3,777</u>	<u>\$ 110,488</u>	<u>\$ 365,564</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 6,224	\$ -	\$ -	\$ -	\$ 564	\$ -
Other Accrued Payables	78,182	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-	-
Unavailable Revenue, Property	124,910	-	59,850	-	-	-
Total liabilities	<u>209,316</u>	<u>-</u>	<u>59,850</u>	<u>-</u>	<u>564</u>	<u>-</u>
<b>FUND BALANCES:</b>						
Inventories	-	-	-	-	-	-
Restricted for:						
Grants	71,860	-	-	-	-	365,564
Debt Service Obligations	-	-	-	-	-	-
RID Debt Service	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Committed for:						
Contractual Obligations	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-
General Government	-	-	113,946	-	109,924	-
Public Safety	-	-	-	3,777	-	-
Public Works	-	-	-	-	-	-
Public Health	976,746	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	3,588	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation of Natural	-	-	-	-	-	-
Assigned For:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
Total Fund Balances	<u>1,048,606</u>	<u>3,588</u>	<u>113,946</u>	<u>3,777</u>	<u>109,924</u>	<u>365,564</u>
Total Liabilities and fund balances (deficits)	<u>\$ 1,257,922</u>	<u>\$ 3,588</u>	<u>\$ 173,796</u>	<u>\$ 3,777</u>	<u>\$ 110,488</u>	<u>\$ 365,564</u>

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2398 COUNTY FIRE CONTROL	2420 SR-CHURCHILL LIGHT DISTRICT	2790 WATER QUALITY DISTRICT	2800 ALCOHOL REHABILITATION	2820 GAS TAX
<b>ASSETS</b>					
Cash & Investments	\$ 38,173	\$ 28,364	\$ 260,262	\$ -	\$ 583,514
Real Estate	-	328	2,234	-	-
Personal	-	-	26,364	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	402	-	2,528	26,528	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 38,575</u>	<u>\$ 28,692</u>	<u>\$ 291,388</u>	<u>\$ 26,528</u>	<u>\$ 583,514</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 259	\$ 772	\$ 20	\$ 26,528	\$ -
Other Accrued Payables	-	-	7,272	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Unavailable Revenue, Property	-	328	28,598	-	-
Total liabilities	<u>259</u>	<u>1,100</u>	<u>35,890</u>	<u>26,528</u>	<u>-</u>
<b>FUND BALANCES:</b>					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	3	-	583,514
Debt Service Obligations	-	-	-	-	-
RID Debt Service	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	38,316	-	-	-	-
Public Works	-	27,592	-	-	-
Public Health	-	-	255,495	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community	-	-	-	-	-
Conservation of Natural	-	-	-	-	-
Assigned For:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total Fund Balances	<u>38,316</u>	<u>27,592</u>	<u>255,498</u>	<u>-</u>	<u>583,514</u>
Total Liabilities and fund balances (deficits)	<u>\$ 38,575</u>	<u>\$ 28,692</u>	<u>\$ 291,388</u>	<u>\$ 26,528</u>	<u>\$ 583,514</u>

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2830 JUNK VEHICLE	2836 MTUPP	2840 NOXIOUS WEED	2850 911 EMERGENCY	2859 COUNTY LAND INFORMATION	2865 DNRC GRANT - COMPOST	2870 COMMUNITY CORRECTIONS
<b>ASSETS</b>							
Cash & Investments	\$ 97,159	\$ -	\$ 8,332	\$ 1,057,784	\$ 13,182	\$ 70	\$ -
Real Estate	-	-	-	-	-	-	-
Personal	-	-	-	-	-	-	-
Protested	-	-	-	-	-	-	-
Accounts Receivable-Net	-	14,913	-	1,012	-	-	32,762
Due from Advance to Other fund	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 97,159</u>	<u>\$ 14,913</u>	<u>\$ 8,332</u>	<u>\$ 1,058,796</u>	<u>\$ 13,182</u>	<u>\$ 70</u>	<u>\$ 32,762</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ 418	\$ 2,441	\$ -	\$ 8,129	\$ -	\$ -	\$ 17,484
Other Accrued Payables	632	2,555	-	-	-	-	-
Due To Other Funds	-	10,627	-	-	-	-	15,278
Deferred Revenue	-	-	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Total liabilities	<u>1,050</u>	<u>15,623</u>	<u>-</u>	<u>8,129</u>	<u>-</u>	<u>-</u>	<u>32,762</u>
<b>FUND BALANCES:</b>							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Grants	96,109	(710)	8,332	1,050,667	-	70	-
Debt Service Obligations	-	-	-	-	-	-	-
RID Debt Service	-	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-	-
General Government	-	-	-	-	13,182	-	-
Public Safety	-	-	-	-	-	-	-
Committed for:							
Contractual Obligations	-	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-	-
Conservation of Natural	-	-	-	-	-	-	-
Assigned For:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Development	-	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-	-
Total Fund Balances	96,109	(710)	8,332	1,050,667	13,182	70	-
Total Liabilities and fund balances (deficits)	<u>\$ 97,159</u>	<u>\$ 14,913</u>	<u>\$ 8,332</u>	<u>\$ 1,058,796</u>	<u>\$ 13,182</u>	<u>\$ 70</u>	<u>\$ 32,762</u>

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2871 S.W. REGIONAL YOUTH. DET. FACILITY	2900 PILT	2902 FOREST RECEIPTS - TITLE III	2915 OPERATION FREEDOM FROM FEAR	2916 COPS GRANT	2917 VICTIM WITNESS
<b>ASSETS</b>						
Cash & Investments	\$ -	\$ 3,444,402	\$ 1,620	\$ -	\$ 14	\$ -
Real Estate	-	-	-	-	-	-
Personal	-	-	-	-	-	-
Protested	-	-	-	-	-	-
Accounts Receivable-Net	65,293	8,113	-	5,351	-	43,799
Due from Advance to Other fund	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 65,293</u>	<u>\$ 3,452,515</u>	<u>\$ 1,620</u>	<u>\$ 5,351</u>	<u>\$ 14</u>	<u>\$ 43,799</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 58,780	\$ 44,856	\$ -	\$ 156	\$ -	\$ 416
Other Accrued Payables	-	19,296	-	3,452	-	9,187
Due To Other Funds	2,321	-	-	1,743	-	34,196
Deferred Revenue	-	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-	-
Unavailable Revenue, Property	-	-	-	-	-	-
Total liabilities	<u>61,101</u>	<u>64,152</u>	<u>-</u>	<u>5,351</u>	<u>-</u>	<u>43,799</u>
<b>FUND BALANCES:</b>						
Inventories	-	-	-	-	-	-
Restricted for:						
Grants	4,192		1,620		14	-
Debt Service Obligations	-	-	-	-	-	-
RID Debt Service	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Committed for:						
Contractual Obligations	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-
General Government	-	3,388,363	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation of Natural	-	-	-	-	-	-
Assigned For:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Development	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
Total Fund Balances	<u>4,192</u>	<u>3,388,363</u>	<u>1,620</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total Liabilities and fund balances (deficits)	<u>\$ 65,293</u>	<u>\$ 3,452,515</u>	<u>\$ 1,620</u>	<u>\$ 5,351</u>	<u>\$ 14</u>	<u>\$ 43,799</u>



Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2918 LAW ENFORCEMEN T BLOCK	2927 HOMELAND SECURITY GRANT	2940 CDBG GRANTS	2950 D.U.I. PROGRAM	2968 CANCER PREVENTION	2969 PUB HEALTH EMERGENCY PREPAR	2971 W.I.C.
<b>ASSETS</b>							
Cash & Investments	\$ -	\$ -	\$ -	\$ 119,719	\$ 257,945	\$ 197,330	\$ -
Real Estate	-	-	-	-	-	-	-
Personal	-	-	-	-	-	-	-
Protested	-	-	-	-	-	-	-
Accounts Receivable-Net	-	1,660	23,584	-	72,620	22,570	50,013
Due from Advance to Other fund	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ 23,584</u>	<u>\$ 119,719</u>	<u>\$ 330,565</u>	<u>\$ 219,900</u>	<u>\$ 50,013</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ -	\$ 12,973	\$ 2,199	\$ 1,741	\$ 739	\$ 1,081
Other Accrued Payables	-	-	-	981	2,757	2,752	9,677
Due To Other Funds	-	1,660	10,364	-	-	-	34,535
Deferred Revenue	-	-	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	40,948	-	-
Unavailable Revenue,	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,660</u>	<u>23,337</u>	<u>3,180</u>	<u>45,446</u>	<u>3,491</u>	<u>45,293</u>
<b>FUND BALANCES:</b>							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Grants	-	-	247	116,539	285,020	216,409	3,843
Debt Service Obligations	-	-	-	-	-	-	-
RID Debt Service	-	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Committed for:							
Contractual Obligations	-	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	99	-	876
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-	-
Conservation of Natural	-	-	-	-	-	-	-
Assigned For:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>247</u>	<u>116,539</u>	<u>285,119</u>	<u>216,409</u>	<u>4,719</u>
Total Liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ 23,584</u>	<u>\$ 119,719</u>	<u>\$ 330,565</u>	<u>\$ 219,900</u>	<u>\$ 50,012</u>

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2015

	2973 MATERNAL CHILD	2976 COMMUNICABLE DISEASE FUND	2979 FEDERAL HEALTH GRANT	2987 TIGER GRANT FUND	2990 DRUG ENFORCEMEN	Total Nonmajor Special revenue funds
<b>ASSETS</b>						
Cash & Investments	\$ 13,943	\$ 194,377	\$ -	\$ 290,117	\$ 4,746	\$ 13,387,184
Real Estate	-	-	-	-	-	185,117
Personal	-	-	-	-	-	166,976
Protested	-	-	-	-	-	418
Accounts Receivable-Net	68,026	85,017	49,229	68,537	5,712	757,983
Due from Advance to Other fund	-	-	-	-	-	56,083
Inventories	-	-	-	-	-	69,614
Total assets	<u>\$ 81,969</u>	<u>\$ 279,394</u>	<u>\$ 49,229</u>	<u>\$ 358,654</u>	<u>\$ 10,458</u>	<u>\$ 14,623,375</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 13,085	\$ 25,499	\$ 36,364	\$ 62,911	\$ 2,605	\$ 543,577
Other Accrued Payables	12,105	6,516	1,944	-	6,338	283,217
Due To Other Funds	-	-	10,921	-	-	121,645
Deferred Revenue	-	-	-	-	-	500,776
Unearned Grant Revenue	25,791	9,265	-	-	-	-
Unavailable Revenue, Property	-	-	-	-	-	-
Total liabilities	<u>50,981</u>	<u>41,280</u>	<u>49,229</u>	<u>62,911</u>	<u>8,943</u>	<u>1,449,215</u>
<b>FUND BALANCES:</b>						
Inventories	-	-	-	-	-	69,614
Restricted for:						
Grants	-	-	-	-	-	3,896,592
Debt Service Obligations	27,812	27,615	-	295,743	-	-
RID Debt Service	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
General Government	-	-	-	-	-	19,529
Public Safety	-	-	-	-	-	-
Committed for:						
Contractual Obligations	-	-	-	-	-	-
RID Maintenance	-	-	-	-	-	-
General Government	-	-	-	-	-	3,871,859
Public Safety	-	-	-	-	-	43,608
Public Works	-	-	-	-	-	2,628,708
Public Health	-	-	-	-	1,515	1,579,478
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	3,176	210,499	-	-	-	563,665
Housing & Community	-	-	-	-	-	-
Conservation of Natural	-	-	-	-	-	501,106
Assigned For:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community	-	-	-	-	-	-
Conservation Of Natural	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
Total Fund Balances	<u>30,988</u>	<u>238,114</u>	<u>-</u>	<u>295,743</u>	<u>1,515</u>	<u>13,174,159</u>
Total Liabilities and fund balances (deficits)	<u>\$ 81,969</u>	<u>\$ 279,394</u>	<u>\$ 49,229</u>	<u>\$ 358,654</u>	<u>\$ 10,458</u>	<u>\$ 14,623,374</u>

Gallatin County, State of Montana  
2110 ROAD  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 2,894,772	\$ 2,894,772	\$ 2,945,383	\$ 50,611
Federal Payments in Lieu of Tx	275,000	275,000	269,868	(5,132)
State Grants	3,500	3,500	3,753	253
State Shared Revenue	650,000	650,000	729,694	79,694
Charges for Services	14,000	14,000	39,843	25,843
Investment Earnings	10,000	10,000	19,205	9,205
Sale of Fixed Assets	-	-	13,670	13,670
Total revenues	<u>3,847,272</u>	<u>3,847,272</u>	<u>4,021,416</u>	<u>174,144</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	3,297,341	3,534,621	2,117,813	1,416,808
Personnel	1,292,883	1,292,883	1,277,930	14,953
Total current	<u>4,590,224</u>	<u>4,827,504</u>	<u>3,395,743</u>	<u>1,431,761</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Public Works-Capital Expenditure	957,000	719,720	109,666	610,054
Total capital outlay	<u>957,000</u>	<u>719,720</u>	<u>109,666</u>	<u>610,054</u>
Total expenditures	<u>5,547,224</u>	<u>5,547,224</u>	<u>3,505,409</u>	<u>2,041,815</u>
Excess (deficiency) of revenues over expenditures	<u>(1,699,952)</u>	<u>(1,699,952)</u>	<u>516,007</u>	<u>2,215,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(94,743)	(94,743)	(67,341)	27,402
Transfers In	38,204	38,204	38,204	-
Total other financing source (uses)	<u>(56,539)</u>	<u>(56,539)</u>	<u>(29,137)</u>	<u>27,402</u>
Net change in fund balances	(1,756,491)	(1,756,491)	486,870	2,243,361
Fund balances - beginning	2,681,877	2,681,877	2,681,877	-
Fund balances - ending	<u>\$ 925,386</u>	<u>\$ 925,386</u>	<u>\$ 3,168,747</u>	<u>\$ 2,243,361</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2111 ROAD IMPACT FEE FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Miscellaneous	\$ 52,403	\$ 52,403	\$ 29,861	\$ (22,542)
Investment Earnings	180	180	421	241
Total revenues	52,583	52,583	30,282	(22,301)
<b>EXPENDITURES</b>				
Current:				
Public Works	98,314	98,314	1,425	96,889
Total current	98,314	98,314	1,425	96,889
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	98,314	98,314	1,425	96,889
Excess (deficiency) of revenues over expenditures	(45,731)	(45,731)	28,857	74,588
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(45,731)	(45,731)	28,857	74,588
Fund balances - beginning	44,623	44,623	44,623	-
Fund balances - ending	\$ (1,108)	\$ (1,108)	\$ 73,480	\$ 74,588

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2140 NOXIOUS WEED  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 5,810	\$ 5,810
State Shared Revenue	15,000	15,000	25,384	10,384
Charges for Services	5,300	5,300	10,259	4,959
Miscellaneous	1,785	1,785	1,786	1
Sale of Fixed Assets	-	1,700	2,000	300
Total revenues	22,085	23,785	45,239	21,454
<b>EXPENDITURES</b>				
Current:				
Public Works	349,078	349,078	307,086	41,992
Total current	349,078	349,078	307,086	41,992
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Works	26,939	28,639	7,569	21,070
Total capital outlay	26,939	28,639	7,569	21,070
Total expenditures	376,017	377,717	314,655	63,062
Excess (deficiency) of revenues over expenditures	(353,932)	(353,932)	(269,416)	84,516
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	269,457	269,457	271,157	1,700
Total other financing source (uses)	269,457	269,457	271,157	1,700
Net change in fund balances	(84,475)	(84,475)	1,741	86,216
Fund balances - beginning	168,891	168,891	168,891	-
Fund balances - ending	\$ 84,416	\$ 84,416	\$ 170,632	\$ 86,216

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2153 PREDATORY CONTROL FOR SHEEP  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 13,382	\$ 13,382	\$ 5,809	\$ (7,573)
Total revenues	13,382	13,382	5,809	(7,573)
<b>EXPENDITURES</b>				
Current:				
Public Health	13,912	13,912	12,452	1,460
Total current	13,912	13,912	12,452	1,460
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	13,912	13,912	12,452	1,460
Excess (deficiency) of revenues over expenditures	(530)	(530)	(6,643)	(6,113)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(530)	(530)	(6,643)	(6,113)
Fund balances - beginning	3,105	3,105	3,105	-
Fund balances - ending	\$ 2,575	\$ 2,575	\$ (3,538)	\$ (6,113)

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2160 FAIR FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 416,661	\$ 416,661	\$ 427,040	\$ 10,379
State Shared Revenue	32,800	32,800	37,766	4,966
Charges for Services	339,800	339,800	276,459	(63,341)
Miscellaneous	295,400	300,400	299,105	(1,295)
Proc. Notes/Loans/Intercap.	65,577	65,577	65,577	-
Total revenues	1,150,238	1,155,238	1,105,947	(49,291)
<b>EXPENDITURES</b>				
Current:				
Culture & Recreation	1,013,546	1,011,890	962,431	49,459
Total current	1,013,546	1,011,890	962,431	49,459
Debt service:				
Interest	-	-	37,690	(37,690)
Principal retirement	65,190	65,190	45,000	20,190
Total debt service	65,190	65,190	82,690	(17,500)
Capital outlay:				
Culture & Recreation	93,656	100,312	67,874	32,438
Culture & Rec-Capital Expend	6,010	6,010	-	6,010
Total capital outlay	99,666	106,322	67,874	38,448
Total expenditures	1,178,402	1,183,402	1,112,995	70,407
expenditures	(28,164)	(28,164)	(7,048)	21,116
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(17,500)	(17,500)	(1,700)	15,800
Transfers In	5,690	5,690	5,690	-
Total other financing source (uses)	(11,810)	(11,810)	3,990	15,800
Net change in fund balances	(39,974)	(39,974)	(3,058)	36,916
Fund balances - beginning	174,901	174,901	174,901	-
Fund balances - ending	\$ 134,927	\$ 134,927	\$ 171,843	\$ 36,916

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2200 MOSQUITO DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 88,800	\$ 43,054	\$ 54,501	\$ 11,447
State Shared Revenue	5,000	5,000	8,716	3,716
Investment Earnings	400	400	596	196
Total revenues	94,200	48,454	63,813	15,359
<b>EXPENDITURES</b>				
Current:				
Public Health	144,121	144,121	70,653	73,468
Total current	144,121	144,121	70,653	73,468
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Health	95,000	49,254	1,956	47,298
Total capital outlay	95,000	49,254	1,956	47,298
Total expenditures	239,121	193,375	72,609	120,766
Excess (deficiency) of revenues over expenditures	(144,921)	(144,921)	(8,796)	136,125
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(144,921)	(144,921)	(8,796)	136,125
Fund balances - beginning	144,921	144,921	144,921	-
Fund balances - ending	\$ -	\$ -	\$ 136,125	\$ 136,125

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
2210 PARK  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 2,454	\$ 2,454
Total revenues	-	-	2,454	2,454
<b>EXPENDITURES</b>				
Current:				
Culture & Recreation	13,736	13,736	25,515	(11,779)
Total current	13,736	13,736	25,515	(11,779)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Culture & Recreation	14,000	15,205	1,455	13,750
Total capital outlay	14,000	15,205	1,455	13,750
Total expenditures	27,736	28,941	26,970	1,971
Excess (deficiency) of revenues over expenditures	(27,736)	(28,941)	(24,516)	4,425
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,500	11,705	21,000	9,295
Total other financing source (uses)	10,500	11,705	21,000	9,295
Net change in fund balances	(17,236)	(17,236)	(3,516)	13,720
Fund balances - beginning	17,160	17,160	17,160	-
Fund balances - ending	\$ (76)	\$ (76)	\$ 13,644	\$ 13,720

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2220 LIBRARY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 882,998	\$ 882,998	\$ 897,884	\$ 14,886
State Shared Revenue	52,000	52,000	72,864	20,864
Total revenues	934,998	934,998	970,748	35,750
<b>EXPENDITURES</b>				
Current:				
Culture & Recreation	823,647	823,647	828,206	(4,559)
Total current	823,647	823,647	828,206	(4,559)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Culture & Recreation	83,399	83,399	-	83,399
Total capital outlay	83,399	83,399	-	83,399
Total expenditures	907,046	907,046	828,206	78,840
expenditures	27,952	27,952	142,542	114,590
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(83,830)	(83,830)	(83,830)	-
Total other financing source (uses)	(83,830)	(83,830)	(83,830)	-
Net change in fund balances	(55,878)	(55,878)	58,712	114,590
Fund balances - beginning	315,878	315,878	315,878	-
Fund balances - ending	\$ 260,000	\$ 260,000	\$ 374,590	\$ 114,590

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2250 COUNTY WIDE PLANNING  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 168,954	\$ 168,954	\$ 175,194	\$ 6,240
State Shared Revenue	10,500	10,500	15,601	5,101
Total revenues	179,454	179,454	190,795	11,341
<b>EXPENDITURES</b>				
Current:				
General Government	279,090	279,090	30,025	249,065
Total current	279,090	279,090	30,025	249,065
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	279,090	279,090	30,025	249,065
expenditures	(99,636)	(99,636)	160,770	260,406
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(132,000)	(132,000)	(120,000)	12,000
Total other financing source (uses)	(132,000)	(132,000)	(120,000)	12,000
Net change in fund balances	(231,636)	(231,636)	40,770	272,406
Fund balances - beginning	218,242	218,242	218,242	-
Fund balances - ending	\$ (13,394)	\$ (13,394)	\$ 259,012	\$ 272,406

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2251 ZONING DISTRICTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 43,421	\$ 43,421	\$ 42,946	\$ (475)
State Shared Revenue	-	-	98	98
Miscellaneous	-	-	170	170
Total revenues	43,421	43,421	43,214	(207)
<b>EXPENDITURES</b>				
Current:				
General Government	16,435	16,435	15,614	821
Housing & Community Development	27,097	27,097	27,097	-
Total current	43,532	43,532	42,711	821
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	43,532	43,532	42,711	821
Excess (deficiency) of revenues over expenditures	(111)	(111)	503	614
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(111)	(111)	503	614
Fund balances - beginning	111	111	111	-
Fund balances - ending	\$ -	\$ -	\$ 614	\$ 614

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2255 OPEN SPACE LANDS FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Other licenses	\$ 95,000	\$ 95,000	\$ 85,250	\$ (9,750)
Investment Earnings	3,000	3,000	4,012	1,012
Total revenues	98,000	98,000	89,262	(8,738)
<b>EXPENDITURES</b>				
Current:				
Conservation of Natural Resour	573,061	573,061	109,607	463,454
Total current	573,061	573,061	109,607	463,454
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	573,061	573,061	109,607	463,454
expenditures	(475,061)	(475,061)	(20,345)	454,716
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(10,500)	(10,500)	(21,000)	(10,500)
Total other financing source (uses)	(10,500)	(10,500)	(21,000)	(10,500)
Net change in fund balances	(485,561)	(485,561)	(41,345)	444,216
Fund balances - beginning	542,451	542,451	542,451	-
Fund balances - ending	\$ 56,890	\$ 56,890	\$ 501,106	\$ 444,216

