

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

ENTITY # 11601  
**MONTANA**  
**GALLATIN COUNTY**  
**311 West Main Street**  
**Bozeman, Montan 59715**

**ANNUAL FINANCIAL  
REPORT**

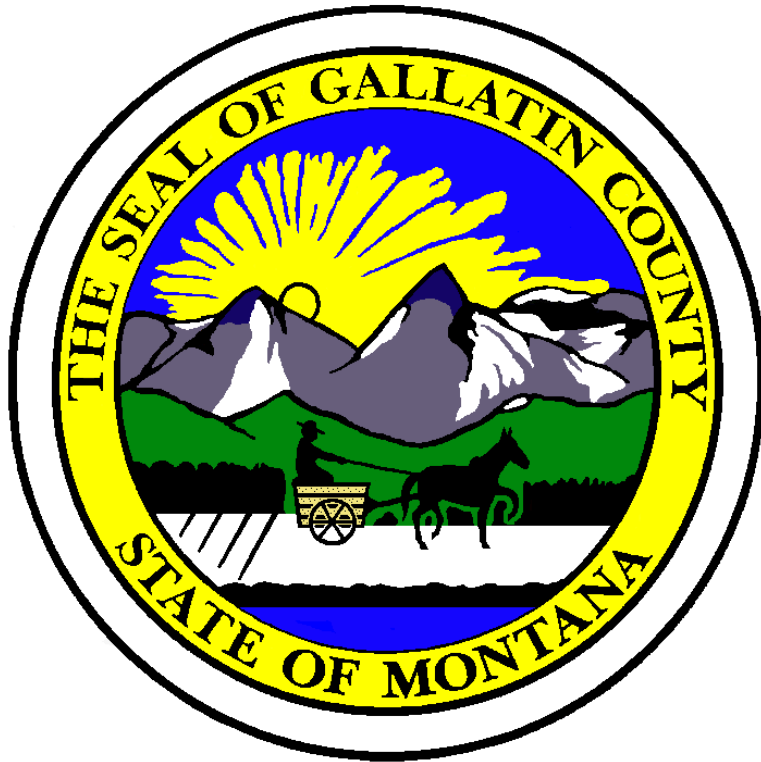


**FISCAL YEAR ENDING JUNE 30, 2016**

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# **INTRODUCTORY SECTION**

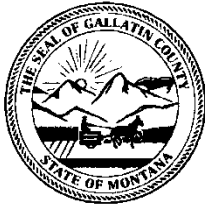


**GALLATIN COUNTY, STATE OF MONTANA**  
**ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended June 30, 2015

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# *County of Gallatin*

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311 W. Main, Courthouse • Bozeman, Montana 59715

December 31, 2016

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, 2016.

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, 2016, 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, 2016. The independent auditor's report is presented at the front of the financial section of this report.

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and Title 2 of the United States Code of Federal Regulations part 200 (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards (SEFA) and the auditor's reports on internal control over financial reporting and compliance with other matters under Government Auditing Standards and in accordance with Title 2 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. Commissioners serve staggered six-year terms. There are twelve other elected officials, with nine serving four-year terms and three district court judges serving six-year terms. The County seat is located in Bozeman.

The County has a land area of approximately 2,632 square miles and an estimated population of 100,739. 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 decisions made in prior years that obligate this year. The 'Start-Up' budget is sent to all agencies. Then Elected Officials, Department Heads and Managers of the County are required to submit requests for appropriation to the Finance 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. 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 percent. In addition, the County saw reductions in document recordings, septic permit applications, addressing, applications for subdivision / zoning / variances and tonnage at the landfill. In the last six years, the County saw steady growth, with FY 2015-2016 construction permits similar to the highest years prior to the recession. In FY 2016-2017 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 percent 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 percent in FY 2013. The tax increase for FY 2017 is 6.71 percent compared to 4.36 percent the previous year.

The County has seen unemployment go from the low in 2006 of 2.0 percent to a high in 2009 of 6.0 percent and to 2.7 percent as of June 2016. The County's unemployment rate is significantly below the State's rate of 3.8 percent, and the national rate of 4.9 percent. Bozeman's economy is expanding due to 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 plan adopted by the County.