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2260 COUNTY EMERGENCY FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Public Safety	\$ 6,545	\$ 6,545	\$ -	\$ 6,545
Total current	6,545	6,545	-	6,545
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	6,545	6,545	-	6,545
Excess (deficiency) of revenues over expenditures	(6,545)	(6,545)	-	6,545
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(6,545)	(6,545)	-	6,545
Fund balances - beginning	6,347	6,347	6,347	-
Fund balances - ending	\$ (198)	\$ (198)	\$ 6,347	\$ 6,545

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2270 HEALTH  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 1,402,222	\$ 1,402,222	\$ 1,444,609	\$ 42,387
General Business Licenses	97,500	97,500	168,527	71,027
Federal Grants	-	1,300	2,315	1,015
State Shared Revenue	96,500	96,500	132,868	36,368
Local Grants	-	80,000	21,129	(58,871)
Charges for Services	203,171	203,171	228,438	25,267
Miscellaneous	-	-	220	220
Total revenues	1,799,393	1,880,693	1,998,106	117,413
<b>EXPENDITURES</b>				
Current:				
Public Health	1,866,478	1,914,902	1,759,895	155,007
Total current	1,866,478	1,914,902	1,759,895	155,007
Debt service:				
Principal retirement	120,095	120,095	-	120,095
Total debt service	120,095	120,095	-	120,095
Capital outlay:				
Public Health	266,195	266,195	18,113	248,082
Total capital outlay	266,195	266,195	18,113	248,082
Total expenditures	2,252,768	2,301,192	1,778,008	523,184
Excess (deficiency) of revenues over expenditures	(453,375)	(420,499)	220,098	640,597
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(54,785)	(54,785)	(109,017)	(54,232)
Transfers In	17,883	17,883	17,883	-
Total other financing source (uses)	(36,902)	(36,902)	(91,134)	(54,232)
Net change in fund balances	(490,277)	(457,401)	128,964	586,365
Fund balances - beginning	919,642	919,642	919,642	-
Fund balances - ending	\$ 429,365	\$ 462,241	\$ 1,048,606	\$ 586,365

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2361 HISTORIC PRESERVATION  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Charges for Services	\$ 3,000	\$ 3,000	\$ 1,420	\$ (1,580)
Miscellaneous	1,800	1,800	1,000	(800)
Total revenues	4,800	4,800	2,420	(2,380)
<b>EXPENDITURES</b>				
Current:				
Culture & Recreation	14,966	14,966	8,998	5,968
Total current	14,966	14,966	8,998	5,968
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	14,966	14,966	8,998	5,968
expenditures	(10,166)	(10,166)	(6,578)	3,588
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,000	5,000	5,000	-
Total other financing source (uses)	5,000	5,000	5,000	-
Net change in fund balances	(5,166)	(5,166)	(1,578)	3,588
Fund balances - beginning	5,166	5,166	5,166	-
Fund balances - ending	\$ -	\$ -	\$ 3,588	\$ 3,588

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
2372 PERMISSIVE MEDICAL LEVY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,542,841	\$ 1,542,841	\$ 1,567,514	\$ 24,673
State Shared Revenue	10,000	10,000	14,274	4,274
Total revenues	1,552,841	1,552,841	1,581,788	28,947
<b>EXPENDITURES</b>				
Current:				
General Government	5,682	5,682	5,682	-
Total current	5,682	5,682	5,682	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	5,682	5,682	5,682	-
Excess (deficiency) of revenues over expenditures	1,547,159	1,547,159	1,576,106	28,947
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,647,217)	(1,647,217)	(1,647,217)	-
Total other financing source (uses)	(1,647,217)	(1,647,217)	(1,647,217)	-
Net change in fund balances	(100,058)	(100,058)	(71,111)	28,947
Fund balances - beginning	185,057	185,057	185,057	-
Fund balances - ending	\$ 84,999	\$ 84,999	\$ 113,946	\$ 28,947

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2390 DRUG FORFEITURES  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Fines & Forfeitures	\$ 15,500	\$ 15,500	\$ 10,755	\$ (4,745)
Total revenues	15,500	15,500	10,755	(4,745)
<b>EXPENDITURES</b>				
Current:				
Public Safety	725	725	549	176
Total current	725	725	549	176
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	725	725	549	176
Excess (deficiency) of revenues over expenditures	14,775	14,775	10,206	(4,569)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(38,248)	(38,248)	(20,000)	18,248
Total other financing source (uses)	(38,248)	(38,248)	(20,000)	18,248
Net change in fund balances	(23,473)	(23,473)	(9,794)	13,679
Fund balances - beginning	13,571	13,571	13,571	-
Fund balances - ending	\$ (9,902)	\$ (9,902)	\$ 3,777	\$ 13,679

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2393 CLK & REC. RECORDS PRESERVATION  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Charges for Services	\$ 130,000	\$ 130,000	\$ 143,895	\$ 13,895
Total revenues	130,000	130,000	143,895	13,895
<b>EXPENDITURES</b>				
Current:				
General Government	129,722	129,722	89,056	40,666
Total current	129,722	129,722	89,056	40,666
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
General Government	87,000	87,000	29,373	57,627
Total capital outlay	87,000	87,000	29,373	57,627
Total expenditures	216,722	216,722	118,429	98,293
expenditures	(86,722)	(86,722)	25,466	112,188
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(86,722)	(86,722)	25,466	112,188
Fund balances - beginning	84,458	84,458	84,458	-
Fund balances - ending	\$ (2,264)	\$ (2,264)	\$ 109,924	\$ 112,188

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2395 ECONOMIC DEVELOPMENT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Housing & Community Development	\$ 366,643	\$ 366,643	\$ 1,079	\$ 365,564
Total current	366,643	366,643	1,079	365,564
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	366,643	366,643	1,079	365,564
expenditures	(366,643)	(366,643)	(1,079)	365,564
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(366,643)	(366,643)	(1,079)	365,564
Fund balances - beginning	366,643	366,643	366,643	-
Fund balances - ending	\$ -	\$ -	\$ 365,564	\$ 365,564

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2398 COUNTY FIRE CONTROL PERMIT FND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Other licenses	\$ 20,000	\$ 20,000	\$ 27,382	\$ 7,382
Charges for Services	-	-	1,521	1,521
Total revenues	20,000	20,000	28,903	8,903
<b>EXPENDITURES</b>				
Current:				
Public Safety	46,355	46,355	16,287	30,068
Total current	46,355	46,355	16,287	30,068
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	46,355	46,355	16,287	30,068
Excess (deficiency) of revenues over expenditures	(26,355)	(26,355)	12,616	38,971
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(26,355)	(26,355)	12,616	38,971
Fund balances - beginning	25,700	25,700	25,700	-
Fund balances - ending	\$ (655)	\$ (655)	\$ 38,316	\$ 38,971

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2420 SR-CHURCHILL LIGHT DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 20,101	\$ 20,101	\$ 20,276	\$ 175
State Shared Revenue	-	-	6	6
Total revenues	20,101	20,101	20,282	181
<b>EXPENDITURES</b>				
Current:				
Public Works	38,300	38,300	21,078	17,222
Total current	38,300	38,300	21,078	17,222
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	38,300	38,300	21,078	17,222
Excess (deficiency) of revenues over expenditures	(18,199)	(18,199)	(796)	17,403
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(18,199)	(18,199)	(796)	17,403
Fund balances - beginning	28,388	28,388	28,388	-
Fund balances - ending	\$ 10,189	\$ 10,189	\$ 27,592	\$ 17,403

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2790 WATER QUALITY DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 242,534	\$ 242,534	\$ 235,839	\$ (6,695)
Federal Grants	22,300	22,300	3	(22,297)
Charges for Services	30,000	47,000	44,787	(2,213)
Miscellaneous	300	300	1,451	1,151
Investment Earnings	400	400	1,902	1,502
Total revenues	<u>295,534</u>	<u>312,534</u>	<u>283,982</u>	<u>(28,552)</u>
<b>EXPENDITURES</b>				
Current:				
Public Health	322,066	286,553	205,967	80,586
Conservation of Natural Resources	23,602	-	-	-
Total current	<u>345,668</u>	<u>286,553</u>	<u>205,967</u>	<u>80,586</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Public Health	-	2,800	-	2,800
Public Health-Capital Expend	27,460	100,775	-	100,775
Total capital outlay	<u>27,460</u>	<u>103,575</u>	<u>-</u>	<u>103,575</u>
Total expenditures	<u>373,128</u>	<u>390,128</u>	<u>205,967</u>	<u>184,161</u>
expenditures	<u>(77,594)</u>	<u>(77,594)</u>	<u>78,015</u>	<u>155,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(77,594)	(77,594)	78,015	155,609
Fund balances - beginning	177,483	177,483	177,483	-
Fund balances - ending	<u>\$ 99,889</u>	<u>\$ 99,889</u>	<u>\$ 255,498</u>	<u>\$ 155,609</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2800 ALCOHOL REHABILITATION  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
State Shared Revenue	\$ 120,000	\$ 224,844	\$ 224,844	\$ -
Total revenues	120,000	224,844	224,844	-
<b>EXPENDITURES</b>				
Current:				
Public Health	120,000	224,844	224,844	-
Total current	120,000	224,844	224,844	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	120,000	224,844	224,844	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
2820 GAS TAX  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
State Shared Revenue	\$ 319,340	\$ 319,340	\$ 315,588	\$ (3,752)
Total revenues	319,340	319,340	315,588	(3,752)
<b>EXPENDITURES</b>				
Current:				
Public Works	894,897	894,897	252,284	642,613
Total current	894,897	894,897	252,284	642,613
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	894,897	894,897	252,284	642,613
Excess (deficiency) of revenues over expenditures	(575,557)	(575,557)	63,304	638,861
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(575,557)	(575,557)	63,304	638,861
Fund balances - beginning	520,210	520,210	520,210	-
Fund balances - ending	\$ (55,347)	\$ (55,347)	\$ 583,514	\$ 638,861

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2830 JUNK VEHICLE  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
State Shared Revenue	\$ 14,138	\$ 14,138	\$ 13,508	\$ (630)
Total revenues	14,138	14,138	13,508	(630)
<b>EXPENDITURES</b>				
Current:				
Public Works	68,310	68,310	28,795	39,515
Total current	68,310	68,310	28,795	39,515
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	68,310	68,310	28,795	39,515
Excess (deficiency) of revenues over expenditures	(54,172)	(54,172)	(15,287)	38,885
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(56,595)	(56,595)	-	56,595
Total other financing source (uses)	(56,595)	(56,595)	-	56,595
Net change in fund balances	(110,767)	(110,767)	(15,287)	95,480
Fund balances - beginning	111,396	111,396	111,396	-
Fund balances - ending	\$ 629	\$ 629	\$ 96,109	\$ 95,480

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2836 MTUPP  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
State Grants	\$ 89,613	\$ 89,613	\$ 82,053	\$ (7,560)
Total revenues	89,613	89,613	82,053	(7,560)
<b>EXPENDITURES</b>				
Current:				
Public Health	89,613	89,613	82,763	6,850
Total current	89,613	89,613	82,763	6,850
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	89,613	89,613	82,763	6,850
Excess (deficiency) of revenues over expenditures	-	-	(710)	(710)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	(710)	(710)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ (710)	\$ (710)

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2840 NOXIOUS WEED TRUST FUND GRANTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 8,237	\$ -	\$ -	\$ -
State Grants	7,500	7,500	7,500	-
Total revenues	15,737	7,500	7,500	-
<b>EXPENDITURES</b>				
Current:				
Public Works	12,664	4,427	1,942	2,485
Total current	12,664	4,427	1,942	2,485
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Works	11,646	11,646	5,799	5,847
Total capital outlay	11,646	11,646	5,799	5,847
Total expenditures	24,310	16,073	7,741	8,332
Excess (deficiency) of revenues over expenditures	(8,573)	(8,573)	(241)	8,332
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(8,573)	(8,573)	(241)	8,332
Fund balances - beginning	8,573	8,573	8,573	-
Fund balances - ending	\$ -	\$ -	\$ 8,332	\$ 8,332

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2850 911 EMERGENCY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
State Shared Revenue	\$ 600,000	\$ 600,000	\$ 659,264	\$ 59,264
Investment Earnings	-	-	7,323	7,323
Total revenues	600,000	600,000	666,587	66,587
<b>EXPENDITURES</b>				
Current:				
Unassigned				
Public Safety	699,613	698,538	479,812	218,726
Total current	699,613	698,538	479,812	218,726
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Safety	961,621	962,696	171,922	790,774
Total capital outlay	961,621	962,696	171,922	790,774
Total expenditures	1,661,234	1,661,234	651,734	1,009,500
Excess (deficiency) of revenues over expenditures	(1,061,234)	(1,061,234)	14,853	1,076,087
<b>OTHER FINANCING SOURCES</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(1,061,234)	(1,061,234)	14,853	1,076,087
Fund balances - beginning	1,035,814	1,035,814	1,035,814	-
Fund balances - ending	\$ (25,420)	\$ (25,420)	\$ 1,050,667	\$ 1,076,087

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2859 COUNTY LAND INFORMATION FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Charges for Services	\$ 25,000	\$ 25,000	\$ 31,454	\$ 6,454
Investment Earnings	-	-	170	170
Total revenues	25,000	25,000	31,624	6,624
<b>EXPENDITURES</b>				
Current:				
General Government	1,496	1,496	1,445	51
Total current	1,496	1,496	1,445	51
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	1,496	1,496	1,445	51
Excess (deficiency) of revenues over expenditures	23,504	23,504	30,179	6,675
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(30,000)	(30,000)	(30,000)	-
Total other financing source (uses)	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(6,496)	(6,496)	179	6,675
Fund balances - beginning	13,003	13,003	13,003	-
Fund balances - ending	\$ 6,507	\$ 6,507	\$ 13,182	\$ 6,675

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2865 DNRC GRANT - COMPOST FACILITY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
State Grants	\$ 27,134	\$ 27,134	\$ 19,314	\$ (7,820)
Total revenues	<u>27,134</u>	<u>27,134</u>	<u>19,314</u>	<u>(7,820)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	-	63	(63)
Public Health	<u>27,134</u>	<u>27,134</u>	<u>19,181</u>	<u>7,953</u>
Total current	<u>27,134</u>	<u>27,134</u>	<u>19,244</u>	<u>7,890</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>27,134</u>	<u>27,134</u>	<u>19,244</u>	<u>7,890</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	70	70
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 70</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2870 CRIME CONTROL  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
State Grants	\$ -	\$ 72,500	\$ 60,184	\$ (12,316)
Total revenues	-	72,500	60,184	(12,316)
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	74,688	62,417	12,271
Total current	-	74,688	62,417	12,271
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	74,688	62,417	12,271
Excess (deficiency) of revenues over expenditures	-	(2,188)	(2,233)	(45)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	2,188	2,233	45
Total other financing source (uses)	-	2,188	2,233	45
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
2871 SW REGIONAL YTH. DET. FACILITY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
State Grants	\$ 158,915	\$ 158,915	\$ 158,915	\$ -
Charges for Services	4,920	4,920	5,748	828
Total revenues	163,835	163,835	164,663	828
<b>EXPENDITURES</b>				
Current:				
Public Safety	252,209	252,209	230,857	21,352
Total current	252,209	252,209	230,857	21,352
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	252,209	252,209	230,857	21,352
Excess (deficiency) of revenues over expenditures	(88,374)	(88,374)	(66,194)	22,180
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	81,553	81,553	66,212	(15,341)
Total other financing source (uses)	81,553	81,553	66,212	(15,341)
Net change in fund balances	(6,821)	(6,821)	18	6,839
Fund balances - beginning	4,174	4,174	4,174	-
Fund balances - ending	\$ (2,647)	\$ (2,647)	\$ 4,192	\$ 6,839

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2900 PILT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Payments in Lieu of Tx	\$ -	\$ -	\$ 1,482,262	\$ 1,482,262
Charges for Services	100	100	87	(13)
Total revenues	100	100	1,482,349	1,482,249
<b>EXPENDITURES</b>				
Current:				
General Government	1,064,647	1,064,647	529,362	535,285
Public Safety	105,000	105,000	82,491	22,509
Public Works	10,000	10,000	-	10,000
Social & Economic Services	95,000	95,000	63,740	31,260
Public Safety				
Total current	1,274,647	1,274,647	675,593	599,054
Debt service:				
Interest	13,175	13,175	58,531	(45,356)
Principal retirement	962,564	962,564	161,886	800,678
Total debt service	975,739	975,739	220,417	755,322
Capital outlay:				
General Government	499,962	499,962	11,165	488,797
Total capital outlay	499,962	499,962	11,165	488,797
Total expenditures	2,750,348	2,750,348	907,175	1,843,173
Excess (deficiency) of revenues over expenditures	(2,750,248)	(2,750,248)	575,174	3,325,422
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(223,000)	(223,000)	(480,750)	(257,750)
Total other financing source (uses)	(223,000)	(223,000)	(480,750)	(257,750)
Net change in fund balances	(2,973,248)	(2,973,248)	94,424	3,067,672
Fund balances - beginning	3,293,939	3,293,939	3,293,939	-
Fund balances - ending	\$ 320,691	\$ 320,691	\$ 3,388,363	\$ 3,067,672

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2902 FOREST RECEIPTS - TITLE III  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	\$ 1,620	\$ 1,620	\$ 1,620	\$ -
Fund balances - ending	\$ 1,620	\$ 1,620	\$ 1,620	\$ -

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2915 OPERATION FREEDOM FROM FEAR  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 49,613	\$ 49,613	\$ 49,613	\$ -
Total revenues	49,613	49,613	49,613	-
<b>EXPENDITURES</b>				
Public Safety	97,118	97,118	93,995	3,123
Total current	97,118	97,118	93,995	3,123
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	97,118	97,118	93,995	3,123
expenditures	(47,505)	(47,505)	(44,382)	3,123
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	47,505	47,505	44,382	(3,123)
Total other financing source (uses)	47,505	47,505	44,382	(3,123)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2916 COPS GRANT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 67,252	\$ 67,252	\$ 65,576	\$ (1,676)
Total revenues	67,252	67,252	65,576	(1,676)
<b>EXPENDITURES</b>				
Current:				
Public Safety	75,467	75,467	68,893	6,574
Total current	75,467	75,467	68,893	6,574
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	75,467	75,467	68,893	6,574
expenditures	(8,215)	(8,215)	(3,317)	4,898
<b>OTHER FINANCING SOURCES</b>				
Transfers In	8,214	8,214	3,331	(4,883)
Total other financing source (uses)	8,214	8,214	3,331	(4,883)
Net change in fund balances	(1)	(1)	14	15
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (1)	\$ (1)	\$ 14	\$ 15

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2917 VICTIM WITNESS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 36,000	\$ 39,525	\$ 58,645	\$ 19,120
Local Grants	68,000	68,000	84,409	16,409
Fines & Forfeitures	46,208	46,208	58,617	12,409
Total revenues	150,208	153,733	201,671	47,938
<b>EXPENDITURES</b>				
Current:				
General Government	279,155	288,633	272,070	16,563
Total current	279,155	288,633	272,070	16,563
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
General Government	-	3,325	2,918	407
Total capital outlay	-	3,325	2,918	407
Total expenditures	279,155	291,958	274,988	16,970
Excess (deficiency) of revenues over expenditures	(128,947)	(138,225)	(73,317)	64,908
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	128,207	137,485	73,317	(64,168)
Total other financing source (uses)	128,207	137,485	73,317	(64,168)
Net change in fund balances	(740)	(740)	-	740
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (740)	\$ (740)	\$ -	\$ 740

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2918 LAW ENFORCEMENT BLOCK GRANT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 4,824	\$ 4,824	\$ 1,503	\$ (3,321)
Total revenues	<u>4,824</u>	<u>4,824</u>	<u>1,503</u>	<u>(3,321)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	10,349	10,349	3,176	7,173
Total current	<u>10,349</u>	<u>10,349</u>	<u>3,176</u>	<u>7,173</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,349</u>	<u>10,349</u>	<u>3,176</u>	<u>7,173</u>
Excess (deficiency) of revenues over expenditures	<u>(5,525)</u>	<u>(5,525)</u>	<u>(1,673)</u>	<u>3,852</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,824)	(4,824)	-	4,824
Transfers In	5,482	5,482	1,673	(3,809)
Total other financing source (uses)	<u>658</u>	<u>658</u>	<u>1,673</u>	<u>1,015</u>
Net change in fund balances	(4,867)	(4,867)	-	4,867
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ (4,867)</u>	<u>\$ (4,867)</u>	<u>\$ -</u>	<u>\$ 4,867</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2927 HOMELAND SECURITY GRANT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 93,253	\$ 104,010	\$ 97,179	\$ (6,831)
Total revenues	93,253	104,010	97,179	(6,831)
<b>EXPENDITURES</b>				
Current:				
Public Safety	29,092	29,092	26,030	3,062
Total current	29,092	29,092	26,030	3,062
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Safety	73,532	83,733	72,796	10,937
Total capital outlay	73,532	83,733	72,796	10,937
Total expenditures	102,624	112,825	98,826	13,999
expenditures	(9,371)	(8,815)	(1,647)	7,168
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,274	4,274	1,647	(2,627)
Total other financing source (uses)	4,274	4,274	1,647	(2,627)
Net change in fund balances	(5,097)	(4,541)	-	4,541
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (5,097)	\$ (4,541)	\$ -	\$ 4,541

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
2940 CDBG GRANTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ -	\$ 30,000	\$ 14,656	\$ (15,344)
Local Grants	-	12,912	8,928	(3,984)
Total revenues	-	42,912	23,584	(19,328)
<b>EXPENDITURES</b>				
Current:				
General Government	-	42,912	23,584	19,328
Total current	-	42,912	23,584	19,328
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	42,912	23,584	19,328
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	247	247	247	-
Fund balances - ending	\$ 247	\$ 247	\$ 247	\$ -

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2950 D.U.I. PROGRAM  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
State Shared Revenue	\$ 40,000	\$ 40,000	\$ 59,600	\$ 19,600
Total revenues	40,000	40,000	59,600	19,600
<b>EXPENDITURES</b>				
Current:				
Public Safety	58,076	58,076	20,814	37,262
Personnel	18,888	18,888	15,112	3,776
Public Safety-Operations	790	790	-	790
Total current	77,754	77,754	35,926	41,828
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Safety	49,831	49,831	1,145	48,686
Total capital outlay	49,831	49,831	1,145	48,686
Total expenditures	127,585	127,585	37,071	90,514
Excess (deficiency) of revenues over expenditures	(87,585)	(87,585)	22,529	110,114
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(87,585)	(87,585)	22,529	110,114
Fund balances - beginning	94,010	94,010	94,010	-
Fund balances - ending	\$ 6,425	\$ 6,425	\$ 116,539	\$ 110,114