The elements of the County's planning process have unique purposes and timeframes. The County's Mission, Vision Statements, and Growth Policy are the most far reaching in nature (20 to 25 years). The Capital Improvement Program, Core Rolling Stock, and Bridge Replacement programs along with the Five-Year Financial Forecast are mid-term in nature (5 to 10 years). The Annual 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 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 future capital improvements and replacements. Since the CIP is designed to deal with large capital expenditures, valued greater than \$50,000 and with a useful life of 5 years or greater, staff identified several other major areas that needed to be considered. The first was the identification and funding of 'Core' rolling stock – sheriff vehicles, fire engines, road and bridge rolling stock, etc. The County approved the 'Core Rolling Stock' program in 2010. The program identified vehicles that were needed to maintain County operations on an ongoing basis with a minimum value of \$25,000 inclusive of equipment and had a useful life of 5 years or greater. The plan currently funds up to \$671,500 per year from Newly Taxable Property (NTP). The next program, approved in 2012, was the Bridge Replacement Plan. This plan currently funds up to \$400,000 from NTP to replace bridges with a span of greater than 30 feet or to support the Bridge Department's need to replace bridges in an emergency.

## **Finance / Budget**

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

In FY 2015, the County adopted a resolution approving a 'Sustainable and Resilient' budget policy. The County seeks to maintain a diversified and stable revenue base to protect itself from short-term fluctuations in any one revenue source. In addition, the Commission sets a goal of maintaining operating reserves at the same percentage as previous years for 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 real property taxes for the 2015 tax year (collected in FY 2016) were 0.68 percent. The total of all delinquent real property taxes was 0.84 percent of the taxes billed in FY 2016. 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 local governments was prohibitive in light of restrictions associated with 15-10-420 Montana Code Annotated (MCA) and authorized increasing mills to cover premium increases.

## **Debt Service**

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

The 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 libraries. This allows the County to adequately support the five city/town libraries in the County. The voters also approved the levying of 9 mills, plus growth allowed by state law, for Enhanced Dispatch activities. This allowed for ongoing funding from a reliable revenue source for dispatch operations as well as funding for the dispatch center.

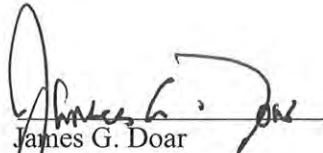
### **Acknowledgements**

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 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