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2968 CANCER PREVENTION  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 91,327	\$ 91,327	\$ 77,171	\$ (14,156)
State Grants	-	-	34,961	34,961
Miscellaneous	250	250	39	(211)
Total revenues	91,577	91,577	112,171	20,594
<b>EXPENDITURES</b>				
Current:				
Public Health	109,720	109,720	52,078	57,642
Personnel	73,818	73,818	61,575	12,243
Total current	183,538	183,538	113,653	69,885
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Health	102,649	102,649	-	102,649
Public Health-Capital Expend	6,000	6,000	-	6,000
Total capital outlay	108,649	108,649	-	108,649
Total expenditures	292,187	292,187	113,653	178,534
Excess (deficiency) of revenues over expenditures	(200,610)	(200,610)	(1,482)	199,128
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(200,610)	(200,610)	(1,482)	199,128
Fund balances - beginning	286,601	286,601	286,601	-
Fund balances - ending	\$ 85,991	\$ 85,991	\$ 285,119	\$ 199,128

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2969 PUBLIC HEALTH EMERGENCY PREPAREDNESS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ 159,423	\$ 159,423	\$ 100,306	\$ (59,117)
Total revenues	<u>159,423</u>	<u>159,423</u>	<u>100,306</u>	<u>(59,117)</u>
<b>EXPENDITURES</b>				
Current:				
Public Health	235,918	235,918	63,085	172,833
Personnel	46,523	46,523	43,780	2,743
Total current	<u>282,441</u>	<u>282,441</u>	<u>106,865</u>	<u>175,576</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>282,441</u>	<u>282,441</u>	<u>106,865</u>	<u>175,576</u>
Excess (deficiency) of revenues over expenditures	<u>(123,018)</u>	<u>(123,018)</u>	<u>(6,559)</u>	<u>116,459</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,635	1,635	-	(1,635)
Total other financing source (uses)	<u>1,635</u>	<u>1,635</u>	<u>-</u>	<u>(1,635)</u>
Net change in fund balances	(121,383)	(121,383)	(6,559)	114,824
Fund balances - beginning	222,968	222,968	222,968	-
Fund balances - ending	<u>\$ 101,585</u>	<u>\$ 101,585</u>	<u>\$ 216,409</u>	<u>\$ 114,824</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2971 W.I.C.  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 9,919	\$ 13,463	\$ 232,098	\$ 218,635
State Grants	930	930	930	-
Miscellaneous	232,045	232,045	1,000	(231,045)
Total revenues	242,894	246,438	234,028	(12,410)
<b>EXPENDITURES</b>				
Current:				
Public Health	140,368	140,368	157,457	(17,089)
Personnel	163,522	167,066	158,106	8,960
Public Health-Operations	8,120	8,120	-	8,120
Total current	312,010	315,554	315,563	(9)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	312,010	315,554	315,563	(9)
Excess (deficiency) of revenues over expenditures	(69,116)	(69,116)	(81,535)	(12,419)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	64,655	64,655	52,142	(12,513)
Total other financing source (uses)	64,655	64,655	52,142	(12,513)
Net change in fund balances	(4,461)	(4,461)	(29,393)	(24,932)
Fund balances - beginning	34,113	34,113	34,113	-
Fund balances - ending	\$ 29,652	\$ 29,652	\$ 4,720	\$ (24,932)

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2973 MATERNAL CHILD  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ 337,128	\$ 337,128	\$ 339,830	\$ 2,702
Local Grants	8,000	8,000	-	(8,000)
Charges for Services	18,277	18,277	36,983	18,706
Total revenues	363,405	363,405	376,813	13,408
<b>EXPENDITURES</b>				
Current:				
Public Health	269,831	269,831	209,896	59,935
Personnel	188,654	188,654	191,549	(2,895)
Public Health-Personnel	2,538	2,538	-	2,538
Total current	461,023	461,023	401,445	59,578
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	461,023	461,023	401,445	59,578
Excess (deficiency) of revenues over expenditures	(97,618)	(97,618)	(24,632)	72,986
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	35,071	35,071	1,817	(33,254)
Total other financing source (uses)	35,071	35,071	1,817	(33,254)
Net change in fund balances	(62,547)	(62,547)	(22,815)	39,732
Fund balances - beginning	53,803	53,803	53,803	-
Fund balances - ending	\$ (8,744)	\$ (8,744)	\$ 30,988	\$ 39,732

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2976 COMMUNICABLE DISEASE FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ 41,394	\$ 41,394	\$ 58,481	\$ 17,087
State Shared Revenue	-	-	2,000	2,000
Charges for Services	379,500	379,500	419,217	39,717
Miscellaneous	25,000	25,000	10	(24,990)
Total revenues	<u>445,894</u>	<u>445,894</u>	<u>479,708</u>	<u>33,814</u>
<b>EXPENDITURES</b>				
Current:				
Public Health	424,296	424,296	429,306	(5,010)
Personnel	104,877	104,877	111,452	(6,575)
Total current	<u>529,173</u>	<u>529,173</u>	<u>540,758</u>	<u>(11,585)</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Public Health	100,000	100,000	-	100,000
Total capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>629,173</u>	<u>629,173</u>	<u>540,758</u>	<u>88,415</u>
Excess (deficiency) of revenues over expenditures	<u>(183,279)</u>	<u>(183,279)</u>	<u>(61,050)</u>	<u>122,229</u>
<b>OTHER FINANCING</b>				
Transfers In	8,035	8,035	41,797	33,762
Total other financing source (uses)	<u>8,035</u>	<u>8,035</u>	<u>41,797</u>	<u>33,762</u>
Net change in fund balances	(175,244)	(175,244)	(19,253)	155,991
Fund balances - beginning	257,367	257,367	257,367	-
Fund balances - ending	<u>\$ 82,123</u>	<u>\$ 82,123</u>	<u>\$ 238,114</u>	<u>\$ 155,991</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2979 FEDERAL HEALTH GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Federal Grants	\$ -	\$ 539,597	\$ 49,229	\$ (490,368)
Total revenues	-	539,597	49,229	(490,368)
<b>EXPENDITURES</b>				
Current:				
Public Health	-	237,440	49,229	188,211
Total current	-	237,440	49,229	188,211
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	237,440	49,229	188,211
Excess (deficiency) of revenues over expenditures	-	302,157	-	(302,157)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	302,157	-	(302,157)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 302,157	\$ -	\$ (302,157)

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
2987 TIGER GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ -	\$ -	\$ 2,736,698	\$ 2,736,698
Local Grants	2,736,698	2,736,698	124,271	(2,612,427)
Investment Earnings	2,000	2,000	1,974	(26)
Total revenues	2,738,698	2,738,698	2,862,943	124,245
<b>EXPENDITURES</b>				
Current:				
General Government	80,000	80,000	124,301	(44,301)
Public Works	3,355,600	3,355,600	2,739,486	616,114
Personnel	94,500	94,500	1,600	92,900
Total current	3,530,100	3,530,100	2,865,387	664,713
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	3,530,100	3,530,100	2,865,387	664,713
Excess (deficiency) of revenues over expenditures	(791,402)	(791,402)	(2,444)	788,958
<b>OTHER FINANCING SOURCES</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(791,402)	(791,402)	(2,444)	788,958
Fund balances - beginning	300,053	300,053	298,187	(1,866)
Fund balances - ending	\$ (491,349)	\$ (491,349)	\$ 295,743	\$ 787,092

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
2990 DRUG ENFORCEMENT GRANT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ 232,518	\$ 232,518	\$ 232,518	\$ -
Fines & Forfeitures	13,133	15,015	15,015	-
Total revenues	<u>245,651</u>	<u>247,533</u>	<u>247,533</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	272,528	283,149	281,890	1,259
Personnel	109,689	109,689	110,947	(1,258)
Total current	<u>382,217</u>	<u>392,838</u>	<u>392,837</u>	<u>1</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Public Safety	-	1,882	1,882	-
Total capital outlay	<u>-</u>	<u>1,882</u>	<u>1,882</u>	<u>-</u>
Total expenditures	<u>382,217</u>	<u>394,720</u>	<u>394,719</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(136,566)</u>	<u>(147,187)</u>	<u>(147,186)</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	135,606	146,227	147,186	959
Total other financing source (uses)	<u>135,606</u>	<u>146,227</u>	<u>147,186</u>	<u>959</u>
Net change in fund balances	(960)	(960)	-	960
Fund balances - beginning	1,515	1,515	1,515	-
Fund balances - ending	<u>\$ 555</u>	<u>\$ 555</u>	<u>\$ 1,515</u>	<u>\$ 960</u>

The notes to financial statements are an integral part of this statement.

**COMBINING and INDIVIDUAL  
FUND STATEMENTS  
and  
SCHEDULES:  
NONMAJOR DEBT SERVICE FUNDS**

## GALLATIN COUNTY, STATE OF 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  
Canary Lane  
Amsterdam Road  
Bear Creek 2 & 3  
Ousal Falls Road  
Franklin Hills

Painted Hills Subd  
Hyalite Meadows  
Andesite Road  
Alder Court Lane  
Clarkston & Logan Trident  
Sourdough Creek

Meadow Subd.  
Lake Subd  
Evergreen Way  
Trail Creek Road  
Firelight

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Debt service funds  
June 30, 2015

	OPEN SPACE BOND	DETENTION CENTER BOND	INTERCAP LOAN FUND	RURAL REVOLVING	Total Nonmajor Debt service funds
<b>ASSETS</b>					
Cash & Investments	\$ 148,681	\$ 291,434	\$ 53,457	\$ 1,098,133	\$ 1,591,705
Real Estate Taxes Receivable	27,323	49,989	-	26	77,338
Personal Taxes Receivable	21,896	39,998	-	1	61,895
Protested Taxes Receivable	52	97	-	-	149
Accounts Receivable-Net	-	-	423	1,051	1,474
Due from Advance to Other fund	-	-	-	126	126
Total assets	<u>\$ 197,952</u>	<u>\$ 381,518</u>	<u>\$ 53,880</u>	<u>\$ 1,099,337</u>	<u>\$ 1,732,687</u>
<b>LIABILITIES</b>					
Other Accrued Payables	-	-	3,374	-	3,374
Total liabilities					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue, Property Taxes	<u>49,271</u>	<u>90,084</u>	<u>-</u>	<u>27</u>	<u>139,382</u>
Total Deferred Inflows of Resources	<u>49,271</u>	<u>90,084</u>	<u>3,374</u>	<u>27</u>	<u>142,756</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories	-	-	-	-	-
<b>Restricted for:</b>					
Grants	-	-	-	-	-
Debt Service Obligations	148,681	291,434	50,506	1,099,310	1,589,931.00
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
<b>Committed for:</b>					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
<b>Assigned for:</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
<b>Unassigned:</b>					
	-	-	-	-	-
<b>Total fund balance</b>	<u>148,681</u>	<u>291,434</u>	<u>50,506</u>	<u>1,099,310</u>	<u>1,589,931</u>
Total liabilities and fund balances (deficits)	<u>\$ 197,952</u>	<u>\$ 381,518</u>	<u>\$ 53,880</u>	<u>\$ 1,099,337</u>	<u>\$ 1,589,931</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
3040 OPEN SPACE BOND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 1,237,394	\$ 1,237,394	\$ 1,278,209	\$ 40,815
State Shared Revenue	10,000	10,000	13,961	3,961
Investment Earnings	-	300	4,204	3,904
Total revenues	1,247,394	1,247,694	1,296,374	48,680
<b>EXPENDITURES</b>				
Current:				
General Government	1,400	1,700	1,700	-
Total current	1,400	1,700	1,700	-
Debt service:				
Interest	322,587	322,587	322,586	1
Principal retirement	925,000	925,000	925,000	-
Total debt service	1,247,587	1,247,587	1,247,586	1
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	1,248,987	1,249,287	1,249,286	1
Excess (deficiency) of revenues over expenditures	(1,593)	(1,593)	47,088	48,681
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(1,593)	(1,593)	47,088	48,681
Fund balances - beginning	101,593	101,593	101,593	-
Fund balances - ending	\$ 100,000	\$ 100,000	\$ 148,681	\$ 48,681

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
3050 DETENTION CENTER BOND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ 2,322,192	\$ 2,322,192	\$ 2,394,957	\$ 72,765
State Shared Revenue	15,000	15,000	26,269	11,269
Investment Earnings	-	-	7,399	7,399
Total revenues	<u>2,337,192</u>	<u>2,337,192</u>	<u>2,428,625</u>	<u>91,433</u>
<b>EXPENDITURES</b>				
Current:				
General Government	350	350	350	-
Total current	<u>350</u>	<u>350</u>	<u>350</u>	<u>-</u>
Debt service:				
Interest	1,117,897	1,117,897	1,117,896	1
Principal retirement	1,260,000	1,260,000	1,260,000	-
Total debt service	<u>2,377,897</u>	<u>2,377,897</u>	<u>2,377,896</u>	<u>1</u>
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>2,378,247</u>	<u>2,378,247</u>	<u>2,378,246</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(41,055)</u>	<u>(41,055)</u>	<u>50,379</u>	<u>91,434</u>
<b>OTHER FINANCING SOURCES</b>				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(41,055)	(41,055)	50,379	91,434
Fund balances - beginning	241,055	241,055	241,055	-
Fund balances - ending	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 291,434</u>	<u>\$ 91,434</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
3205 INTERCAP LOAN FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Interest	-	-	10,958	(10,958)
Principal retirement	540,195	717,985	707,027	10,958
Total debt service	540,195	717,985	717,985	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	540,195	717,985	717,985	-
expenditures	(540,195)	(717,985)	(717,985)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	514,838	692,628	747,373	54,745
Total other financing source (uses)	514,838	692,628	747,373	54,745
Net change in fund balances	(25,357)	(25,357)	29,388	54,745
Fund balances - beginning	21,118	21,118	21,118	-
Fund balances - ending	\$ (4,239)	\$ (4,239)	\$ 50,506	\$ 54,745

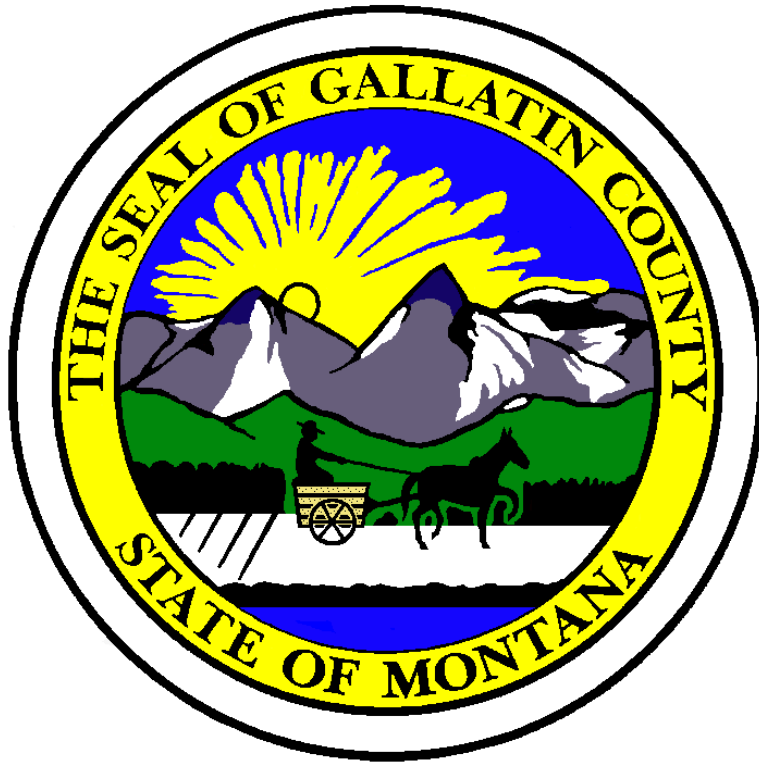
The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
3400 RURAL REVOLVING  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 6	\$ 6
Investment Earnings	15,000	15,000	8,329	(6,671)
Bonds Proceeds	-	-	38,250	38,250
Total revenues	15,000	15,000	46,585	31,585
<b>EXPENDITURES</b>				
Current:				
General Government	26,198	26,198	26,198	-
Total current	26,198	26,198	26,198	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	26,198	26,198	26,198	-
Excess (deficiency) of revenues over expenditures	(11,198)	(11,198)	20,387	31,585
<b>OTHER FINANCING</b>				
Transfers Out	(995,779)	(995,779)	-	995,779
Total other financing source (uses)	(995,779)	(995,779)	-	995,779
Net change in fund balances	(1,006,977)	(1,006,977)	20,387	1,027,364
Fund balances - beginning	1,078,923	1,078,923	1,078,923	-
Fund balances - ending	\$ 71,946	\$ 71,946	\$ 1,099,310	\$ 1,027,364

The notes to financial statements are an integral part of this statement.



**COMBINING and INDIVIDUAL  
FUND STATEMENTS  
and  
SCHEDULES:  
NONMAJOR CAPITAL PROJECTS FUNDS**

## **GALLATIN COUNTY, STATE OF MONTANA**

### **CAPITAL PROJECT 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.

Communittee Develop Block Program (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 federal grant revenues for the tracking of expenses approved by the federal granting agency.

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Capital projects funds  
June 30, 2015

	OPEN SPACE BOND PROGRAM FUND	CP - RID FUNDS	CTEP PROJECTS	INFRASTRUCTURE LOAN PROGRAM FN
<b>ASSETS</b>				
Cash & Investments	\$ 1,324,214	\$ 987,428	\$ -	\$ 24
Accounts Receivable-Net	5,231	-	14,499	-
Total assets	<u>1,329,445</u>	<u>987,428</u>	<u>14,499</u>	<u>24</u>
<b>LIABILITIES</b>				
Accounts Payable	-	66,889	9,245	-
Due To Other Funds	-	-	3,018	-
Total liabilities	<u>-</u>	<u>66,889</u>	<u>12,263</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Inventories	-	-	-	-
Restricted for:				
Grants	-	-	-	-
Debt Service Obligations	-	-	-	-
RID Debt Services	-	-	-	-
Construction Projects	1,329,445	920,539	2,236	24
General Government	-	-	-	-
Public Safety	-	-	-	-
Committed for:				
Contractual Obligations	-	-	-	-
RID Maintenance	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Assigned for:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Unassigned:	-	-	-	-
<b>Total fund balance</b>	<u>1,329,445</u>	<u>920,539</u>	<u>2,236</u>	<u>24</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,329,445</u>	<u>\$ 987,428</u>	<u>\$ 14,499</u>	<u>\$ 24</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Capital projects funds  
June 30, 2015

	JUNK VEHICLE- CAPITAL IMPROVEMT	TSEP - CONSTRUCTION FUND	CDBG - GRANTS	STIMULUS ACTIVITIES	Total Nonmajor Capital projects funds
<b>ASSETS</b>					
Cash & Investments	\$ 135,206	\$ -	\$ 9,292	\$ 748	\$ 2,456,912
Accounts Receivable-Net	-	-	-	-	19,730
Total assets	<u>135,206</u>	<u>-</u>	<u>9,292</u>	<u>748</u>	<u>2,476,642</u>
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	-	76,134
Due To Other Funds	-	-	-	-	3,018
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,152</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	-	-	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	135,206	-	9,292	748	2,397,490
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Assigned for:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Unassigned:	-	-	-	-	-
<b>Total fund balance</b>	<u>135,206</u>	<u>-</u>	<u>9,292</u>	<u>748</u>	<u>2,397,490</u>
Total liabilities and fund balances (deficits)	<u>\$ 135,206</u>	<u>\$ -</u>	<u>\$ 9,292</u>	<u>\$ 748</u>	<u>\$ 2,476,642</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4140 OPEN SPACE BOND PROGRAM FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ -	\$ 65,850	\$ 3,964	\$ (61,886)
Miscellaneous	10,000	10,000	-	(10,000)
Investment Earnings	6,891	6,891	10,774	3,883
Total revenues	16,891	82,741	14,738	(68,003)
<b>EXPENDITURES</b>				
Current:				
Culture & Recreation	-	149,403	9,782	139,621
Total current	-	149,403	9,782	139,621
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Conservation of Natural Resour	1,549,004	1,465,451	169,272	1,296,179
Total capital outlay	1,549,004	1,465,451	169,272	1,296,179
Total expenditures	1,549,004	1,614,854	179,054	1,435,800
Excess (deficiency) of revenues over expenditures	(1,532,113)	(1,532,113)	(164,316)	1,367,797
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(1,532,113)	(1,532,113)	(164,316)	1,367,797
Fund balances - beginning	1,493,761	1,493,761	1,493,761	-
Fund balances - ending	<u>\$ (38,352)</u>	<u>\$ (38,352)</u>	<u>\$ 1,329,445</u>	<u>\$ 1,367,797</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4200 CP - RID FUNDS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 2,048	\$ 2,048
Bonds Proceeds	-	-	726,750	726,750
Total revenues	-	-	728,798	728,798
<b>EXPENDITURES</b>				
Current:				
Public Works	250,752	250,752	66,889	183,863
Total current	250,752	250,752	66,889	183,863
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	250,752	250,752	66,889	183,863
Excess (deficiency) of revenues over expenditures	(250,752)	(250,752)	661,909	912,661
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,149)	(4,149)	-	4,149
Total other financing source (uses)	(4,149)	(4,149)	-	4,149
Net change in fund balances	(254,901)	(254,901)	661,909	916,810
Fund balances - beginning	258,630	258,630	258,630	-
Fund balances - ending	\$ 3,729	\$ 3,729	\$ 920,539	\$ 916,810

The notes to financial statements are an integral part of this statement.



Gallatin County, State of Montana  
4310 CTEP PROJECTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ 411,404	\$ 566,438	\$ 233,360	\$ (333,078)
Contributions/Donations	63,744	87,800	42,639	(45,161)
Total revenues	<u>475,148</u>	<u>654,238</u>	<u>275,999</u>	<u>(378,239)</u>
<b>EXPENDITURES</b>				
Current:				
Housing & Community Development	146,432	315,405	118,591	196,814
Total current	<u>146,432</u>	<u>315,405</u>	<u>118,591</u>	<u>196,814</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Housing & Community Development	353,714	363,831	167,833	220,996
Total capital outlay	<u>353,714</u>	<u>363,831</u>	<u>167,833</u>	<u>220,996</u>
Total expenditures	<u>500,146</u>	<u>679,236</u>	<u>286,424</u>	<u>417,810</u>
Excess (deficiency) of revenues over expenditures	<u>(24,998)</u>	<u>(24,998)</u>	<u>(10,425)</u>	<u>39,571</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	23,738	23,738	10,424	(13,314)
Total other financing source (uses)	<u>23,738</u>	<u>23,738</u>	<u>10,424</u>	<u>(13,314)</u>
Net change in fund balances	(1,260)	(1,260)	(1)	26,257
Fund balances - beginning	2,237	2,237	2,237	-
Fund balances - ending	<u>\$ 977</u>	<u>\$ 977</u>	<u>\$ 2,236</u>	<u>\$ 26,257</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4320 INFRASTRUCTURE LOAN PROGRAM FN  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	\$ 24	\$ 24	\$ 24	\$ -
Fund balances - ending	\$ 24	\$ 24	\$ 24	\$ -

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4331 JUNK VEHICLE-CAPITAL IMPROVEMT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 1,063	\$ 1,063
Total revenues	-	-	1,063	1,063
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public Works	134,143	134,143	-	134,143
Total capital outlay	134,143	134,143	-	134,143
Total expenditures	134,143	134,143	-	134,143
Excess (deficiency) of revenues over expenditures	(134,143)	(134,143)	1,063	135,206
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(134,143)	(134,143)	1,063	135,206
Fund balances - beginning	134,143	134,143	134,143	-
Fund balances - ending	\$ -	\$ -	\$ 135,206	\$ 135,206

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4350 TSEP - CONSTRUCTION FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4430 CDBG - GRANTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal Grants	\$ 450,000	\$ 450,000	\$ -	\$ (450,000)
Total revenues	450,000	450,000	-	(450,000)
<b>EXPENDITURES</b>				
Current:				
Housing & Community Development	450,000	450,000	-	450,000
Total current	450,000	450,000	-	450,000
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	450,000	450,000	-	450,000
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	9,292	9,292	9,292	-
Fund balances - ending	\$ 9,292	\$ 9,292	\$ 9,292	\$ -

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
4990 STIMULUS ACTIVITIES  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
General Government-Operations	748.00	748.00	-	748.00
Total current	748.00	748.00	-	748.00
Capital outlay:				
General Government-Capital Expenditures	-	-	-	-
Total capital outlay	-	-	-	-
Total expenditures	748.00	748.00	-	748.00
 Excess (deficiency) of revenues over expenditures	 (748.00)	 (748.00)	 -	 748.00
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	-	-	-	-
 Net change in fund balances	 (748.00)	 (748.00)	 -	 748.00
Fund balances - beginning	748.00	748.00	748	-
Fund balances - ending	\$ -	\$ -	\$ 748	\$ 748

The notes to financial statements are an integral part of this statement.

**COMBINING and INDIVIDUAL  
FUND STATEMENTS  
and  
SCHEDULES:  
INTERNAL SERVICE FUNDS**

## **GALLATIN COUNTY, STATE OF 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 a telephone, cell phone or computer useage charge 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 and expenses not covered by insurance company's associated with property and liability coverages.



Gallatin County, State of Montana  
Combining Statement of Net Position  
Nonmajor Internal service funds  
June 30, 2015

	MOTOR POOL	EMPLOYEE HEALTH INS. FUND	CENTRAL MAINTENANCE	COMMUNICATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Nonmajor Internal service funds
<b>ASSETS</b>							
Current assets:							
Cash & Investments	\$ 46,828	\$ 2,707,052	\$ 1,061,741	\$ 630,679	\$ 164,089	\$ 655,125	\$ 5,265,514
Accounts Receivable-Net	-	21,600	3,455	-	-	13,464	38,519
Capital Assets-Net of Accumulation	43,280	-	6,658	574,072	69,757	-	693,767
Total current assets	90,108	2,728,652	1,071,854	1,204,751	233,846	668,589	5,997,800
Total assets	90,108	2,728,652	1,071,854	1,204,751	233,846	668,589	5,997,800
<b>LIABILITIES</b>							
Current liabilities:							
Accounts Payable	1,299	1,993	62,771	18,490	1,875	20,803	107,231
Other Accrued Payables	126	234,300	19,438	2,784	-	-	256,648
Compensated Absences	-	-	35,134	-	-	-	35,134
Total current liabilities	1,425	236,293	117,343	21,274	1,875	20,803	399,013
Noncurrent liabilities:							
OPEB Obligation	-	-	20,849	-	-	-	20,849
Total noncurrent liabilities	-	-	20,849	-	-	-	20,849
Total liabilities	1,425	236,293	138,192	21,274	1,875	20,803	419,862
<b>NET POSITION</b>							
Restricted for:							
Unrestricted	88,683	2,492,359	933,662	1,183,477	231,971	647,786	5,577,938
Total net position	\$ 88,683	\$ 2,492,359	\$ 933,662	\$ 1,183,477	\$ 231,971	\$ 647,786	\$ 5,577,938

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal service funds  
For the Year Ended June 30, 2015

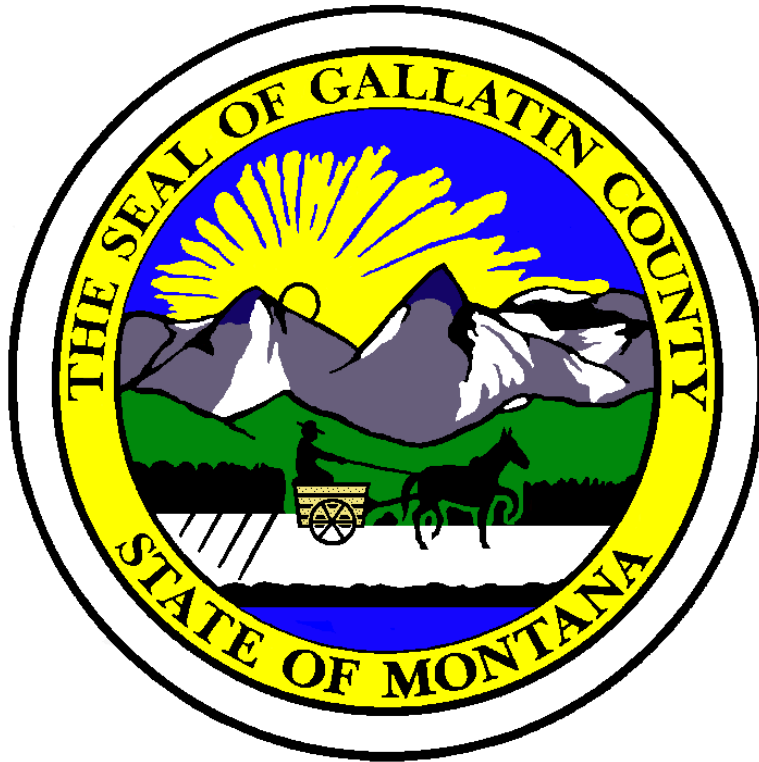
	MOTOR POOL	EMPLOYEE HEALTH INSURANCE	CENTRAL MAINTENANCE	COMMUNICATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Internal service funds
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 49,415	\$ -	\$ 136,840	\$ 436,083	\$ -	\$ -	\$ 622,338
Miscellaneous	-	-	524	-	-	-	524
Internal Services	-	5,153,376	1,359,793	-	70,826	405,621	6,989,616
Total operating revenues	<u>49,415</u>	<u>5,153,376</u>	<u>1,497,157</u>	<u>436,083</u>	<u>70,826</u>	<u>405,621</u>	<u>7,612,478</u>
<b>OPERATING EXPENSES</b>							
Internal Service-Personnel	2,488	-	448,408	56,023	-	-	506,919
Internal Service-Supplies	27,639	698	137,142	7,587	10,184	-	183,250
Internal Service-Purchased Ser	-	109,113	958,241	284,288	22,946	-	1,374,588
Internal Service-Fixed Charges	-	577,446	50,316	37,650	2,795	159,908	828,115
Internal Service-Depreciation	9,332	-	1,264	74,699	17,373	-	102,668
Internal Serv-Benefit Payments	-	4,801,373	-	-	-	-	4,801,373
Total operating expenses	<u>39,459</u>	<u>5,488,630</u>	<u>1,595,371</u>	<u>460,247</u>	<u>53,298</u>	<u>159,908</u>	<u>7,796,913</u>
Operating income (loss)	<u>9,956</u>	<u>(335,254)</u>	<u>(98,214)</u>	<u>(24,164)</u>	<u>17,528</u>	<u>245,713</u>	<u>(184,435)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Investment Earnings	-	23,743	12,764	8,249	1,619	3,971	50,346
Sale of Fixed Assets	-	-	-	-	(1,897)	-	(1,897)
Transfers Out	-	-	-	-	-	(41,797)	(41,797)
Total nonoperating revenues (expenses)	<u>-</u>	<u>23,743</u>	<u>12,764</u>	<u>8,249</u>	<u>(278)</u>	<u>(37,826)</u>	<u>6,652</u>
Income (loss) before contributions and transfers	<u>9,956</u>	<u>(311,511)</u>	<u>(85,450)</u>	<u>(15,915)</u>	<u>17,250</u>	<u>207,887</u>	<u>(177,783)</u>
Transfers In	<u>-</u>	<u>830,000</u>	<u>-</u>	<u>99,140</u>	<u>-</u>	<u>-</u>	<u>929,140</u>
Change in net position	<u>9,956</u>	<u>518,489</u>	<u>(85,450)</u>	<u>83,225</u>	<u>17,250</u>	<u>207,887</u>	<u>751,357</u>
Total net position - beginning	<u>78,727</u>	<u>1,973,870</u>	<u>1,019,112</u>	<u>1,100,252</u>	<u>214,721</u>	<u>439,899</u>	<u>4,826,581</u>
Total net position - ending	<u>\$ 88,683</u>	<u>\$ 2,492,359</u>	<u>\$ 933,662</u>	<u>\$ 1,183,477</u>	<u>\$ 231,971</u>	<u>\$ 647,786</u>	<u>\$ 5,577,938</u>

The notes to financial statements are an integral part of this statement.

Gallatin County, State of Montana  
Statement of Cash Flows  
Internal service funds  
For the Year Ended June 30, 2015

	6010 MOTOR POOL	6050 EMPLOYEE HEALTH INS. FUND	6070 CENTRAL MAINTENANCE	6090 COMMUNICATIONS (PHONE SYSTEM)	6110 COPIER RESERVE FUND	6120 LIABILITY INSURANCE FUND	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash from interfund	\$ 49,415	\$ 5,153,376	\$ 1,360,318	\$ 436,083	\$ 70,826	\$ 405,621	\$ 7,475,639
Cash receipts from customer	-	(2,012)	136,168	-	-	188,684	322,840
Payments to employees	(2,488)	-	(443,642)	(55,675)	-	16,482	(485,323)
Payments to interfund	(2,016)	-	(33,084)	-	-	-	(35,100)
Payments to suppliers	(25,570)	(5,575,056)	(1,138,501)	(390,116)	(35,675)	(159,908)	(7,324,826)
Net cash provided (used) by operating activities	19,341	(423,692)	(118,741)	(9,708)	35,151	450,879	(46,770)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from (to) Other Funds	-	830,000	-	99,140	-	(41,797)	887,343
Net cash provided (used) by noncapital financing activities	-	830,000	-	99,140	-	(41,797)	887,343
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchases/acquisition/const. of Capital Assets	-	-	-	(215,406)	(21,625)	-	(237,031)
Gain (loss) on Sale of Assets	-	-	-	-	1,500	-	1,500
Net cash provided (used) by capital and related financing activities	-	-	-	(215,406)	(20,125)	-	(235,531)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest Earnings	-	23,743	12,764	8,249	1,619	3,971	50,346
Net cash provided (used) by investing activities	-	23,743	12,764	8,249	1,619	3,971	50,346
Net increase (decrease) in cash and cash equivalents	19,341	430,051	(105,977)	(117,725)	16,645	413,053	655,388
Balances - beginning of year	27,487	2,277,001	1,167,718	748,404	147,444	242,072	4,610,126
Balances - end of the year	\$ 46,828	\$ 2,707,052	\$ 1,061,741	\$ 630,679	\$ 164,089	\$ 655,125	\$ 5,265,514
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating Income	\$ 9,956	\$ (335,254)	\$ (98,214)	\$ (24,164)	\$ 17,528	\$ 245,713	\$ (184,435)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation Expense	9,332	-	1,264	74,699	17,373	-	102,668
Changes in assets and liabilities:							
Accounts Payable - Supplier	53	(86,426)	(27,245)	(60,591)	250	16,482	(157,477)
Compensated absences	-	-	4,718	-	-	-	4,718
Customer Receivables	-	(2,012)	(672)	-	-	188,684	186,000
Salaries & Benefits Payable	-	-	1,408	348	-	-	1,756
Net cash provided (used) by operating activities	19,341	(423,692)	(118,741)	(9,708)	35,151	450,879	(46,770)

The notes to financial statements are an integral part of this statement.



## **STATISTICAL SECTION**

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
<b>County-Wide Operating Funds</b>												
1000	General	12,722,782	1,600,000	12.58%	14,322,782	3,470,300	5,532,222	5,320,260	252,964	21.03	3,196.56	21.53
2140	Noxious Weed	376,012	92,442	24.58%	468,454	176,912	291,542	-	252,964	-	-	-
2160	Fair	1,195,902	150,000	12.54%	1,345,902	189,974	740,967	414,961	252,964	1.64	249.28	1.51
2270	Public Health	2,307,553	397,641	17.23%	2,705,194	887,918	421,054	1,396,222	252,964	5.52	839.04	5.52
2300	Public Safety	15,853,319	1,864,621	11.76%	17,717,940	3,904,534	3,692,766	10,120,640	252,964	40.01	6,081.52	41.08
4010	County Capital Projects	6,218,994	600,000	9.65%	6,818,994	4,688,153	574,069	1,556,772	252,964	6.15	934.80	4.51
5120	Rest Home	7,461,318	2,200,000	29.49%	9,661,318	4,098,202	5,563,116	-	252,964	-	-	-
<b>subtotal Operating Funds</b>		<b>46,135,880</b>	<b>6,904,704</b>	<b>14.97%</b>	<b>53,040,584</b>	<b>17,415,993</b>	<b>16,815,736</b>	<b>18,808,855</b>		<b>74.35</b>	<b>79.86</b>	<b>74.15</b>
<b>County Rural Operating Funds</b>												
2110	Road	5,641,917	855,000	15.15%	6,496,917	2,611,441	1,001,704	2,883,772	143,113	20.15		20.30
2220	Library	990,876	260,000	26.24%	1,250,876	315,878	56,000	878,998	143,113	6.14		6.14
2260	County Emergency	6,545	-	0.00%	6,545	6,545	-	-	143,113	-		-
<b>subtotal Rural Operating Funds</b>		<b>6,639,338</b>	<b>1,115,000</b>	<b>16.79%</b>	<b>7,754,338</b>	<b>2,933,864</b>	<b>1,057,704</b>	<b>3,762,770</b>		<b>26.29</b>	<b>26.45</b>	<b>26.44</b>
<b>SUBTOTAL MILLED FUNDS</b>		<b>52,775,218</b>	<b>8,019,704</b>	<b>15.20%</b>	<b>60,794,922</b>	<b>20,349,857</b>	<b>17,873,440</b>	<b>22,571,625</b>		<b>100.64</b>	<b>106.31</b>	<b>100.59</b>
<b>Permissive / Bond - Exempt Funds</b>												
2372	Permissive Medical Levy	1,652,899	85,000	5.14%	1,737,899	185,058	20,000	1,532,841	252,964	6.06	9.21	5.01
3400	Rural Revolving	1,021,977	80,000	7.83%	1,101,977	1,086,977	15,000	-	252,964	-	-	-
3030	Rest Home Bond	-	-	0.00%	-	-	-	-	252,964	-	-	-
3040	Open Space Bonds	1,248,987	100,000	8.01%	1,348,987	101,593	15,000	1,232,394	249,047	4.95	4.95	4.90
3050	Detention Center Bond	2,378,247	200,000	8.41%	2,578,247	241,055	25,000	2,312,192	252,964	9.14	9.14	9.22
<b>subtotal Exempt Funds</b>		<b>6,302,110</b>	<b>465,000</b>	<b>7.38%</b>	<b>6,767,110</b>	<b>1,614,683</b>	<b>75,000</b>	<b>5,077,427</b>	<b>83,614.00</b>	<b>20.15</b>	<b>23.30</b>	<b>19.13</b>
<b>SUBTOTAL TAX FUNDS</b>		<b>59,077,328</b>	<b>8,484,704</b>	<b>14.36%</b>	<b>67,562,032</b>	<b>21,964,540</b>	<b>17,948,440</b>	<b>27,649,052</b>		<b>120.79</b>	<b>129.61</b>	<b>119.72</b>
<b>FY 2014 BUDGET</b>		<b>53,753,531</b>	<b>8,034,096</b>	<b>14.95%</b>	<b>61,787,627</b>	<b>18,752,669</b>	<b>16,368,911</b>	<b>26,666,047</b>		<b>119.72</b>	<b>2,213,032</b>	<b>Mx Avail</b>
<b>Difference</b>		<b>5,323,797</b>	<b>450,608</b>	<b>-0.58%</b>	<b>5,774,405</b>	<b>3,211,871</b>	<b>1,579,529</b>	<b>983,005</b>		<b>1.07</b>		
										<b>County Taxable Valuation</b>		
										252,964		
										<b>Rural Taxable Valuation</b>		
										143,113		
										<b>Open Space Taxable Valuation</b>		
										249,047		

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
<b>Grant, Districts and Miscellaneous Funds</b>												
2111	Road Impact Fee	98,314	-	N/A	98,314	45,785	52,529	-				
	Predatory Animal Control	13,912	-	N/A	13,912	1,962	-	11,950	see detail listing			
	Mosquito Control Districts	239,121	-	N/A	239,121	144,921	5,700	88,500	see detail listing			
2210	Parks	27,736	-	N/A	27,736	17,236	10,500	-				
2250	County Planning	411,090	50,000	12.16%	461,090	281,636	11,000	168,454	71,701	2.35	2.60	2.39
	Zoning Districts	43,533	-	N/A	43,533	107	-	43,426	see detail listing			
2255	Open Space Operations	583,561	-	N/A	583,561	485,561	98,000	-				
2361	Historic Preservation	14,966	-	N/A	14,966	5,166	9,800	-				
2390	Drug Forfeiture	38,973	-	N/A	38,973	23,473	15,500	-				
2393	Records Preservation	216,722	-	N/A	216,722	86,722	130,000	-				
2395	Economic Development	366,643	-	N/A	366,643	366,643	-	-				
2398	County Fire Permit	46,355	-	N/A	46,355	26,355	20,000	-				
	Lighting Districts	38,300	10,535	27.51%	48,835	28,516	-	20,101	see detail listing			
	RID Maintenance	6,514,321	-	N/A	6,514,321	5,234,700	-	1,279,621	see detail listing			
2790	Local Water Quality	373,128	86,300	23.13%	459,428	177,594	54,000	227,834	34,502	\$ 6.60	\$ 6.60	\$ 6.60
2800	Alcohol Rehabilitation	120,000	-	N/A	120,000	-	120,000	-				
2820	Gas Tax	894,897	-	N/A	894,897	575,557	319,340	-				
2830	Junk Vehicle	124,904	-	N/A	124,904	110,766	14,138	-				
2836	Montana UPP	89,613	-	N/A	89,613	-	89,613	-				
2840	Noxious Weed Grants	24,310	-	N/A	24,310	8,573	15,737	-				
2850	State 9-1-1	1,661,234	-	N/A	1,661,234	1,061,234	600,000	-				
2859	Land Information	31,496	7,000	22.23%	38,496	13,496	25,000	-				
2865	DNRC Grants	27,134	-	N/A	27,134	-	27,134	-				
2871	Youth Detention	252,209	-	N/A	252,209	6,821	245,388	-				
2900	P.I.L.T.	2,948,798	350,000	11.87%	3,298,798	3,298,698	100	-				
2915	Freedom From Fear	97,118	-	N/A	97,118	-	97,118	-				
2916	COPS	75,467	-	N/A	75,467	1	75,466	-				
2917	Victim Witness	279,155	-	0.00%	279,155	740	278,415	-				
2918	Law Enforcement Blk	15,173	-	0.00%	15,173	4,867	10,306	-				
2927	Homeland Security	102,624	-	0.00%	102,624	5,097	97,527	-				
2950	D.U.I. Task Force	127,585	7,182	5.63%	134,767	94,767	40,000	-				
2968	Cancer Prevention	292,437	62,195	21.27%	354,632	263,055	91,577	-				
2969	Health Preparedness	282,440	81,586	28.89%	364,026	202,968	161,058	-				
2971	W.I.C. Grant	312,010	27,562	8.83%	339,572	32,023	307,549	-				
2973	Maternal Child Hlth	461,023	108,645	23.57%	569,668	171,192	398,476	-				
2976	Communicable Disease	662,315	19,777	2.99%	682,092	228,163	453,929	-				
2987	TIGER Grant	2,736,698	112,106	0.00%	2,848,804	300,022	2,548,782	-				
2990	MRDTF	382,217	-	N/A	382,217	960	381,257	-				
<b>subtotal Grants, Districts, Misc.</b>		<b>21,027,532</b>	<b>922,888</b>	<b>4.39%</b>	<b>21,950,420</b>	<b>13,305,377</b>	<b>6,804,939</b>	<b>1,839,886</b>				

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
<b>Capital Project Funds</b>												
3205	Intercap Loan Revolving	540,195	-	N/A	540,195	25,357	514,838	-	variable			
3500'S	RID Bonds	1,250,281	-	N/A	1,250,281	336,334	-	913,947				
4140	Open Space Acqs.	1,549,004	-	N/A	1,549,004	1,532,113	16,891	-				
4200	RID Construction	250,752	7,877	0.00%	258,629	258,629	-	-				
4310	CTEP Projects	500,146	-	N/A	500,146	1,260	498,886	-				
4331	Junk Vehicle Capital	134,143	-	N/A	134,143	134,143	-	-				
4430	CDBG - Projects	459,292	-	N/A	459,292	9,292	450,000	-				
4990	Stimulus Activity	748	-	N/A	748	748	-	-				
<b>subtotal Capital Projects</b>		<b>4,144,366</b>	<b>7,877</b>		<b>4,152,243</b>	<b>2,272,519</b>	<b>965,777</b>	<b>913,947</b>				
<b>Enterprise and Interdepartmental Funds</b>												
5411	Solid Waste District	9,893,072	2,000,000	20.22%	11,893,072	8,028,705	3,864,367	-				
5412	West/Hebgen Refuse Dist	2,361,255	500,000	21.18%	2,861,255	2,037,055	824,200	-				
6010	Motor Pool	56,095	7,841	13.98%	63,936	26,936	37,000	-				
6050	Employee Health Insuranc	6,253,113	1,398,888	22.37%	7,652,001	2,050,038	5,601,963	-				
6070	County Facilities	2,293,083	376,836	16.43%	2,669,919	1,105,883	1,564,036	-				
6090	Central Communications	1,038,831	-	0.00%	1,038,831	654,531	384,300	-				
6110	Copier Revolving Fund	152,862	46,571	30.47%	199,433	145,233	54,200	-				
6120	Liability Insurance Fund	325,000	18,402	5.66%	343,402	243,402	100,000	-				
<b>subtotal Ent/Interdepartmental</b>		<b>22,373,311</b>	<b>4,348,538</b>	<b>19.44%</b>	<b>26,721,849</b>	<b>14,291,783</b>	<b>12,430,066</b>	<b>-</b>				
<b>TOTAL COUNTY FUNDS</b>		<b>106,622,537</b>	<b>13,764,007</b>	<b>12.91%</b>	<b>120,386,544</b>	<b>51,834,219</b>	<b>38,149,222</b>	<b>30,402,885</b>				
<b>Fire Districts &amp; Fire Service Area Funds - Trust &amp; Agency Funds</b>												
7200	Central Valley Fire	5,681,551	1,328,928	23.39%	7,010,479	3,763,672	810,018	2,436,789	46,722	52.16	52.16	52.67
7202	Rae Fire Service	562,400	-	0.00%	562,400	76,723	-	485,677	2,072.35	\$ 234.36	\$ 234.36	\$ 234.36
7204	Fort Ellis Fire Service	210,160	-	0.00%	210,160	3,151	24,000	183,009	1,236.53	\$ 148.00	\$ 148.00	\$ 148.00
7205	Sourdough Fire	2,460,124	-	0.00%	2,460,124	1,731,130	31,000	697,994	11,376	61.36	61.36	61.50
7206	Manhattan Fire	657,091	-	0.00%	657,091	512,214	12,500	132,377	1,833	72.21	78.33	72.21
7207	Sedan Fire	10,839	-	0%	10,839	7,451	-	3,388	313	10.84	10.84	10.38
7208	Three Forks Fire	464,597	-	0.00%	464,597	146,232	263,499	54,866	3,244	16.91	16.91	16.29
7209	Willow Creek Fire	90,000	-	0.00%	90,000	41,339	14,060	34,601	939	36.86	54.74	30.00
7210	Story Mill Fire	25,168	-	0.00%	25,168	131	-	25,037	511	49.01	49.01	48.54
7213	Big Sky Fire	2,314,654	-	0.00%	2,314,654	290,438	1,273,149	751,067	23,399	32.10	32.10	32.63
7214	Hebgen Basin Fire	1,762,999	-	0.00%	1,762,999	333,907	840,600	588,492	9,566	61.52	61.52	58.71
7215	Gallatin Gateway Fire	704,020	-	0.00%	704,020	247,536	26,748	429,736	10,325	41.62	41.62	41.34
7216	Bridger Fire	460,590	-	0.00%	460,590	258,083	21,209	181,298	4,362	41.56	41.56	41.78
7217	Amsterdam Fire	516,483	2,440	0.47%	518,923	266,657	16,000	236,266	4,102	57.60	57.60	47.22
7218	Clarkston Fire Service	95,860	-	0.00%	95,860	38,429	2,133	55,298	303.00	\$ 182.50	\$ 182.50	\$ 182.50
7219	Gallatin River Ranch Fire	120,090	-	0.00%	120,090	(33,032)	59,000	94,122	724	130.03	130.03	127.98
<b>subtotal Fire Activity</b>		<b>16,136,625</b>	<b>1,331,368</b>	<b>8.25%</b>	<b>17,467,993</b>	<b>7,684,061</b>	<b>3,393,916</b>	<b>6,390,017</b>				