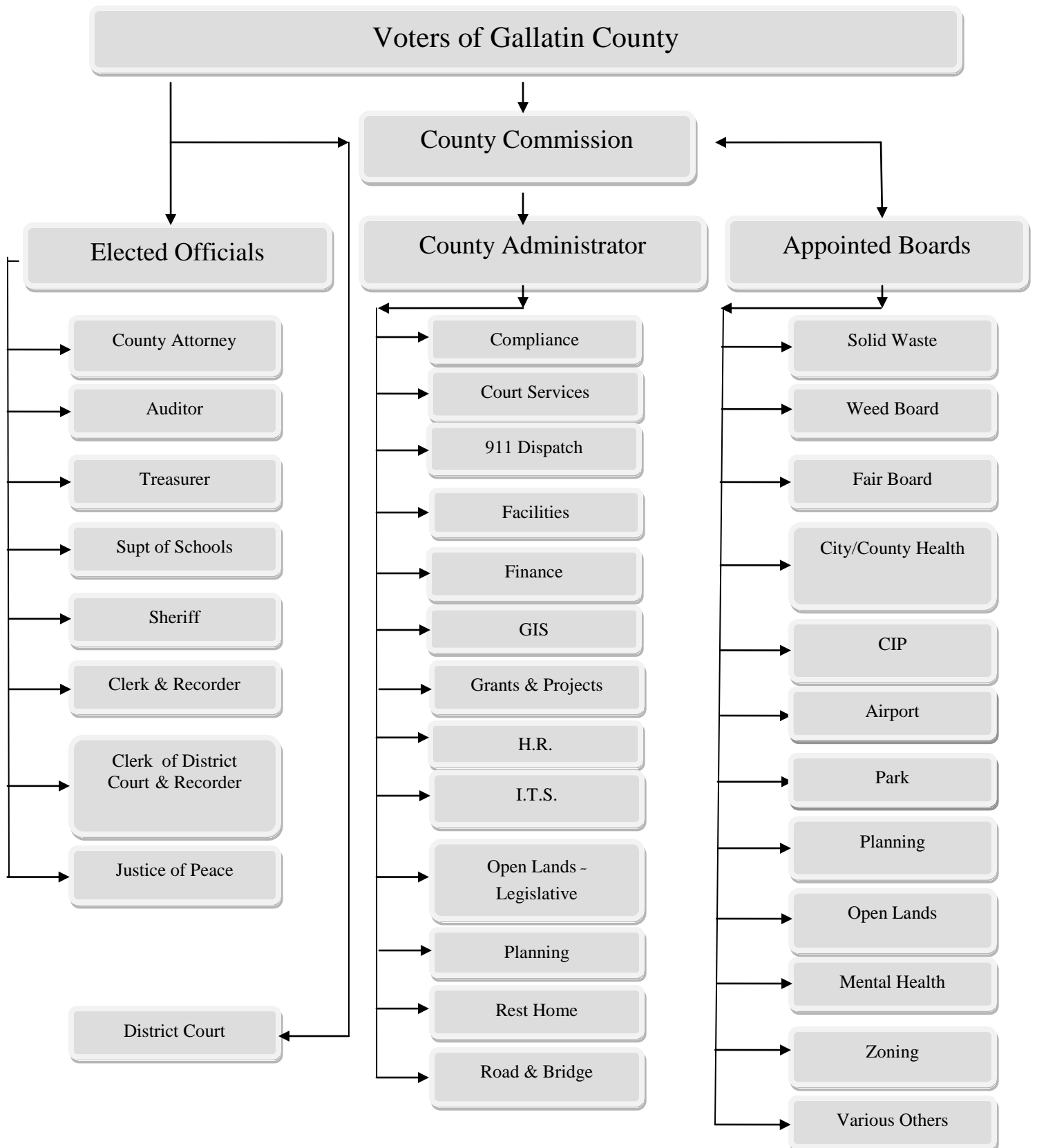


James G. Doar  
County Administrator



Edward G. Blackman  
Finance Director

# ORGANIZATIONAL CHART



**COUNTY OF GALLATIN  
ELECTED OFFICIALS/OFFICERS**

| OFFICE   | NAME OF COUNTY OFFICIALS/OFFICERS | DATE TERM EXPIRES |
|--|-----------------------------------|-------------------|
| Commissioner (Chairperson)                     | R. STEPHEN WHITE                  | DEC. 2018         |
| Commissioner                                   | JOSEPH SKINNER                    | DEC. 2016         |
| Commissioner                                   | 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                           | RICK WEST                         | DEC. 2018         |
| Justice of the Peace                           | BRYAN ADAMS                       | DEC. 2018         |
| School Superintendent                          | LAURA AXTMAN                      | DEC. 2018         |
| Sheriff / Coroner                              | BRIAN GOOTKIN                     | DEC. 2018         |
| District Court Judge                           | MICHAEL SALVAGNI                  | DEC. 2020         |
| District Court Judge                           | HOLLY BROWN                       | DEC. 2018         |
| District Court Judge                           | JOHN C. BROWN                     | DEC. 2018         |

In accordance with State law, I hereby transmit the County of GALLATIN  
Annual Financial Report for the fiscal year ended June 30, 2016

Respectfully submitted;

*Charlotte Mills*

County Clerk and Recorder

*12/6/2016*

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, 2016, 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, 2016, 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.

## **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, other 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the 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, other supplemental information, including combining fund statements, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2017, 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  
February 3, 2017