**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
<b>Other Trust and Agency District Funds</b>												
7250	Madison Dyke	53,568	-	0.00%	53,568	38,467	1,200	13,901	289	48.15	48.15	49.55
7251	Three Forks Dyke	53,271	-	0.00%	53,271	44,219	-	9,052	1,965	4.61	4.61	4.83
7301	Mount Green Cemetery	24,000	-	0.00%	24,000	7,872	80	16,048	1,327	12.10	12.10	7.17
7302	Meadowview Cemetery	132,185	-	0.00%	132,185	89,245	5,300	37,640	10,241	3.68	5.60	3.68
7303	Fairview Cemetery	101,865	-	0.00%	101,865	42,658	18,400	40,807	5,179	7.88	7.88	7.18
7350	Park Co. Conservation Dis	933	-	0.00%	933	21	-	912	608	1.50		1.50
7351	Conservation District	451,669	-	0.00%	451,669	218,027	48,800	184,842	195,489	0.95	0.95	0.97
7354	Big Sky Transit	1,626,300	-	0.00%	1,626,300	(46,845)	1,673,145	-	-			
7361	Yellowstone/Holiday Sewe	46,004	-	0.00%	46,004	15,464	4,540	26,000	1,275,001	0.0204		0.02
7362	4 Dot Meadows Sewer	-	-	0.00%	-	-	-	-	Fees			
7363	Big Sky Water/Sewer	1,065,258	-	0.00%	1,065,258	12,770	-	1,052,488	10,658,820	24.37 water, 25.62 sewer		
7364	Four Corners Water/Sewe	787,829	-	0.00%	787,829	16,959	-	770,870	1,141	per list		
7390	West Yellowstone TV	113,550	-	0.00%	113,550	93,856	-	19,694	3,938.00	\$ 5.00		\$ 5.00
7849	Gallatin College	379,447	-	0.00%	379,447	-	-	379,447	252,964	1.50		
7990	County Incentive Fund	6,526	-	0.00%	6,526	3,526	3,000	-				
<b>subtotal Other Trust / Agency</b>		<b>4,842,404</b>	<b>-</b>		<b>4,842,404</b>	<b>536,239</b>	<b>1,754,465</b>	<b>2,551,700</b>				
<b>TOTAL FY 15 ALL FUNDS</b>		<b>127,601,566</b>	<b>15,095,375</b>	<b>11.83%</b>	<b>142,696,941</b>	<b>60,054,519</b>	<b>43,297,603</b>	<b>39,344,602</b>				
<b>FY 2015 Preliminary Budget</b>												
		<u>117,825,690</u>	<u>14,196,472</u>	<u>12.05%</u>	<u>132,022,162</u>	<u>54,122,901</u>	<u>39,647,774</u>	<u>38,251,485</u>				
<b>Change to Final</b>		<u>9,775,876</u>	<u>898,903</u>		<u>10,674,779</u>	<u>5,931,618</u>	<u>3,649,829</u>	<u>1,093,117</u>				
		8.30%						2.86%				
<b>FY 2014 TOTAL ALL FUNDS</b>												
		<u>118,173,024</u>	<u>13,597,901</u>	<u>11.51%</u>	<u>131,770,925</u>	<u>54,396,972</u>	<u>40,274,378</u>	<u>37,131,162</u>				
<b>Change FY 14 - FY 15</b>		<u>9,428,542</u>	<u>1,497,474</u>		<u>10,926,016</u>	<u>5,657,547</u>	<u>3,023,225</u>	<u>2,213,440</u>				
		7.98%	Increase in Budget					5.96%	Increase in Taxes			

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
<b>DETAIL LISTING OF COUNTY DISTRICTS</b>												
2153	Pred. Animal Control - Shee	2,788	-	0.00%	2,788	1,938	-	850	1,420	\$ 0.60		0.60
2155	Pred. Animal Control - Cattle	11,124	-	0.00%	11,124	24	-	11,100	22,288	\$ 0.50		0.50
	<b>subtotal Predatory Animal Control</b>	<b>13,912</b>	<b>-</b>	<b>0.00%</b>	<b>13,912</b>	<b>1,962</b>	<b>-</b>	<b>11,950</b>				
2200	Three Rivers Mosquito	196,670	-	0.00%	196,670	112,524	5,400	78,746	6,270	12.56	15.15	4.42
2201	Gallatin Drive Mosquito	42,451	-	0.00%	42,451	32,397	300	9,754	539	18.10	24.83	18.55
	<b>subtotal Mosquito Control</b>	<b>239,121</b>	<b>-</b>	<b>0.00%</b>	<b>239,121</b>	<b>144,921</b>	<b>5,700</b>	<b>88,500</b>				
2251	River Rock Zoning	3,000	-	0.00%	3,000	28	-	2,972	1,901	1.56	1.85	1.55
2252	So Gallatin Zoning	1,270	-	0.00%	1,270	3	-	1,267	260	4.86	5.76	4.52
2253	Hebgen Lake Zoning	2,950	-	0.00%	2,950	5	-	2,945	3,085	0.95	2.19	0.90
2254	Bridger Canyon Zoning	5,050	-	0.00%	5,050	5	-	5,045	4,372	1.15	1.34	1.16
2256	Hyalite Zoning	2,790	-	0.00%	2,790	5	-	2,785	2,826	0.99	0.99	1.01
2257	Sypes Canyon #1 Zoning	215	-	0.00%	215	2	-	213	205	1.04	1.20	1.01
2258	Sypes Canyon #2 Zoning	90	-	0.00%	90	4	-	86	88	0.97	1.02	0.93
2259	Wheatland Hills Zoning	220	-	0.00%	220	3	-	217	140	1.55	1.55	1.33
2680	Zoning District #6	515	-	0.00%	515	7	-	508	118	4.31	4.40	3.56
2681	Bear Canyon Zoning	400	-	0.00%	400	6	-	394	228	1.73	1.90	1.48
2682	Springhill Zoning	850	-	0.00%	850	5	-	845	471	1.79	1.89	1.72
2683	Trail Creek Zoning	959	-	0.00%	959	4	-	955	1,026	0.93	1.05	0.90
2684	Big Sky Zoning	21,873	-	0.00%	21,873	25	-	21,848	23,815	0.92	0.92	1.00
2689	Zoning District #1	3,350	-	0.00%	3,350	5	-	3,345	531	6.30	6.58	4.30
	<b>subtotal Zoning Districts</b>	<b>43,533</b>	<b>-</b>	<b>0.00%</b>	<b>43,533</b>	<b>107</b>	<b>-</b>	<b>43,426</b>				
2420	Churchill Lighting	7,800	1,971	25.27%	9,771	3,455	-	6,316	257	24.57	27.01	27.18
2421	Logan Lighting	6,000	1,888	31.47%	7,888	6,675	-	1,213	37	33.13	119.05	60.92
2422	Riverside Lighting	16,400	4,526	27.60%	20,926	10,036	-	10,890	183	59.39	83.18	98.98
2423	Willow Creek Lighting	8,100	2,150	26.54%	10,250	8,568	-	1,682	42	40.13	64.74	42.08
	<b>subtotal Lighting Districts</b>	<b>38,300</b>	<b>10,535</b>		<b>48,835</b>	<b>28,734</b>	<b>-</b>	<b>20,101</b>				
	<b>subtotal Other Districts</b>	<b>334,866</b>	<b>10,535</b>		<b>345,401</b>	<b>175,724</b>	<b>5,700</b>	<b>163,977</b>				

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
<b>RID Maintenance Districts</b>												
2502	Western Drive - North	26,566	-	0.00%	26,566	17,381	-	9,185	14,649,777	0.0053		
2508	Riverside	154,268	-	0.00%	154,268	133,167	-	21,101	1,241,243	0.0170		
2509	Hitching Post	37,610	-	0.00%	37,610	26,949	-	10,661	2,987,850	0.0036		
2510	Riverside S/W	31,259	-	0.00%	31,259	10,360	-	20,899	1,241,243	0.0168		
2514	Middle Creek #3	50,636	-	0.00%	50,636	41,192	-	9,444	858,568	0.0110		
2515	Hyalite Heights	215,080	-	0.00%	215,080	195,278	-	19,802	5,351,912	0.0037		
2516	Hebgen Lake Estates	173,977	-	0.00%	173,977	151,808	-	22,169	2,463,229	0.0087		
2517	Gardner Park Subd.	88,142	-	0.00%	88,142	66,045	-	22,097	4,091,974	0.0054		
2518	Big Sky Meadow Village	340,170	-	0.00%	340,170	275,280	-	64,890	5,742,466	0.0113		
2521	El Dorado	66,349	-	0.00%	66,349	51,560	-	14,789	3,997,066	0.0037		
2523	Middle Creek #2	38,905	-	0.00%	38,905	31,558	-	7,347	1,113,486	0.0066		
2524	Glacier Condo Parking Lot	38,112	-	0.00%	38,112	34,701	-	3,411	193,810	0.0176		
2526	Sourdough Creek	159,106	-	0.00%	159,106	139,904	-	19,202	2,743,107	0.0070		
2527	Silverbow Condo #1	22,146	-	0.00%	22,146	18,972	-	3,174	215,895	0.0147		
2528	Silverbow Condo #2	10,960	-	0.00%	10,960	9,374	-	1,586	87,599	0.0181		
2531	Middle Creek	109,766	-	0.00%	109,766	75,458	-	34,308	857,696	0.0400		
2532	Rae Subd.	80,230	-	0.00%	80,230	69,069	-	11,161	435,985	0.0256		
2536	Sunset Heights	34,109	-	0.00%	34,109	26,388	-	7,721	714,937	0.0085		
2538	Mountain View 338	88,042	-	0.00%	88,042	79,092	-	8,950	1,104,895	0.0081		
2539	Mountain View 339	330,150	-	0.00%	330,150	297,011	-	33,139	6,025,344	0.0055		
2540	Sourdough Ridge	156,460	-	0.00%	156,460	121,098	-	35,362	2,874,960	0.0115		
2541	Rocky Creek	19,346	-	0.00%	19,346	15,185	-	4,161	1,067,040	0.0039		
2542	Wheatland Hills	248,289	-	0.00%	248,289	210,967	-	37,322	3,659,040	0.0102		
2543	Pineview Subd.	116,397	-	0.00%	116,397	97,596	-	18,801	2,265,120	0.0083		
2544	Clover Meadows	139,531	-	0.00%	139,531	111,931	-	27,600	3,136,320	0.0088		
2546	Riverside Water Tower	115,009	-	0.00%	115,009	94,108	-	20,901	1,208,151	0.0173		
2549	Mount View & Thorpe	95,576	-	0.00%	95,576	83,544	-	12,032	1,084,000	0.0111		
2550	Mystic Heights	31,935	-	0.00%	31,935	25,535	-	6,400	800,000	0.0080		
2551	Baxter Creek #2	71,789	-	0.00%	71,789	49,961	-	21,828	2,140,000	0.0102		
2552	Baxter Creek #1	69,550	-	0.00%	69,550	57,667	-	11,883	1,916,640	0.0062		
2553	Sweetgrass Hills	276,949	-	0.00%	276,949	247,909	-	29,040	2,640,000	0.0110		
2554	Buckskin Williams Park	26,919	-	0.00%	26,919	21,799	-	5,120	1,280,000	0.0040		
2556	Springvale	35,720	-	0.00%	35,720	26,448	-	9,272	1,220,000	0.0076		
2557	Hyalite Foothills	313,124	-	0.00%	313,124	221,953	-	91,171	7,013,160	0.0130		
2559	Wildflower	33,672	-	0.00%	33,672	22,891	-	10,781	1,306,800	0.0082		
2560	Mystic Heights 2 & 3	70,670	-	0.00%	70,670	51,114	-	19,556	3,179,880	0.0071		
2561	Ranch	101,374	-	0.00%	101,374	82,120	-	19,254	2,831,400	0.0068		
2562	Arrowleaf	62,877	-	0.00%	62,877	45,492	-	17,385	1,107,315	0.0157		
2565	Cimmaron	72,654	-	0.00%	72,654	60,501	-	12,153	1,350,360	0.0090		
2566	Middle Creek 1 & 3	111,995	-	0.00%	111,995	94,026	-	17,969	2,359,500	0.0056		
2567	Royal / Thorpe Road	28,574	-	0.00%	28,574	28,574	-	-	-	-		

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2015 APPROVED BUDGET**

Fund No.	Description	FINAL Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2015 Mills	MAX MILLS	FY 2014 Mills
2568	Godfrey Canyon	75,655	-	0.00%	75,655	62,347	-	13,308	477,000	0.0279		
2570	Outlaw South	73,824	-	0.00%	73,824	61,024	-	12,800	6,153,679	0.0018		
2571	Wheatland Hills	42,336	-	0.00%	42,336	35,584	-	6,752	1,089,000	0.0062		
2572	Harvest Hills	112,336	-	0.00%	112,336	92,673	-	19,663	2,657,160	0.0074		
2575	Blue Grass Meadows	83,152	-	0.00%	83,152	70,828	-	12,324	1,449,855	0.0085		
2576	Painted Hills	280,308	-	0.00%	280,308	247,107	-	33,201	4,486,680	0.0074		
2578	Meadows Subd.	142,001	-	0.00%	142,001	129,030	-	12,971	123,537	0.1050		
2579	Wildhorse Subd.	97,005	-	0.00%	97,005	82,700	-	14,305	2,907,543	0.0049		
2580	Looking Glass Subd.	46,664	-	0.00%	46,664	40,221	-	6,443	348,254	0.0185		
2582	Canary Road	116,189	-	0.00%	116,189	101,244	-	14,945	3,179,880	0.0047		
2583	Hyalite Meadows	66,438	-	0.00%	66,438	55,461	-	10,977	1,219,680	0.0090		
2584	Lake Subd.	61,268	-	0.00%	61,268	50,962	-	10,306	1,132,560	0.0091		
2587	Andesite Road	37,792	-	0.00%	37,792	32,259	-	5,533	477,000	0.0116		
2588	Evergreen Way	34,579	-	0.00%	34,579	29,542	-	5,037	261,000	0.0193		
2589	Triple Tree	508,856	-	0.00%	508,856	428,357	-	80,499	4,878,720	0.0165		
2591	Bear Creek	100,944	-	0.00%	100,944	83,381	-	17,563	2,744,280	0.0064		
2592	Alder Court	10,147	-	0.00%	10,147	8,132	-	2,015	199,138	0.0101		
2595	Ousal Falls (Schedule 2)	108,494	-	0.00%	108,494	39,598	-	68,896	134,300	0.5130		
2595	Ousal Falls (Schedule 3)	108,550	-	0.00%	108,550	-	-	108,550	83,500	1.3000		
2597	Firelight Park	50,692	-	0.00%	50,692	47,425	-	3,267	1,089,000	0.0030		
2597	Firelight Road	34,804	-	0.00%	34,804	-	-	34,804	1,481,040	0.0235		
2598	Hyalite Canyon Estates	28,294	-	0.00%	28,294	15,859	-	12,435	1,001,880	0.0110		
<b>subtotal RID Maintenance Dist.</b>		<b>6,514,321</b>	-	<b>0.00%</b>	<b>6,514,321</b>	<b>5,234,700</b>	-	<b>1,279,621</b>				
<b>RID Bond Districts</b>												
3565	Cimmaron	200	-	0.00%	200	200	-	-				
3570	Outlaw South	12,559	-	0.00%	12,559	1,422	-	11,137				
3571	Wheatland Hills	9,739	-	0.00%	9,739	4,891	-	4,848				
3576	Painted Hills	59,953	-	0.00%	59,953	15,312	-	44,641				
3578	Meadows Subd.	126,434	-	0.00%	126,434	41,895	-	84,539				
3582	Canary Road	26,295	-	0.00%	26,295	8,463	-	17,832				
3583	Hyalite Meadows	25,384	-	0.00%	25,384	6,913	-	18,471				
3584	Lake Subd.	24,989	-	0.00%	24,989	8,250	-	16,739				
3586	Amsterdam	44,697	-	0.00%	44,697	14,571	-	30,126				
3587	Andesite Road	26,590	-	0.00%	26,590	10,138	-	16,452				
3588	Evergreen Way	22,761	-	0.00%	22,761	7,317	-	15,444				
3591	Bear Creek	40,507	-	0.00%	40,507	13,089	-	27,418				
3592	Alder Court	9,093	-	0.00%	9,093	3,746	-	5,347				
3593	Trail Creek	97,980	-	0.00%	97,980	22,985	-	74,995				
3595	Ousal Falls	251,754	-	0.00%	251,754	98,295	-	153,459				
3596	Clarkston	471,546	-	0.00%	471,546	79,047	-	392,499				
<b>subtotal RID Bond Districts</b>		<b>1,250,281</b>	-		<b>1,250,281</b>	<b>336,334</b>	-	<b>913,947</b>				

**GALLATIN COUNTY, MONTANA**  
**NET POSITION BY COMPONENT**

		<b>Last Ten Fiscal Years</b>									
		(accrual basis of accounting)									
		(amounts expressed in thousands)									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>											
	Investment in capital assets, net of related debt	87,116	89,823	95,672	69,632	89,086	96,440	98,593	94,609	94,357	94,046
	Restricted	678	678	1,004	1,588	815	1,391	1,391	-	17,260	-
	Unrestricted	32,799	34,380	30,945	59,486	43,467	40,045	38,720	43,114	28,346	28,688
<b>Total governmental activities net position</b>		<b>120,593</b>	<b>124,882</b>	<b>127,621</b>	<b>130,706</b>	<b>133,368</b>	<b>137,876</b>	<b>138,704</b>	<b>137,723</b>	<b>139,963</b>	<b>122,734</b>
<b>Business-type activities</b>											
	Investment in capital assets, net of related debt	944	1,401	5,859	8,130	8,646	9,016	9,036	7,889	9,015	9,463
	Restricted	511	511	2,115	2,189	2,339	2,339	2,339	2,115	2,115	2,161
	Unrestricted	4,765	6,592	6,489	6,126	6,723	8,118	8,969	10,507	10,098	6,692
<b>Total business-type activities net position</b>		<b>6,220</b>	<b>8,504</b>	<b>14,463</b>	<b>16,444</b>	<b>17,707</b>	<b>19,473</b>	<b>20,344</b>	<b>20,510</b>	<b>21,227</b>	<b>18,316</b>
<b>Primary government</b>											
	Investment in capital assets, net of related debt	88,060	91,225	101,531	77,762	97,732	105,457	107,629	102,498	103,372	103,509
	Restricted	1,189	1,189	3,119	3,777	3,154	3,730	3,730	2,115	19,375	2,161
	Unrestricted	37,564	40,973	37,433	65,612	50,190	48,163	47,689	53,621	38,444	35,380
<b>Total primary government net position</b>		<b>126,813</b>	<b>133,386</b>	<b>142,084</b>	<b>147,150</b>	<b>151,076</b>	<b>157,349</b>	<b>159,048</b>	<b>158,233</b>	<b>161,190</b>	<b>141,050</b>

# GALLATIN COUNTY, MONTANA

## CHANGE IN NET POSITION

(accrual basis of accounting)

(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	8,780	8,511	9,253	9,916	10,046	10,718	9,473	9,838	10,139	10,200
Public safety	9,625	10,336	12,764	12,400	14,183	17,456	16,489	16,934	17,621	17,954
Public works	8,613	7,077	6,841	8,236	8,735	9,312	9,496	11,043	17,215	12,192
Public health	2,734	3,029	2,970	3,224	3,315	3,241	3,392	3,606	3,597	3,899
Social and economic	429	490	498	439	536	523	486	495	492	471
Culture and recreation	1,583	1,607	1,559	1,683	2,763	1,822	1,823	1,899	2,000	1,972
Housing & Comm. Dev.	153	165	86	73	3,316	3,842	90	414	156	108
Conservation of Nat. Res.	179	160	97	81	118	139	111	146	147	114
Miscellaneous / Unallocated	78	103	51	63	8	35	-	-	-	-
Interest on long-term debt	531	848	857	1,620	2,185	2,424	2,376	2,638	2,082	1,975
Total governmental activities	32,704	32,326	34,976	37,735	45,205	49,512	43,735	47,014	53,449	48,885
Business-type activities:										
Gallatin county landfill	2,340	2,019	1,856	2,646	2,941	3,165	3,159	3,019	3,041	2,708
Rest home	4,701	4,518	4,717	5,169	5,426	5,676	5,736	5,813	5,921	5,978
West Yellowstone Refuse	935	904	918	823	756	760	829	859	992	949
Total business-type activities	7,976	7,441	7,492	8,638	9,122	9,601	9,724	9,691	9,953	9,635
<b>Total primary government expenses</b>	<b>40,680</b>	<b>39,767</b>	<b>42,468</b>	<b>46,373</b>	<b>54,327</b>	<b>59,113</b>	<b>53,459</b>	<b>56,705</b>	<b>63,402</b>	<b>58,520</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	2,170	2,662	1,955	1,806	2,043	2,073	2,001	2,032	2,342	2,828
Public safety	1,899	2,228	2,291	2,525	1,639	1,506	1,763	2,708	3,981	3,760
Public works	576	912	316	587	329	169	157	83	101	80
Public health	505	331	270	270	303	310	342	357	441	480
Social and economic	29	39	75	64	68	78	30	-	-	-
Culture and recreation	506	523	502	475	612	510	503	560	588	570
Housing & Comm. Dev.	484	505	339	226	193	311	180	231	487	537
Conservation of Nat. Res.	184	138	149	125	87	149	117	106	95	85
Operating Grants and contributions	4,877	3,311	3,516	5,369	5,232	6,584	5,597	7,205	5,573	5,465
Capital grants and contributions	365	1,469	57	804	4,414	4,209	479	244	6,658	3,046
Total governmental activity revenue	11,596	12,117	9,471	12,251	14,921	15,898	11,170	13,526	20,266	16,851
Business-type activities										
Charges for services:										
Gallatin county landfill	3,315	3,973	4,072	4,014	3,637	4,374	3,976	3,536	3,823	4,254
Rest home	4,808	4,202	4,300	5,352	5,725	5,788	5,324	5,283	5,227	4,827
West Yellowstone Refuse	1,178	1,130	994	874	789	839	886	786	863	804
Operating Grants and contributions	107	82	3,838	75	91	206	295	420	180	141
Total business-type activity revenue	9,408	9,388	13,205	10,315	10,241	11,207	10,480	10,025	10,092	10,026
<b>Total primary government revenue</b>	<b>21,004</b>	<b>21,505</b>	<b>22,675</b>	<b>22,565</b>	<b>25,162</b>	<b>27,105</b>	<b>21,650</b>	<b>23,551</b>	<b>30,358</b>	<b>26,877</b>
<b>Net (expense) revenue</b>										
Governmental activities:	(21,108)	(20,209)	(25,506)	(25,484)	(30,285)	(33,614)	(32,565)	(33,488)	(33,184)	(32,034)
Business-type activities	1,432	1,947	5,713	1,676	1,119	1,605	757	334	139	391
<b>Total primary government (expense) revenue</b>	<b>(19,676)</b>	<b>(18,262)</b>	<b>(19,793)</b>	<b>(23,808)</b>	<b>(29,166)</b>	<b>(32,008)</b>	<b>(31,809)</b>	<b>(33,154)</b>	<b>(33,044)</b>	<b>(31,643)</b>

**GALLATIN COUNTY, MONTANA**  
**CHANGE IN NET POSITION (Continued)**

(accrual basis of accounting)

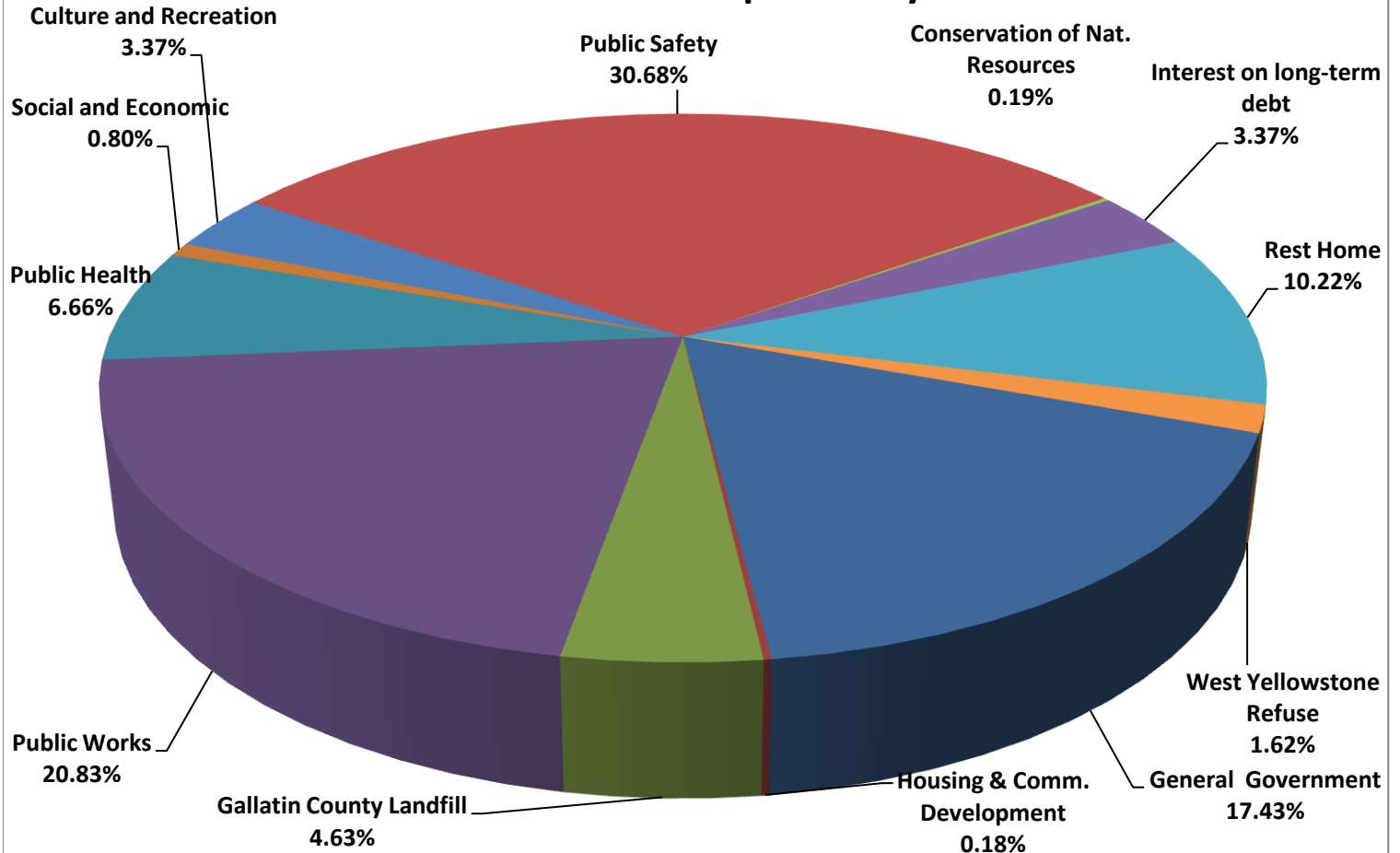
(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property Taxes	21,078	22,672	24,650	24,914	29,436	35,171	30,201	31,088	32,028	33,425
Local option tax	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants/contributions	785	242	2,043	2,072	2,148	2,144	2,346	2,444	2,692	3,009
Investment earnings	983	1,567	1,491	975	837	559	316	(579)	628	527
Miscellaneous	0	-	49	600	262	85	543	569	104	(20)
Sale/disposal of Fixed assets	-	17	12	7	6	163	(15)	(1,014)	11	18
Other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	22,846	24,498	28,245	28,569	32,689	38,121	33,392	32,508	35,464	36,959
Business-type activities:										
Taxes	111	65	61	65	-	-	-	-	1	-
Unrestricted grants/contributions	-	-	-	-	-	-	-	-	-	84
Investment earnings	133	273	324	240	157	157	115	(161)	276	162
Sale/disposal of Fixed assets	-	-	(140)	-	(13)	3	(1)	(8)	261	39
Total business-type activities	245	338	245	305	144	160	114	(168)	538	285
<b>Total primary government expenses</b>	23,091	24,835	28,491	28,874	32,833	38,281	33,505	32,340	36,002	37,244
<b>Change in Net Position</b>										
Governmental activities:	1,738	4,288	2,739	3,085	2,405	4,508	826	(980)	2,280	4,925
Business-type activities	1,677	2,285	5,958	1,981	1,263	1,765	871	166	677	676
<b>Total primary government</b>	3,414	6,573	8,698	5,066	3,668	6,273	1,697	(814)	2,957	5,601

Government-Wide Expenses by Function

	2012	2013	2014	2015
General Government	9,473	9,838	10,139	10,200
Housing & Comm. Development	90	414	156	108
Gallatin County Landfill	3,159	3,019	3,041	2,708
Public Works	9,496	11,043	17,215	12,192
Public Health	3,392	3,606	3,597	3,899
Social and Economic	486	495	492	471
Culture and Recreation	1,823	1,899	2,000	1,972
Public Safety	16,489	16,934	17,621	17,954
Conservation of Nat. Resources	201	146	147	114
Interest on long-term debt	2,376	2,638	2,082	1,975
Rest Home	5,736	5,813	5,921	5,978
West Yellowstone Refuse	829	859	992	949
	53,549	56,705	63,402	58,520

Government-Wide Expenses by Function





**GALLATIN COUNTY, MONTANA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

(accrual basis of accounting)  
(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General fund</b>										
Nonspendable	-	-	-	-	-	154	149	142	131	129
Restricted	-	-	-	-	-	-	383	409	488	563
Unrestricted										
Committed	3,469	3,637	2,832	1,112	1,106	3,128	2,733	2,529	3,078	3,753
Assigned	-	-	-	-	-	7	372	328	306	477
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>3,469</b>	<b>3,637</b>	<b>2,832</b>	<b>1,112</b>	<b>1,106</b>	<b>3,289</b>	<b>3,637</b>	<b>3,408</b>	<b>4,003</b>	<b>4,922</b>
<b>All other governmental funds</b>										
Nonspendable	154	171	161	181	217	43	55	68	65	70
Restricted	1,123	1,411	1,004	1,588	815	10,078	8,429	8,341	9,233	9,212
Unrestricted										
Committed						15,858	15,539	19,912	21,760	26,163
Assigned	9,090	8,769	6,224	33,569	15,482	-	33	101	36	76
Unassigned	14,506	14,940	13,359	16,938	17,618	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>24,874</b>	<b>25,291</b>	<b>20,749</b>	<b>52,276</b>	<b>34,132</b>	<b>25,979</b>	<b>24,056</b>	<b>28,422</b>	<b>31,094</b>	<b>35,521</b>
<b>Total all governmental funds</b>	<b>28,343</b>	<b>28,928</b>	<b>23,581</b>	<b>53,388</b>	<b>35,238</b>	<b>29,268</b>	<b>27,693</b>	<b>31,830</b>	<b>35,097</b>	<b>40,443</b>

**GALLATIN COUNTY, MONTANA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

(accrual basis of accounting)

(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes/assessments	19,212	20,933	23,052	25,730	27,226	30,973	31,312	31,790	32,635	34,705
Licenses and permits	385	309	280	274	244	281	291	308	300	316
Intergovernmental	7,589	6,010	5,713	7,982	11,280	11,527	8,217	9,786	14,845	11,402
Charges for services	4,320	4,742	3,998	3,626	3,800	3,797	3,779	4,947	6,405	6,996
Fines and forfeitures	876	978	843	1,271	409	609	634	540	598	664
Miscellaneous	1,083	1,553	696	997	1,548	492	1,121	581	538	271
Interest earnings	924	1,475	1,382	878	762	492	276	(179)	509	411
Contributions/donations		-	23	773	38	1,430	4	22	102	22
<b>Total revenues</b>	<b>34,390</b>	<b>36,001</b>	<b>35,987</b>	<b>41,531</b>	<b>45,306</b>	<b>49,602</b>	<b>45,635</b>	<b>47,795</b>	<b>55,931</b>	<b>54,787</b>
<b>Expenditures:</b>										
General government	8,110	7,942	8,447	8,965	8,778	9,681	8,574	8,902	9,139	9,625
Public safety	8,644	9,427	12,068	11,663	12,717	16,735	14,342	14,735	15,498	16,490
Public works	5,398	4,914	5,204	4,457	5,667	6,281	6,237	7,612	13,342	8,247
Public health	2,460	2,726	2,903	3,209	3,059	3,157	3,264	3,439	3,410	3,866
Social and economic	360	412	484	442	473	504	456	456	447	461
Culture and recreation	1,520	1,542	1,435	1,571	2,629	1,688	1,680	1,755	1,854	1,835
Housing & Comm. Dev.	39	37	37	77	3,211	3,812	41	349	74	86
Conservation of Nat. Res.	164	144	93	81	102	132	102	136	134	110
Miscellaneous	78	104	51	63	8	35	-	-	-	-
Debt Service								85		-
Principal	1,811	1,358	2,031	2,169	2,091	5,397	5,263	3,584	3,693	3,946
Interest	-	-	857	1,620	2,185	2,424	2,376	2,158	2,082	1,975
Capital outlay	6,489	6,744	10,107	15,509	24,784	13,469	4,339	1,901	3,224	2,698
<b>Total expenditures</b>	<b>35,073</b>	<b>35,348</b>	<b>43,719</b>	<b>49,826</b>	<b>65,704</b>	<b>63,314</b>	<b>46,674</b>	<b>45,112</b>	<b>52,897</b>	<b>49,339</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(684)</b>	<b>653</b>	<b>(7,732)</b>	<b>(8,294)</b>	<b>(20,399)</b>	<b>(13,712)</b>	<b>(1,039)</b>	<b>2,683</b>	<b>3,034</b>	<b>5,448</b>
<b>Other financing source (uses)</b>										
Transfers in	1,115	2,120	2,131	894	1,165	3,449	2,713	2,463	2,904	3,024
Transfers out	(2,742)	(4,174)	(2,962)	(1,712)	(1,946)	(4,233)	(3,552)	(3,161)	(3,851)	(3,911)
Proceeds from long-term debt	6,286	1,954	3,199	38,504	2,765	8,315	300	2,140	1,150	765
Proceeds from sale of capital assets	1	17	18	8	6	212	2	12	11	-
Gain (Loss) on sale of investments				407	1	-	-	-	20	20
<b>Total other financing sources (uses)</b>	<b>4,660</b>	<b>(84)</b>	<b>2,386</b>	<b>38,101</b>	<b>1,990</b>	<b>7,743</b>	<b>(537)</b>	<b>1,454</b>	<b>233</b>	<b>(102)</b>
<b>Net Change in fund balances</b>	<b>3,976</b>	<b>569</b>	<b>(5,346)</b>	<b>29,807</b>	<b>(18,408)</b>	<b>(5,969)</b>	<b>(1,575)</b>	<b>4,137</b>	<b>3,267</b>	<b>5,346</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.34%</b>	<b>4.75%</b>	<b>8.59%</b>	<b>11.04%</b>	<b>10.45%</b>	<b>15.69%</b>	<b>18.04%</b>	<b>13.29%</b>	<b>11.63%</b>	<b>12.69%</b>

## 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 INCREMENT DISTRICT	TOTAL TAXABLE ASSESSED VALUE
2007	155,176	7,635	1,383	18,000	(884)	181,310
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
<b>2014</b>	<b>218,776</b>	<b>6,533</b>	<b>973</b>	<b>24,302</b>	(4,013)	246,571
<b>2015</b>	<b>224,256</b>	<b>6,729</b>	<b>983</b>	<b>25,031</b>	(4,035)	252,964
<b>2016</b>	<b>211,220</b>	<b>6,338</b>	<b>926</b>	<b>23,576</b>	(4,224)	237,836
<b>estimated</b>						

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 biennial report to the Legislature, except FY 2014 and 2015.

## GALLATIN COUNTY, MONTANA

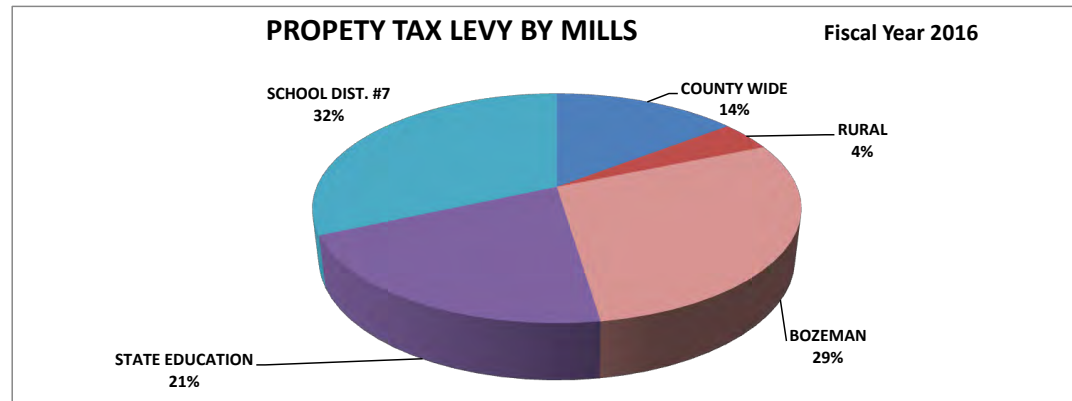
### ASSESSED VALUE, MARKET AND ESTIMATED TAXABLE VALUE OF PROPERTY

FISCAL YEAR	TOTAL COUNTY MARKET	TOTAL COUNTY TAXABLE	COUNTY OPEN SPACE TAXABLE
2007	5,526,323,702	181,081,364	174,462,565
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

Note: The Taxable Values shown above exclude valuations for tax increment financing districts

**GALLATIN COUNTY, MONTANA**  
**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**  
**DIRECT AND OVERLAPPING GOVERNMENTS**

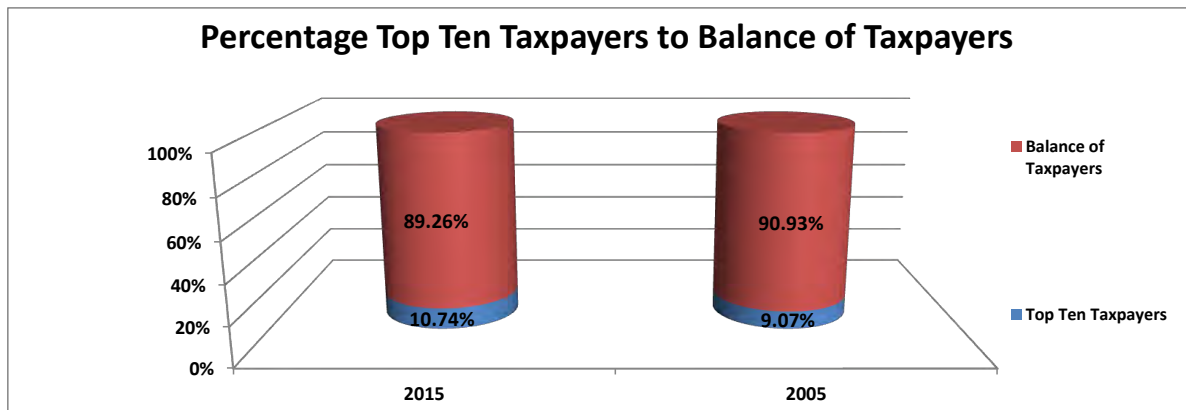
FISCAL YEAR	GALLATIN COUNTY							OVERLAPPING LEVIES			TOTAL DIRECT & OVERLAPPING LEVIES
	GENERAL FUND	DEBT SERVICE	PUBLIC SAFETY	OTHER LEVIES	SUBTOTAL COUNTY WIDE LEVIES	RURAL (Road/Library) Levies	TOTAL DIRECT	CITY OF BOZEMAN	STATE EDUCATION LEVIES	SCHOOL DISTRICT NO. 7	
2006	11.63	4.31	29.37	30.26	75.57	24.68	100.25	166.26	142.49	169.06	578.06
2007	10.49	6.59	27.20	32.75	77.03	24.68	101.71	161.42	141.64	182.74	587.51
2008	12.26	4.71	36.87	32.25	86.09	24.68	110.77	154.18	143.05	183.85	591.85
2009	11.06	5.15	40.51	27.69	84.41	25.47	109.88	169.16	183.85	212.53	675.42
2010	14.07	5.81	34.94	36.18	91.00	25.23	116.23	168.19	140.02	199.54	623.98
2011	15.92	11.45	39.07	23.50	89.94	25.39	115.33	166.75	141.74	223.05	646.87
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



**GALLATIN COUNTY, MONTANA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT TAX YEAR AND EIGHT YEARS PREVIOUS**

TAX YEAR ----->		2015			2005		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF COUNTY TAXABLE ASSESSED VALUE	
Northwestern Energy	16,512	1	6.94%	11,362	1	5.74%	
Qwest Corporation	1,577	2	0.66%	1,921	2	0.97%	
Montana Rail Link	1,457	3	0.61%	1,067	3	0.54%	
PPL Montana	1,148	4					
Bressnan/Optimum Comm	1,008	5	0.42%	-		-	
Verizon Wireless/Celco	915	6	0.38%	-		-	
Holcim, Inc.	871	7	0.37%	718	4	0.36%	
Luzenac America, Inc.	755	8	0.32%	800	5	0.40%	
Black Bull Run	722	9	0.30%				
Worldmark, The Club	570	10	0.24%	-		-	
Zoot Properties, LLC	-		0.00%	479	7	0.24%	
Sky West Airlines	-		-	375	9	0.19%	
Harry Daum	-		-	502	6	0.25%	
WalMart	-		-	403	8	0.20%	
Bridger Peaks, LLC	-		-	322	10	0.16%	
	<u>25,535</u>		<u>10.74%</u>	<u>17,950</u>		<u>9.07%</u>	
County Taxable Value	237,836			197,902			

Source: Gallatin County Treasurer



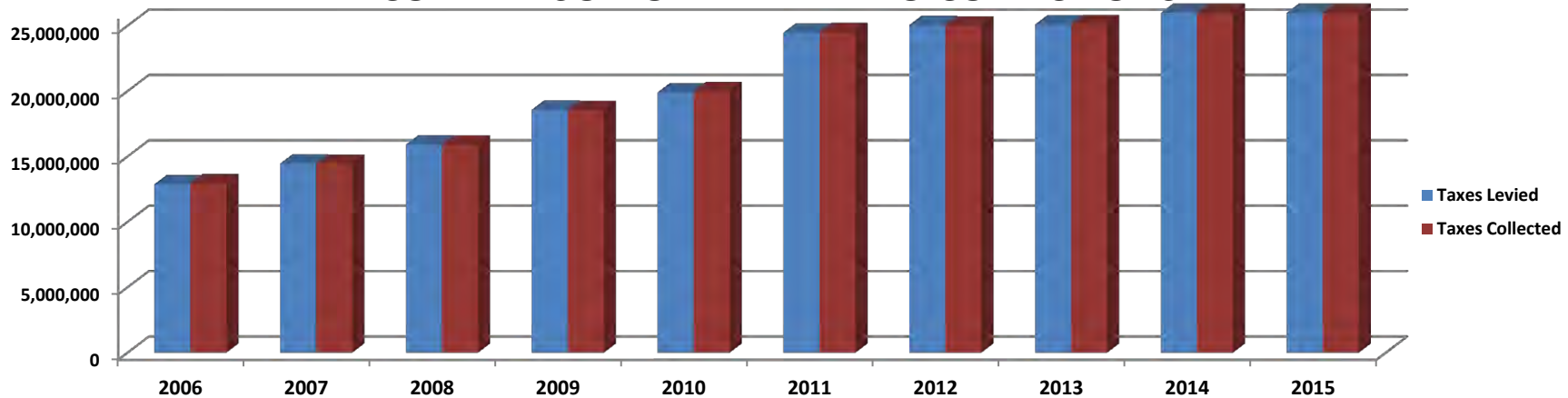
**GALLATIN COUNTY, MONTANA  
REAL PROPERTY TAXES AND COLLECTIONS  
GOVERNMENTAL FUND TYPES**

LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (1)	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY		DELINQUENT TAX COLLECTIONS	TOTAL COLLECTIONS FOR YEAR	
		AMOUNT	PERCENTAGE OF LEVY		TOTAL TAXES RECEIVED	PERCENTAGE OF LEVY (1)
2006	12,881,447	12,463,947	96.76%	509,107	12,973,054	100.71%
2007	14,467,128	13,955,859	96.47%	484,729	14,440,588	99.82%
2008	15,920,029	15,429,097	96.92%	476,783	15,905,880	99.91%
2009	18,587,687	17,884,756	96.22%	671,601	18,556,357	99.83%
2010	19,915,058	18,904,174	94.92%	1,104,396	20,008,570	100.47%
2011	24,479,020	23,112,451	94.42%	1,417,728	24,530,179	100.21%
2012	25,058,721	23,822,021	95.06%	1,191,274	25,013,295	99.82%
2013	25,103,215	24,357,848	97.03%	760,631	25,118,479	100.06%
2014	25,997,048	25,163,044	96.79%	862,873	26,025,917	100.11%
2015	27,212,974	26,652,121	97.94%	888,759	27,540,880	101.20%

SOURCE: Gallatin County Finance Department

**COMPARISON OF TAX LEVY TO COLLECTIONS**



**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	Contracts / Loans			
2006	12,100	3,520	2,650	875	3,775	2,254	25,176	0.010%	\$ 30
2007	11,628	3,576	3,835	710	4,089	1,954	25,792	0.009%	\$ 30
2008	11,027	3,600	5,745	545	2,342	2,327	25,586	0.009%	\$ 28
2009	46,432	3,290	6,210	1,320	1,612	2,123	60,987	0.022%	\$ 68
2010	46,511	4,681	5,508	1,226	2,422	1,982	62,331	0.022%	\$ 70
2011	44,710	8,828	6,081	1,273	1,904	1,800	64,595	0.021%	\$ 71
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%	\$ 53

(1) See the Schedule for Demographic Statistics for personal income and population data. Personal income equals estimated population multiplied by per capita income.