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

**Gallatin County, State of Montana**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2016**

The Board of County Commissioners, with assistance from County Elected Officials, the County Administrator and their staffs, present the following Management Discussion and Analysis (MD&A). As management of Gallatin County, Montana, we have prepared Gallatin County's basic financial statements along with this comparative narrative overview and analysis of the financial activities of Gallatin County for the fiscal year ending June 30, 2016. 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, 2016, Gallatin County's governmental funds reported combined ending fund balances of \$48,284,875, compared with \$40,443,097 at June 30, 2015. The fund balance for the General Fund is \$5,752,162 – up \$829,330 from June 30, 2015. 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 growth in the property tax base, adoption of Growth Policy, setting aside most Newly Taxable Property for capital projects, adoption and full funding of 'Core Rolling Stock' Vehicle Replacement Program and Bridge Replacement Program, and setting aside \$500,000 for the Law and Justice Center.
- Gallatin County's primary government assets exceeded its liabilities at June 30, 2016 by \$149.0 million (net position), compared with \$141.1 million at June 30, 2015. Of this amount, \$20.1 million (13.49%) is unrestricted and may be used to meet the government's general obligations to citizens and creditors.
- The total net position increased by \$8.0 million. The current year increase comes from reduction in Net Pension Liability and a significant increase in Cash and Cash Equivalents for Governmental Activities.
- Revenues from Taxes/Assessment were \$34,020,257 for governmental activities, up \$596,055 from fiscal year 2015. 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 2016 of \$3,682,959 (cash \$3,923,886 – Claims and Accounts Payable \$240,927), compared to unreserved cash in FY 2010 of \$2.4M, FY 2011 of \$2.5M, FY 2012 cash of \$2.5M, FY 2013 at \$2.4M, FY 2014 of \$2.0M and \$2.4M for FY 2015.

- The County's debt (excluding OPEB and Pension liability) for Governmental Activity increased by \$3,367,846 to \$54,994,722 with Business-Type Activity debt increasing \$75,350 to \$3,052,746 with total debt increasing by \$3,443,196 during FY 2016.

## 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 2016.

The government-wide statements can be found on pages 36 and 37 of this report (Annual Financial Report for Gallatin County).

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

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

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

Gallatin County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the public safety fund, RID maintenance and bond compilation, which are considered major funds. Data from the other 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** maintained by Gallatin County include two different types of funds; Enterprise funds and Internal Services funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the landfill, rest home and refuse district operations. *Internal Service funds* are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for motor pool, employee health insurance, facilities, 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** 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

Emergency Management, 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 \$149,029,973 as of June 30, 2016.

| <b>Gallatin County, State of Montana</b><br><b>Statement of Net Position</b><br><b>June 30, 2016</b> |                              |                               |             |                |                |                |
|--|------------------------------|-------------------------------|-------------|----------------|----------------|----------------|
|  | Primary Government - FY 2016 |                               |             | FY 15<br>TOTAL | FY 14<br>TOTAL | FY 13<br>TOTAL |
|  | Governmental<br>Activities   | Business - Type<br>Activities | Total       |                |                |                |
| <b>ASSETS</b>  |                              |                               |             |                |                |                |
| Cash & Cash Equivalents  | 57,539,995                   | 15,071,917                    | 72,611,912  | 61,896,054     | 55,406,204     | 50,241,239     |
| Other Assets   | 9,708,478                    | 2,538,431                     | 12,246,909  | 11,067,936     | 12,849,945     | 13,647,397     |
| Capital Assets (net)   | 140,346,000                  | 10,044,249                    | 150,390,249 | 152,455,201    | 156,311,961    | 159,282,777    |
| Total Assets   | 207,594,473                  | 27,654,597                    | 235,249,070 | 225,419,191    | 224,568,110    | 223,171,413    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                              |                               |             |                |                |                |
| Total deferred outflows of resources   | 7,305,091                    | 245,923                       | 7,551,014   | 1,737,013      | -              | -              |
| <b>LIABILITIES</b>   |                              |                               |             |                |                |                |
| Current Liabilities  | 8,056,624                    | 1,107,433                     | 9,164,057   | 7,057,314      | 8,135,617      | 7,784,726      |
| Long-Term Liabilities  | 50,752,709                   | 2,890,905                     | 53,643,614  | 50,434,880     | 54,903,005     | 64,938,442     |
| OPEB and Pension Liabilities   | 22,221,564                   | 3,662,971                     | 25,884,535  | 19,604,031     | -              | -              |
| Total Liabilities  | 81,030,897                   | 7,661,309                     | 88,692,206  | 77,096,225     | 63,038,622     | 72,723,168     |
| <b>Deferred Inflows of Resources</b>   |                              |                               |             |                |                |                |
| Pension deferrals  | 4,739,159                    | 338,746                       | 5,077,905   | 8,684,144      | -              | -              |
| Bond Premium   | -                            | -                             | -           | 325,364        | 339,163        | -              |
| Total deferred inflows of Resources  | 4,739,159                    | 338,746                       | 5,077,905   | 9,009,508      | 339,163        | -              |
| <b>NET POSITION</b>  |                              |                               |             |                |                |                |
| Net investment in capital assets   | 90,225,006                   | 9,481,749                     | 99,706,755  | 103,509,035    | 103,371,848    | 102,497,673    |
| Restricted   | 26,890,362                   | 2,329,378                     | 29,219,740  | 18,987,171     | 19,374,628     | 2,114,567      |
| Unrestricted   | 12,014,140                   | 8,089,338                     | 20,103,478  | 18,554,265     | 38,443,849     | 53,620,731     |
| Total Net Position   | 129,129,508                  | 19,900,465                    | 149,029,973 | 141,050,471    | 161,190,325    | 158,232,971    |

The County provided condensed financial information for fiscal years 2013 through 2015. Comparative information is available for years 2013, 2014 and 2015 for Gallatin County. The analysis that follows focuses on the County's Net Position for governmental and business activities. Net Position– Unrestricted increased by \$1.5M 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 |
| Fiscal Year 2016 (June 30, 2016) | 149,029,973 |

Net Position is separated into 70% Invested in Capital Assets, 20% Restricted, and 10% Unrestricted Net Position. Unrestricted assets are used to meet the County's ongoing obligations. At the end of the current fiscal year Gallatin County is able to report positive balances in 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 increased net position to \$149,029,973. The Business-Type Activities portion shows an increase in net position to \$19,900,465, an increase of \$1,583,737. A table comparing the County's Net Position from FY 2010-2016 follows.

**Gallatin County, State of Montana**

**Statement of Activities**

|  | <b>For the Year Ended June 30, 2016</b>                  |                                 |                 | <b>For the Year Ended June 30, 2015</b>                  |                                 |              |
|--|--|---------------------------------|-----------------|--|---------------------------------|--------------|
|  | <b>Net (Expense) Revenue and Changes in Net Position</b> |                                 |                 | <b>Net (Expense) Revenue and Changes in Net Position</b> |                                 |              |
|  | <b>Primary Government</b>                                |                                 |                 | <b>Primary Government</b>                                |                                 |              |
|  | <b>Governmental Activities</b>                           | <b>Business-Type Activities</b> | <b>Total</b>    | <b>Governmental Activities</b>                           | <b>Business-Type Activities</b> | <b>Total</b> |
| Primary government net revenues              | \$ (34,019,474)  | \$ 961,427                      | \$ (33,058,047) | (32,033,103)   | 391,462                         | (31,641,641) |
| General revenues:                            |  |                                 |                 |  |                                 |              |
| Property Taxes for General Purposes          | 34,018,159   | 2,098                           | 34,020,257      | 33,424,693   | (491)                           | 33,424,202   |
| Unrestricted grants and contributions        | 3,185,361  | 213,577                         | 3,398,938       | 3,008,600  | 83,806                          | 3,092,406    |
| Investment Earnings                          | 627,769  | 189,821                         | 817,590         | 526,839  | 161,834                         | 688,673      |
| Miscellaneous                                | 2,531,285  | -                               | 2,531,285       | (19,541)   | -                               | (19,541)     |
| Gain (loss) on sale/disposal of fixed assets | 152,665  | 116,814                         | 269,479         | 18,320   | 39,105                          | 57,425       |
| Transfer - net:                              | (100,000)  | 100,000                         | -               | -  | -                               | -            |
| Total general revenues                       | 40,415,239   | 622,310                         | 41,037,549      | 36,958,911   | 284,254                         | 37,243,165   |
| Change in net position                       | 6,395,765  | 1,583,737                       | 7,979,502       | 4,925,808  | 675,716                         | 5,601,524    |
| Net position - beginning                     | 122,733,743  | 18,316,728                      | 141,050,471     | 139,962,881  | 21,227,444                      | 161,190,325  |
| Restatements                                 | -  | -                               | -               | (22,154,946)   | (3,586,432)                     | (25,741,378) |
| Net position - ending                        | 129,129,508  | 19,900,465                      | 149,029,973     | 122,733,743  | 18,316,728                      | 141,050,471  |

| <b><u>Fiscal Year</u></b> | <b><u>Net Position</u></b> |
|---------------------------|----------------------------|
| 2016                      | \$149,029,973              |
| 2015                      | 141,050,471                |
| 2014                      | 161,190,325                |
| 2013                      | 158,232,971                |
| 2012                      | 159,047,106                |
| 2011                      | 157,349,141                |
| 2010                      | 151,075,768                |

## **Government Activities**

Gallatin County spent \$49,705,220 for governmental activities in fiscal year 2016. Significant events affecting Governmental activities are as follows:

- Governmental Activity increased due to design of a new Law and Justice Facility, Public Safety grant staff and Public Works activity increasing for RID construction/improvements and road maintenance.
- Total Governmental expenses increased overall by 1.68% or \$820,699.