**GALLATIN COUNTY, MONTANA**  
**RATIO OF DEBT TO TAXABLE VALUE AND PER CAPITA**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands, except per capita amount)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amount Available in Debt Service Funds</b>	<b>Total</b>	<b>% of Taxable Value <sup>1</sup></b>	<b>Per Capita <sup>2</sup></b>
2006	12,100	110	11,990	6.61%	\$ 14.19
2007	11,628	217	11,411	5.79%	\$ 13.06
2008	11,027	44	10,983	5.25%	\$ 12.23
2009	46,432	467	45,965	20.66%	\$ 50.88
2010	46,511	35	46,475	20.13%	\$ 51.87
2011	44,710	129	44,581	19.00%	\$ 48.81
2012	42,825	417	42,408	17.71%	\$ 45.79
2013	43,099	495	42,604	17.28%	\$ 44.99
2014	41,872	344	41,528	16.42%	\$ 42.68
2015	39,410	440	38,970	16.39%	\$ 40.05

**NOTE:** Details regarding the County's outstanding debt are in the notes to the financial statements.

<sup>1</sup> See Schedule "Assessed Value and Actual Value of Taxable Property for data.

<sup>2</sup> Populations data can be found in schedule, "Demographic Statistics".



**GALLATIN COUNTY, MONTANA**  
**LEGAL DEBT MARGIN CALCULATIONS**

Last Ten Fiscal Years  
(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Calculation of Legal Debt Margins</b>										
Assessed Value	5,004,202	5,526,324	6,104,449	6,641,798	7,303,040	8,217,172	8,712,241	8,851,637	9,834,392	15,030,550
Allowed debt percentage	1.40%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	70,059	138,158	152,611	166,045	182,576	205,429	217,806	221,291	245,860	375,764
Outstanding debt applicable to limit	17,043	17,551	18,772	55,626	54,968	53,946	49,689	49,151	47,114	43,691
Legal Debt margin	53,016	120,607	133,839	110,419	127,608	151,483	168,117	172,140	198,746	332,073
Outstanding debt applicable to limit as a percentag of debt limit	24.33%	12.70%	12.30%	33.50%	30.11%	26.26%	22.81%	22.21%	19.16%	11.63%

(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**

Last Ten Fiscal Years

FISCAL YEAR	SPECIAL ASSESSMENT	DEBT SERVICE REQUIREMENTS		
		PRINCIPAL	INTEREST	COVERAGE
2006	722,248	1,043,000	239	69.23%
2007	662,371	399,000	198,468	110.86%
2008	669,554	876,000	217,659	61.22%
2009	652,218	310,000	185,680	131.58%
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				

(1) Special Assessment Collections includes debt service charges collected and interest.

**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 %
2006	3,520,000	176,000	603,405	17.14%
2007	3,576,000	178,800	638,110	17.84%
2008	3,600,000	180,000	686,430	19.07%
2009	3,290,000	164,500	762,158	23.17%
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	1,071,284	14.23%
2014	7,108,000	355,400	1,077,706	15.16%
2015	7,374,000	368,700	1,110,759	15.06%

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 SPECIAL DISTRICT ASSESSMENTS BILLING & COLLECTIONS**

<b>FISCAL YEAR</b>	<b>RID ASSESSMENTS BILLING</b>	<b>RID SPECIAL ASSESSMENT COLLECTIONS</b>	<b>RID CURRENT YEAR DELINQUENCY</b>	<b>%</b>
2006	624,746	600,695	24,050	3.85%
2007	616,813	593,164	23,648	3.83%
2008	632,869	596,541	36,328	5.74%
2009	639,665	591,338	48,327	7.56%
2010	524,629	489,624	35,005	6.67%
2011	1,024,305	863,567	160,738	15.69%
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	986,461			

Note: The RID Special Assessment Collections exclude collections from previous years.

**Statement of Changes**  
**in Fund Balance - RSID Revolving Fund**

	<b>Audited 2010/11</b>	<b>Audited 2011/12</b>	<b>Audited 2012/13</b>	<b>Audited 2013/14</b>	<b>Audited 2014/15</b>
Beginning Balance July 1	\$ 854,733	\$ 1,090,503	\$ 1,085,865	\$ 1,094,147	\$ 1,078,923
Property Taxes	2	35	1	1	7
Investment Earnings	14,624	9,545	8,601	7,738	8,329
Transfer In, Bond Proceeds	233,119	-	-	3,229	38,250
Expenditures	14,528	14,218	291	26,192	26,198
Receipts Over Disbursements	233,217	(4,638)	8,311	(15,224)	20,388
<b>Ending Balance - June 30</b>	<b>\$ 1,087,950</b>	<b>\$ 1,085,865</b>	<b>\$ 1,094,176</b>	<b>\$ 1,078,923</b>	<b>\$ 1,099,311</b>
<b>Assets:</b>					
Cash / Investments	\$ 1,087,950	\$ 1,071,284	\$ 1,087,428	\$ 1,077,706	\$ 1,098,133
Receivables	79	14,581	6,748	1,217	1,178
<b>Total Assets</b>	<b>\$ 1,088,029</b>	<b>\$ 1,085,865</b>	<b>\$ 1,094,176</b>	<b>\$ 1,078,923</b>	<b>\$ 1,099,311</b>
<b>Liabilities:</b>					
Total Liabilities	\$ 79	\$ 29	\$ 29	\$ 40	\$ -
Fund Balance (Restricted)	441,400	436,733	445,045	1,078,883	1,090,503
Fund Balance (Committed)	646,471	649,103	649,102	-	8,808
<b>TOTAL FUND BALANCE</b>	<b>1,087,871</b>	<b>1,085,836</b>	<b>1,094,147</b>	<b>1,078,883</b>	<b>1,099,311</b>
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 1,087,950</b>	<b>\$ 1,085,865</b>	<b>\$ 1,094,176</b>	<b>\$ 1,078,923</b>	<b>\$ 1,099,311</b>

Two Rural Improvement District Bonds were issued in FY 2015 for a total of \$765,000

**GALLATIN COUNTY, MONTANA**

<b>Summary of Outstanding Rural Special Improvement Districts</b>							
<b>June 30, 2015</b>							
Bond Issue	<b>Original Issue</b>	<b>Maturity Date</b>	<b>Bonds Issued</b>	<b>Bonds Outstanding</b>	<b>Cash Balance</b>	<b>Assessments Outstanding</b>	<b>Delinquent Assessments</b>
RSID 371	1999	2020	63,000	8,000	5,008	5,569	-
RSID 378	2001	2021	1,188,000	300,000	45,529	321,560	5,066
RSID 382	2002	2017	199,000	15,000	3,468	20,017	1,187
RSID 383	2002	2022	200,200	30,000	4,478	33,502	330
RSID 386	2003	2018	300,000	75,000	31,216	55,776	764
RSID 387	2005	2020	180,000	60,000	6,945	63,565	368
RSID 388	2005	2020	160,000	40,000	8,175	40,796	263
RSID 391	2006	2026	395,000	195,000	7,169	211,236	261
RSID 392	2006	2026	60,000	11,000	3,051	11,916	-
RSID 393	2007	2028	900,000	535,000	24,950	572,307	2,247
RSID 395	2010	2030	1,765,000	1,450,000	116,496	1,501,911	5,847
RSID 396	2010	2030	4,715,000	3,890,000	80,707	4,122,593	67,976
RSID 605	2015	2035	650,000	610,000	-	893,416	-
RSID 606	2015	2035	155,000	155,000	-	227,018	-
<b>TOTAL</b>			<b>10,930,200</b>	<b>7,374,000</b>	<b>337,192</b>	<b>8,081,182</b>	<b>84,309</b>

<b>Summary of Outstanding Rural Special Improvement Districts</b>							
<b>June 30, 2014</b>							
Bond Issue	<b>Original Issue</b>	<b>Maturity Date</b>	<b>Bonds Issued</b>	<b>Bonds Outstanding</b>	<b>Cash Balance</b>	<b>Assessments Outstanding</b>	<b>Delinquent Assessments</b>
RSID 371	1999	2020	63,000	12,000	4,892	9,853	-
RSID 376	2001	2021	540,000	35,000	15,313	32,426	551
RSID 378	2001	2021	1,188,000	360,000	41,895	385,040	5,931
RSID 382	2002	2017	199,000	35,000	8,463	36,012	775
RSID 383	2002	2022	200,200	45,000	6,913	45,872	990
RSID 384	2003	2018	160,000	15,000	8,251	7,607	-
RSID 386	2003	2018	300,000	80,000	11,572	76,701	817
RSID 387	2005	2020	180,000	75,000	10,139	75,503	411
RSID 388	2005	2020	160,000	50,000	7,318	51,346	263
RSID 391	2006	2026	395,000	220,000	13,090	229,536	1,011
RSID 392	2006	2026	60,000	16,000	3,746	16,241	173
RSID 393	2007	2028	900,000	585,000	22,985	623,233	2,590
RSID 395	2010	2030	1,765,000	1,515,000	62,996	1,575,868	6,737
RSID 396	2010	2030	4,715,000	4,065,000	31,898	4,279,842	68,168
<b>TOTAL</b>			<b>10,825,200</b>	<b>7,108,000</b>	<b>249,470</b>	<b>7,445,081</b>	<b>88,416</b>

# GALLATIN COUNTY, MONTANA

## DEMOGRAPHIC ACTIVITY

Last Ten Fiscal Years

FISCAL YEAR	ESTIMATED POPULATION (a)	BIRTHS (b)	DEATHS (b)	ESTIMATED PER	
				CAPITA PERSONAL INCOME (e)	PERSONAL INCOME (e) (in thousands)
2005	80,748	1,072	390	33,023	2,652
2006	84,489	1,214	431	35,475	2,979
2007	87,359	1,238	427	36,844	3,191
2008	89,824	1,256	447	37,004	3,291
2009	90,343	1,144	476	34,113	3,042
2010	89,599	1,072	482	35,174	3,152
2011	91,333	1,079	525	36,735	3,357
2012	92,604	1,117	479	35,293	3,225
2013	94,694	1,133	544	35,356	3,231
2014	97,304			35,500	3,244

## Business Activity

Last Ten Fiscal Years

FISCAL YEAR	YELLOWSTONE PARK - WEST ENTRANCE	BUILDING PERMITS (in thousands)	AIRLINE PASSENGERS (arrivals & departures)	ELECTRICAL CONNECTIONS	NATURAL GAS CONNECTIONS
2005	2,835,651	-	336,803	1,901	1,078
2006	2,870,295	-	315,912	1,639	1,030
2007	3,151,342	-	335,598	1,337	870
2008	3,066,579	-	351,313	914	514
2009	3,295,187	-	351,214	702	380
2010	3,640,185	-	342,714	617	341
2011	3,394,326	-	398,288	530	259
2012	3,447,729	-	433,288	747	464
2013	1,260,424	191,305	884,660	994	678
2014					

## SCHOOLS

## EMPLOYMENT STATISTICS

FISCAL YEAR	PUBLIC SCHOOL ENROLLMENT	PRIVATE SCHOOL ENROLLMENT	UNIVERSITY ENROLLMENT	EMPLOYED	UNEMPLOYMENT RATE
2005	6,900	3,257	4,863	45,172	2.70%
2006	7,096	3,281	5,620	48,129	2.30%
2007	7,287	3,246	6,246	47,928	2.60%
2008	7,392	3,265	6,827	49,090	4.60%
2009	7,568	3,174	8,339	45,363	6.20%
2010	7,723	3,162	8,410	47,316	6.70%
2011	8,018	3,194	8,914	48,466	6.10%
2012	8,113	3,183	8,795	49,793	4.90%
2013	8,428	3,239	8,644	50,462	4.70%
2014	8,715	3,239	13,371	52,924	3.60%

**GALLATIN COUNTY, MONTANA**  
**FULL-TIME EQUIVALENT COUNT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

FUNCTION / PROGRAM	Last Ten Fiscal Years									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GENERAL GOVERNMENT</b>										
Legislative services	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Judicial services	33.67	25.31	24.90	23.12	34.57	33.90	33.98	33.87	33.90	34.90
Administrative services	21.90	23.67	24.48	23.25	21.75	21.00	20.90	21.59	21.90	23.15
Financial services	23.71	23.21	23.92	24.46	24.96	24.96	24.61	25.81	25.63	26.17
Election & record services	16.00	16.67	17.21	17.25	13.75	13.75	12.75	12.75	12.75	12.75
Planning services	9.00	10.00	10.00	10.50	7.75	7.25	6.90	6.90	7.10	8.15
Legal services	18.80	19.00	20.00	20.75	21.00	21.00	21.00	21.00	21.00	21.00
Other general government	10.63	12.67	8.39	6.77	2.57	4.26	0.14	0.44	0.19	-
<b>PUBLIC SAFETY</b>										
Law enforcement services	51.23	55.50	56.40	55.00	59.41	56.59	60.65	58.26	59.84	63.51
Detention services	36.00	32.92	33.00	32.00	30.43	44.00	53.00	52.00	52.00	53.50
Animal control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch & Law records	28.00	28.00	28.63	29.00	30.00	29.50	29.50	30.50	31.75	32.75
Other public safety services	10.28	12.57	8.29	6.67	2.57	4.26	0.14	0.44	0.19	-
<b>PUBLIC WORKS</b>										
Bridge maintenance	7.36	7.36	7.36	7.36	7.36	7.36	7.36	7.36	7.41	7.41
Road and street maintenance	26.60	26.11	26.11	26.11	25.11	25.11	25.39	26.14	26.14	26.14
Facilities administration	3.65	3.65	3.62	3.62	3.12	5.54	6.74	6.74	6.49	6.74
Solid waste	10.50	13.50	16.50	20.50	20.50	18.00	18.00	19.00	18.00	18.00
Weed spraying services	2.00	2.50	3.40	3.00	2.25	3.00	3.00	2.88	2.75	2.75
<b>PUBLIC HEALTH</b>										
Health administration	2.00	3.00	2.00	3.00	3.83	3.83	3.00	3.00	3.00	3.00
Health environmental services	11.50	11.06	12.06	11.34	10.17	10.00	9.75	10.00	10.00	10.00
Health human services	18.93	15.06	18.37	17.47	16.80	18.02	19.22	20.56	19.45	21.40
Nursing home	90.30	89.80	91.70	97.90	102.90	102.90	104.67	105.58	105.58	107.68
<b>RECREATION AND OTHER</b>										
Extension	3.75	4.00	4.50	4.00	4.00	4.00	3.50	3.00	3.00	3.00
Fair	8.00	9.34	9.25	10.50	10.00	10.00	10.00	10.25	10.00	9.00
Parks	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.06
<b>TOTAL</b>	<b>450.90</b>	<b>452.00</b>	<b>457.19</b>	<b>460.66</b>	<b>461.89</b>	<b>475.33</b>	<b>480.30</b>	<b>484.18</b>	<b>484.16</b>	<b>497.06</b>

Source: Gallatin County Finance Office

**GALLATIN COUNTY, MONTANA**  
**OPERATING INDICATORS BY FUNCTION / PROGRAM**

Last Ten Fiscal Years

FUNCTION / PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GENERAL GOVERNMENT</b>										
Registered Voters	34,325	47,413	67,073				65,109		71,021	65,722
Property Transactions										
Filings with Clerk & Recorder	40,209	37,923	30,178	26,562	31,939	30,013	30,562	34,604	30,662	31,410
Deeds Recorded	7,759	6,143	4,463	3,222	4,275	4,176	4,525	5,620	5,704	6,184
Property Tax Information										
Real Taxes Billed	86,787,701	95,360,325	104,896,357	108,500,000	129,786,736	125,791,776	128,575,814	133,107,370	141,888,913	149,088,398
Real Taxes Collected - w/Delinquency	87,555,718	95,415,269	102,785,269	106,330,000	121,585,614	125,950,881	130,006,433	135,875,106	145,205,907	149,856,320
Real Taxes Protested						1,014,368	1,700,155	1,482,659	1,162,867	7,428
Total Outstanding						9,297,141	7,222,725	5,110,757	4,672,995	3,476,511
Number of Bills Sent						47,697	48,149	48,112	48,437	48,933
Redemption & Tax Deeds						655,478	1,129,632	2,112,487	2,545,034	1,627,040
Motor Vehicle - Titles Processed	27,810	21,168	25,000	25,000	26,000	26,840	26,788	28,465	29,790	32,030
Registrations Processed	87,026	78,886	76,000	76,000	72,000	72,342	62,694	69,534	84,608	88,445
Justice Court										
Cases Filed	11,194	10,060	10,971	10,553	9,917	8,888	8,092	7,356	7,894	8,054
Fines & Forfeitures	699,320	700,976	748,253	765,469	520,873	483,912	400,184	430,756	455,303	437,403
Charges Filed				9,415	8,951	8,128	7,785	6,835	7,642	8,189
County Attorney										
Felonies	408	341	341		355	364	385	437	N/A	514
Involuntary Commitments	48	42	42		64	65	50	69	N/A	71
Juvenile Cases	83	117	117		149	172	189	150	N/A	156
<b>PUBLIC SAFETY</b>										
Sheriff										
Arrests									1,147	882
Prisoner Days	26,000	27,500	30,000	28,105	29,200	30,000	41,978	45,625	72,273	71,569
Average Daily Population -DC	63	65	69	77	80	82	115	125	163	154
Calls Dispatched	29,271	27,051	27,036	28,003	27,805	28,116	25,366	32,286	33,749	44,159
Citations									1,488	848
Dispatch / Fire										
Events Processed	N/A	N/A	N/A	N/A	N/A	95,263	102,910	110,254	102,628	106,930
Fire Dispatches	5,704	2,752	1,809	5,810	5,970	5,970	5,941	6,775	6,685	7,307
9-1-1 Calls Answered	N/A	86,836	91,138	94,064	94,256	25,445	29,521	31,712	30,414	29,721

**GALLATIN COUNTY, MONTANA**  
**OPERATING INDICATORS BY FUNCTION / PROGRAM**

Last Ten Fiscal Years

FUNCTION / PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PUBLIC WORKS</b>										
Refuse Disposal										
Refuse disposed of	89,339	116,260	113,182	117,000	109,000	115,389	105,665	103,474	108,213	120,408
Recycling - (tons diverted)	1,274	1,000	800	800	500	3,034	2,479	3,301	3,126	3,207
Other Materials Diverted						10,413	4,019	5,081	5,074	7,717
Road / Bridge										
Road Resurfaced (miles)									8	-
Bridge Repairs / Replaced (hours)						1,210	1,434	1,896	1,870	763
Junk Vehicle Hauled	956	875	650	336	253	171	96	75	30	67
Noxious Weed spray (acres)	8,600	9,500	9,500			4,560	4,560	4,560	4,560	5,128
<b>PUBLIC HEALTH</b>										
Septic System Permits Issued	543	465	315	265	208	154	200	226	271	302
Licensed Establishment Inspections	88	1,010	1,238	1,429	1,657	1,646	1,723	1,617	1,743	1,637
Communicable Disease Cases				820	1,677	881	998	1,398	1,107	1,528
Immunizations Administered	8,357	10,207	10,960	9,125	7,233	10,619	10,313	8,712	9,533	7,616
<b>RECREATION AND OTHER</b>										
County Fair Attendees	40,183	39,981	40,122	44,425	39,492	38,033	49,000	49,300	51,875	27,000
Winterfest Attendees	8,065	7,918	9,138	8,873	10,149	9,366	8,900	9,500	8,923	-
4-H Participants	540	502	500	479	503	508	509	537	575	635





## **SINGLE AUDIT SECTION**

GALLATIN COUNTY, MONTANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Revenue	Federal Expenditures	Clusters
<b>U.S. Department of Agriculture</b>						
<i>Passed through the State Department of Public Health and Human Services</i>						
Special Supplemental Food Program (WIC) 10/1/13- 9/30/14	10.557	13-07-5-21-009-0	\$218,483.00	\$ 24,670.23	\$24,670.23	Special Supplemental Nutrition Program for Women, Infants, and Children 10.557
Special Supplemental Food Program (WIC) BFPC 10/1/13 - 9/30/14	10.557	13-07-5-21-009-0	\$9,919.00	\$ 2,443.09	\$2,443.09	
Special Supplemental Food Program (WIC) 10/01/14 - 9/30/15 (Includes \$655.20 in federal travel reimbursement)	10.557	15-07-5-21-009-0	\$241,335.20	\$ 188,880.39	\$188,880.39	
Special Supplemental Food Program (WIC BFPC) 10/01/14 - 9/30/15	10.557	15-07-5-21-009-0	\$16,104.00	\$ 16,104.00	\$16,104.00	
<i>Total Passed through the State Department of Public Health and Human Services:</i>			\$ 485,841.20	\$ 232,097.71	\$ 232,097.71	
<b>Total U.S. Department of Agriculture</b>			<b>\$ 485,841.20</b>	<b>\$ 232,097.71</b>	<b>\$ 232,097.71</b>	

**U.S. Department of Housing and Urban Development**

<i>Passed through the State Department of Commerce</i>						
CDBG Affordable Housing - Big Sky 10/6/14 to 10/5/15	14.228	MT-CDBG-14PL-01	\$30,000	\$ 14,655.76	\$ 14,655.76	
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 30,000.00</b>	<b>\$ 14,655.76</b>	<b>\$ 14,655.76</b>	

**U.S. Department of Interior - National Park Service**

<i>Passed through the Montana Fish Wildlife and Parks</i>						
Land & Water Conservation Fund Grant - Regional Park 10/8/14 to 12/21/16	15.916	30-00728	\$ 65,850.00	\$ 3,963.90	\$ 3,963.90	
<b>Total U.S. Department of Interior</b>			<b>\$ 65,850.00</b>	<b>\$ 3,963.90</b>	<b>\$ 3,963.90</b>	

**U.S. Department of Health and Human Services**

<i>Passed through the State Department of Public Health and Human Services:</i>						
Immunization Action Plan - IAP 01/01/14-12/31/14 <i>(Deliverable based)</i>	93.268	14-07-4-31-116-0	\$ 31,394.00	\$ 15,697.00	\$15,697.00	Immunization Cooperative Agreements 93.268
Immunization Action Plan - IAP 01/01/15-12/31/15 <i>(Deliverable based)</i>	93.268	15-07-4-31-116-0	\$ 38,532.00	\$ 19,266.00	\$19,266.00	
Immunization Billing Grant - IZ BILLING 7/1/13-08/30/14 <i>(Deliverable based)</i>	93.539	14-07-4-31-162-0	\$ 11,900.00	\$ 2,314.70	\$2,314.70	
Public Health Emergency Preparedness - PHEP 7/1/14-6/30/15 <i>(Deliverable Based)</i>	93.069	15-07-6-11-021-0	\$ 100,304.00	\$ 100,306.00	\$100,306.00	ACA Maternal, Infant and Early Childhood Home Visiting Program 93.505
Maternal, Infant & Early Childhood Home Visiting Infrastructure Development - MIECHV ID 7/1/13 - 09/30/2014 <i>(Deliverable based)</i>	93.505	13-07-5-31-028-0	\$ 99,962.04	\$ 20,071.89	\$20,071.89	
Maternal, Infant & Early Childhood Home Visiting Infrastructure Development - MIECHV EXP/SD 5/1/14 - 6/30/15 <i>(Deliverable based)</i>	93.505	14-07-5-01-090-0	\$ 234,237.00	\$ 199,454.09	\$199,454.09	
Montana Cancer Control Programs - MCCCCP 07/01/14 - 09/30/15 <i>(Deliverable based)</i> \$35,000 of state funding	93.283	15-07-3-01-007-0	\$ 103,080.00	\$ 77,131.79	\$77,131.79	
Maternal & Child Health Services Block Grant - MCH 07/01/14 - 06/30/15 <i>(Deliverable Based)</i>	93.994	15-07-5-01-016-0	\$ 94,484.00	\$ 94,484.00	\$94,484.00	
Performance Management - ACCREDITATION 06/16/14-07/30-15 <i>(Deliverable based)</i>	93.991	14-07-1-01-113	\$ 25,000.00	\$ 16,632.75	\$16,632.75	
Linking Actions for Unmet Needs in Children's Health - LAUNCH 10/01/14-09/30/15	93.243	1502PROS0254	\$ 539,597.00	\$ 49,229.42	\$49,229.42	
<i>Total Passed through the State Department of Public Health and Human Services:</i>			\$ 1,278,490.04	\$ 594,587.64	\$ 594,587.64	
<i>Passed through MT DPHHS to Yellowstone City/County Health Dept/Riverstone Health to Gallatin County</i>						
Ryan White C Outpatient STD/HIV Early Intervention Services 07/01/14 - 06/30/15	93.918	15-07-4-51-105-0	\$ 10,000.00	\$ 6,885.74	\$6,885.74	
<i>Total Passed through Yellowstone City/County Health Dept/Riverstone Health:</i>			\$ 10,000.00	\$ 6,885.74	\$ 6,885.74	
<i>Passed through MT DPHHS to Thrive to Gallatin County</i>						
Pregnant & Parenting Teens - PPT 08/01/13 - 7/31/14	93.5	1402PROS0232	\$ 76,061.00	\$ 2,464.01	\$2,464.01	Pregnancy Assistance Fund Program (ARRA) 93.500
Pregnant & Parenting Teens - PPT 08/01/14 - 7/31/15	93.5	1502PROS0232	\$ 29,205.00	\$ 23,355.75	\$23,355.75	

GALLATIN COUNTY, MONTANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Revenue	Federal Expenditures	Clusters
Total Passed through Thrive:			\$ 105,266.00	\$ 25,819.76	\$25,819.76	
Total U.S. Department of Public Health and Human Services			\$ 1,393,756.04	\$ 627,293.14	\$627,293.14	

U.S. Department of Homeland Security

Passed through the Montana Disaster & Emergency Services

Emergency Management Performance Grant - Communications Upgrade - EMW-2014-SS-00019-S01 10/01/14 - 9/30/15	97.067	EMW-2014-SS-00019-S01	\$ 68,201.78	\$ 66,063.41	\$ 66,063.41	FEMA Emergency Management Cluster 97.042
Emergency Management Performance Grant EMW-2013-EP-00044-S01 10/1/2013 - 6/30/2014	97.042	EMW-2013-EP-00044-S01	\$ 45,000.00	\$ 4,536.79	\$ 4,536.79	
Emergency Management Performance Grant EMW-2014-00006 10/1/14 - 9/30/15	97.042	EMW-2014-EP-00006	\$ 45,250.00	\$ 45,250.00	\$ 45,250.00	
HGSP Mobile Command Sustainment Grant EMW 2013-SS-00064 10/1/13 - 9/30/14	97.067	EMW-2013-SS-00064	\$ 39,621.00	\$ 21,460.50	\$ 21,460.50	
Passed through the Montana Disaster & Emergency Services:			\$ 198,072.78	\$ 137,310.70	\$ 137,310.70	
Total U.S. Department of Homeland Security			\$ 198,072.78	\$ 137,310.70	\$ 137,310.70	

U.S. Department of Justice

Direct:

LLEBG Bulletproof Vest Program	16.607	DIRECT	\$	4,264.01	\$	1,503.00	\$	1,503.00	COPS Hiring Cluster 16.710
COPS II HIRING Grant	16.710	DIRECT	\$	213,473.00	\$	23,812.60	\$	23,812.60	
COPS III HIRING Grant	16.710	DIRECT	\$	125,000.00	\$	41,763.21	\$	41,763.21	
Gallatin County Treatment Court Program BJA FY10 Congressionally Selected - Women's Transition	16.753	DIRECT	\$	81,364.00	\$	12,755.38	\$	12,755.38	JAG Program Cluster 16.738
JAG Grant W/City of Bozeman	16.738	DIRECT	\$	9,655.00	\$	9,655.00	\$	9,655.00	
Total Direct:			\$	433,756.01	\$	89,489.19	\$	89,489.19	
Passed through the State Department of Justice - Montana Board of Crime Control:									
JAG Byrne Memorial Justice Assistance Grant - Missouri River Drug Task Force 7/1/14 - 6/31/15	16.738	13-G01-91728	\$	232,518.33	\$	232,518.33	\$	232,518.33	VAWA Cluster 16.588
Victim Witness Computer Funding	16.588	13-W03-91414	\$	2,918.00	\$	2,918.00	\$	2,918.00	
Victim Witness Program 7/1/14 - 6/31/15	16.588	14-W03-91670	\$	43,746.00	\$	43,746.00	\$	43,746.00	
Operation Freedom from Fear 7/1/14 - 6/30/15	16.588	14-W02-91677	\$	49,613.00	\$	49,613.00	\$	49,613.00	
Total Passed through the State Department of Justice - Montana Board of Crime Control:			\$	328,795.33	\$	328,795.33	\$	328,795.33	
Passed through the City of Bozeman									
Gallatin Project Consortium: Rural Project to End Violence Against Women 10/1/14 - 9/30/17	16.589	INTERLOCAL 2015-162	\$	82,561.00	\$	9,641.30	\$	9,641.30	Rural Domestic Violence Cluster 16.589
Victim Witness Program Staff MOU	16.589	INTERLOCAL 2012-135	\$	117,578.00	\$	2,339.98	\$	2,339.98	
Total Passed through the City of Bozeman:			\$	200,139.00	\$	11,981.28	\$	11,981.28	
Total U.S. Department of Justice			\$	962,690.34	\$	430,265.80	\$	430,265.80	

U.S. Department of Transportation

Passed through the State Department of Transportation:

Montana Department of Transportation - Highway Traffic Safety STEP Overtime 10/1/13 - 9/30/14	20.601	107904	\$ 23,000.00	\$ 4,266.94	\$ 4,266.94	Highway Safety 20.600, 20.601, 20.611
Montana Department of Transportation - Highway Traffic Safety STEP Overtime 10/1/14 - 9/30/15	20.601	107273	\$ 23,000.00	\$ 16,921.96	\$ 16,921.96	
Community Transportation Enhancement Program CTEP Gallatin County Trails Project (STPE 16(90) UPN 7987) Oak, Ander I, Norris	20.205	7987	\$ 319,656.00	\$ 148,489.00	\$ 148,489.00	
Community Transportation Enhancement Program CTEP Manhattan Yadon Path	20.205	8824	\$ 58,208.00	\$ 10,207.77	\$ 10,207.77	

GALLATIN COUNTY, MONTANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Revenue	Federal Expenditures	Clusters
Community Transportation Enhancement Program CTEP Three Forks West Side Path	20.205	8826	\$ 94,044.00	\$ 10,298.17	\$ 10,298.17	Highway Planning 20.205
Community Transportation Enhancement Program CTEP Three Forks Depot Renovation	20.205	8850	\$ 90,278.00	\$ 10,829.34	\$ 10,829.34	
Community Transportation Enhancement Program CTEP Milwaukee Park Landscaping Project	20.205	7975	\$ 50,000.00	\$ 42,936.14	\$ 42,936.14	
Community Transportation Enhancement Program CTEP West Yellowstone Landscaping	20.205	7976	\$ 10,000.00	\$ 5,738.68	\$ 5,738.68	
Community Transportation Enhancement Program CTEP Anderson School Trail Phase II (STPE 16(100) UPN 8577	20.205	8577	\$ 117,000.00	\$ 4,861.12	\$ 4,861.12	
Total Passed through the State Department of Transportation:			\$ 785,186.00	\$ 254,549.12	\$ 254,549.12	
Direct U. S. Department of Transportation						
TIGER IV I-90 Interchange Project	20.933	DIRECT	\$ 8,976,224.00	\$ 2,736,698.30	\$ 2,736,698.30	
Total Direct - U.S. Department of Transportation			\$ 8,976,224.00	\$ 2,736,698.30	\$ 2,736,698.30	
Direct - Federal Aviation Administration						
FAA - Pogreba Airport Improvements Taxilane	20.106	DIRECT	\$ 427,271.00	\$ 315,153.00	\$ 315,153.00	
Total Direct - Federal Aviation Administration			\$ 427,271.00	\$ 315,153.00	\$ 315,153.00	
Total U.S. Department of Transportation			\$ 10,188,681.00	\$ 3,306,400.42	\$ 3,306,400.42	

**Total Federal Assistance** \$ 13,324,891.36 \$4,751,987.43 \$ 4,751,987.43

**Note 1.** Basis of Presentation:  
The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Gallatin County under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Gallatin County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Gallatin County.

**Note 2.** Summary of Significant Accounting Policies:  
Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Governments*.

**Note 3.** Subrecipients:  
Of the federal expenditures presented in the schedule, Gallatin County provided federal awards to subrecipients as follows:

Program Name:	CFDA #:	Subrecipient:	Amt Provided to Subrecipient:
DOJ Byrne Formula Missouri River Drug Task Force	16.738	City of Bozeman	\$ 69,421.83
DOJ Byrne Formula Missouri River Drug Task Force	16.738	Broadwater Co Sheriff	\$ 0.00
DOJ Byrne Formula Missouri River Drug Task Force	16.738	City of Helena	\$ 31,869.90
DOJ Byrne Formula Missouri River Drug Task Force	16.738	Lewis & Clark County	\$ 44,645.30
DOJ Byrne Formula Missouri River Drug Task Force	16.738	Park County Sheriff	\$ 29,618.40
			\$ 175,544.43

(Broadwater County chose not to participate financially in FY15, the \$4,405.10 from their subrecipient agreement was allocated to Lewis & Clark County for the purchase of Clandestine Lab Abatement Equipment.)

U. S. Department of Transportation - CTEP- Manhattan Yadon Path	20.205	Town of Manhattan	\$ 10,207.78
U. S. Department of Transportation - CTEP - West Yellowstone Landscaping	20.205	Town of West Yellowstone	\$ 5,738.67
U. S. Department of Transportation - CTEP - Milwaukee Park Landscaping	20.205	Town of Three Forks	\$ 42,936.14
U. S. Department of Transportation - CTEP - Milwaukee Depot Renovation	20.205	Town of Three Forks	\$ 10,829.34
U. S. Department of Transportation - CTEP - West Side Path	20.205	Town of Three Forks	\$ 10,298.17
U. S. Department of Transportation - CTEP - Gallatin Trails	20.205	City of Bozeman	\$ 74,244.48
			\$154,254.58
MIECHV EXP/SD 05/01/14 - 06/30/15	93.505	Thrive	\$ 47,772.24
MIECHV ID 07/01/13-09/30/14	93.505	Greater Gallatin-United Way	\$ 9,645.57
			\$ 57,417.81
LAUNCH 10/01/14-09/30/15	93.243	Thrive	\$ 5,407.10
LAUNCH 10/01/14-09/30/15	93.243	Greater Gallatin-United Way	\$ 19,875.97
LAUNCH 10/01/14-09/30/15	93.243	Child Care Connections	\$ 5,080.45
LAUNCH 10/01/14-09/30/15	93.243	Gallatin Mental Health Center	\$ 5,016.85
			\$ 35,380.37
DPHHS - Pregnant and Parenting Teens (Year 2) 7/1/2013-8/31/2013	93.505	THRIVE	\$ 6,505.83
DPHHS - Miechv (Year 2) 10/1/2012-6/30/2013	93.505	THRIVE	\$ 357.47
DPHHS - Miechv (Year 2) 10/1/2012-6/30/2013	93.505	G G United Way	\$ 22,310.01
			\$ 29,173.31

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*

To the Board of County Commissioners  
Gallatin County, State of Montana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, State of Montana (the County), as of and for the year ended June 30, 2015, which collectively comprise the County's basic financial statements and have issued our report thereon as of January 25, 2016.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 2015-01 that we consider to be material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Gallatin County Response to Finding**

Gallatin County's response to the finding identified in our audit is described in the accompanying schedule. Gallatin County's response was not subjected 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.

*Anderson Zur Muehlen & Co., P.C.*

Bozeman, Montana  
January 25, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of County Commissioners  
Gallatin County, State of Montana

**Report on Compliance on Major Federal Program**

We have audited Gallatin County, State of Montana's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. 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 on each of the County'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements (referred to above), which could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about the 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 the County's compliance.

***Opinion on Major Federal Program***

In our opinion, the County 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, 2015.



## **Report on Internal Control over Compliance**

Management of the County 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 of compliance, 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 the 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Anderson Zur Muehlen & Co., P.C.*

Bozeman, Montana  
January 25, 2016

GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

**Identification of major programs:**

20.993 National Infrastructure Investments – TIGER IV

20.205 Highway Planning and Construction

20.106 FAA - Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:      \$300,000

Auditee qualified as low-risk auditee?      Yes

**Prior year findings:**

None reported.

GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

**Section II – Financial Statement Finding**  
**2015-01 Cash Reconciliations and Processes**

*Criteria:*

Processes, systems, and controls should support the timely, accurate, and complete recording, reconciliation, and reporting of cash transactions and balances.

*Condition:*

The County's process and systems for recording cash transactions is insufficient to ensure timely and accurate recording of cash transactions. High volume, reliance on spreadsheets, complexity of transactions, existing systems, and heavy workload all contributed to errors and omissions in accounting for cash transactions. Specifically, we noted the following: (1) 52 items totaling \$112,952 that had cleared the County's bank accounts, but had not been recorded in the County's records; (2) three checks totaling \$775,539 which were written in June 2015, but not mailed to their intended recipients until October; (3) a deposit for \$85,103 from the Justice Court, which should have been recorded in June 2015, but was recorded in July 2015 and deposited in August 2015; (4) a transfer in progress between accounts, which was excluded from the receiving bank reconciliation; and (5) 63 receipts which were received in June 2015, but recorded in July 2015.

*Context:*

The County has eight deposit accounts in local banks, with balances totaling \$23,220,386 as of June 30, 2015.

*Effect:*

Cash balances were understated by \$1,336,094 as of June 30, 2015.

*Cause:*

The County utilizes software to record cash receipts. This software is not utilized for reconciling cash balances. The County also enters all cash receipts into spreadsheets used to summarize cash position. As a result, many transactions are entered twice. The extensive use of spreadsheets in an entity's financial reporting process and control structure increases the risk of manual errors. Spreadsheets can be modified, may contain formula errors, lack an audit trail, and may not have adequate access controls. The process to ensure completeness of cash transactions is insufficient to meet the reporting objectives for cash.

*Recommendation:*

The County should review the functionality of its cash receipts software to determine if it is sufficient to support the financial reporting objectives related to cash. The system for recording and reconciling cash should be reviewed for efficiency to ensure that transactions can be recorded timely, and reviewed for completeness at the end of the reporting period.



# GALLATIN COUNTY

311 West Main, Rm. 306 • Bozeman, MT 59715  
Commission @gallatin.mt.gov

County Commission

R. Stephen White  
Joe P. Skinner  
Donald F. Seifert

Phone (406) 582-3000  
FAX (406) 582-3003

January 26, 2016

AZ & Company  
Attn: Kyla Q. Stafford, CPA  
1019 East Main Street, Suite 201  
Bozeman, MT 59715

Re: Official Response to Finding

Dear Kyla Stafford:

We are submitting our official response to the finding listed in your report. The Treasurer will implement new procedures and enhance current procedures necessary to correct the finding in your report.

Gallatin County is committed to correcting the deficiencies in our control activities and methodologies to ensure proper financial reporting. The following is our response to the condition:

## **Section II – Financial Statement Finding 2015-01 Cash Reconciliations and Processes**

### ***Condition:***

The County's process and systems for recording cash transactions is insufficient to ensure timely and accurate recording of cash transactions. High volume, reliance on spreadsheets, complexity of transactions, existing systems, and heavy workload all contributed to errors and omissions in accounting for cash transactions. Specifically, we noted the following: (1) 52 items totaling \$112,952 that had cleared the County's bank accounts, but had not been recorded in the County's records; (2) three checks totaling \$775,539 which were written in June 2015, but not mailed to their intended recipients until October; (3) a deposit for \$85,103 from the Justice Court, which should have been recorded in June 2015, but was recorded in July 2015 and deposited in August 2015; (4) a transfer in progress between accounts, which was excluded from the receiving bank reconciliation; and (5) 63 receipts which were received in June 2015, but recorded in July 2015.

### ***Recommendation:***

The County should review the functionality of its cash receipts software to determine if it is sufficient to support the financial reporting objectives related to cash. The system for recording and reconciling cash should be reviewed for efficiency to ensure that transactions can be recorded timely, and reviewed for completeness at the end of the reporting period.

***Response:***

The County is in the process of reviewing the functionality of our cash receipt software. Additionally, the County is assessing the current process of recording and reconciling cash timely, efficiently and transparently to allow for improved ease of verification by all interested parties.

In response to the five items identified in the ‘Condition’ statement we have determined that changes in our process and procedures will decrease the potential for a reoccurrence of these problems. Specifically:

1) Items recorded in bank accounts are to be recorded in the County Records (Eden):

The Treasurer’s Office has instituted a 30 day deadline, from the date of deposit or notification of such, for all departments/agencies to submit all required documentation in order for the revenues to be recorded in Tyler. Revenues for which documentation has not been received after the 30 day deadline will be recorded into Tyler in the department’s/agency’s operation fund.

Without exception, all revenues received on or before June 30th, will be recorded in June.

2) Checks written in June but not mailed until October:

Treasurer’s current office policy is to mail all checks when written. This was a unique situation with three (3) checks written in June. The three (3) checks were associated with resolving multiple years of tax protests which were resolved between the State of Montana and three (3) large Communication companies. Also during fiscal year 2015, Treasurer’s tax software (Tyler) implemented a new protest release program which had a few glitches. The combination of both issues created the Treasurer needing extra time to verify the refund checks were correct. The tax software vendor has been notified of the errors and is implementing corrections during fiscal year 2016. Treasurer has updated office policy to read “A check or checks will not be written nor transactions processed if the check(s) cannot be mailed when written”.

3) Omission of Justice Court check from June records:

Procedures have been implemented within the Treasurer’s Office so recognition of all revenues to be recorded in a fiscal year are identified, processed and recorded properly.

4) Transfer in process not recorded before year-end:

All Offices/Agencies/Departments will continue to be reminded of year-end deposit and accounting deadlines. The Human Resources Office, who did not properly

deposit or identify June's revenue activity resulting in this event, has been made aware of the issue. Processes in the Human Resources Office are being updated to ensure all revenues received or issued by the end of each month will be properly identified and deposited within the proper period.

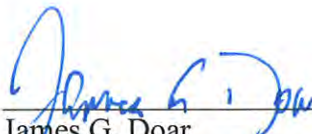
5) Receipts made before the end of June, but not recorded until the next fiscal year:


The Treasurer has implemented internal office procedures to ensure receipts are recorded in the proper month. Unresolved receipts will be deposited and recorded in a holding account until it is resolved. In the event receipts cannot be properly applied, the Treasurer's Office will issue a refund check and record the transaction appropriately.


In an effort to streamline cash confirmation throughout a fiscal year, the Internal Auditor's Office, no less than quarterly, will review the cash reconciliation between Gallatin County's bank accounts, Tyler and EDEN to ensure accuracy as well as to identify and report any discrepancies.

Respectfully submitted:

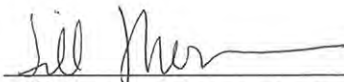
  
R. Stephen White  
Gallatin County Commission

  
James G. Doar  
Gallatin County Administrator

  
Kimberly Buchanan  
Gallatin County Treasurer

  
Edward G. Blackman, Director  
Gallatin County Finance

  
Jennifer Blossom  
Gallatin County Auditor

  
Jill Therrien, Accountant  
Gallatin County Finance