The previous statement shows the amount paid by property taxpayers was \$34,020,257 or 68.44% 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> |
|--------------------|---------------------|------------------------|--------------------------|
| 2016               | \$34,020,257        | \$49,705,220           | 68.44%                   |
| 2015               | 33,424,693          | 48,884,521             | 68.37%                   |
| 2014               | 32,028,092          | 53,449,292             | 59.92%                   |
| 2013               | 31,087,735          | 47,014,314             | 66.12%                   |
| 2012               | 30,201,336          | 43,735,302             | 69.05%                   |
| 2011               | 35,170,629          | 49,512,015             | 71.03%                   |
| 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%                   |

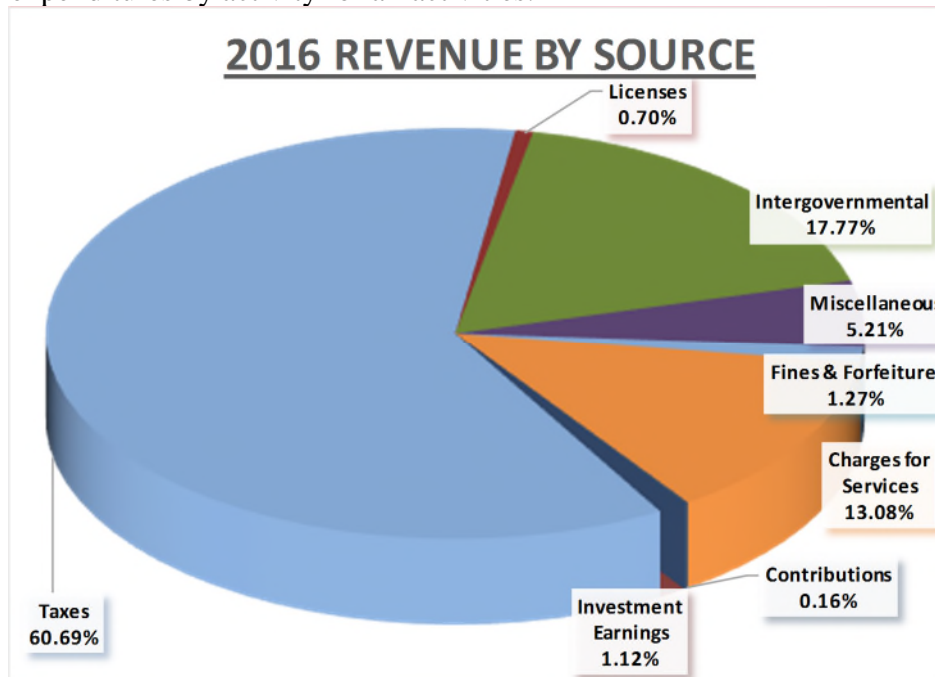
Charges for Services accounted for \$8,521,743 (17.14%) of fiscal year 2016 Governmental Activity expenses. Operating Grants & Contributions and Capital Grants and Contributions (Intergovernmental Revenues) generated \$7,164,003, accounting for 14.41% of expenses. Other Revenue sources generated the balance of money needed.

Overall, governmental program revenues, both primary government and business-type activity, generated \$18,946,714 from charges for services, while operating grants and contributions and capital grants and contributions equaled \$7,372,352 accounting for \$26,319,066. Because total primary government expenses were \$59,377,113, Program Revenues were \$33,058,047 less than it cost to provide services. The balance is required to be funded from other sources (Taxes). Program revenues do not include taxes, investment earnings, entitlements or sale of fixed assets, but are restricted to revenue generated by the individual departments for services, fees, fines, grants, contributions or other direct revenue sources.

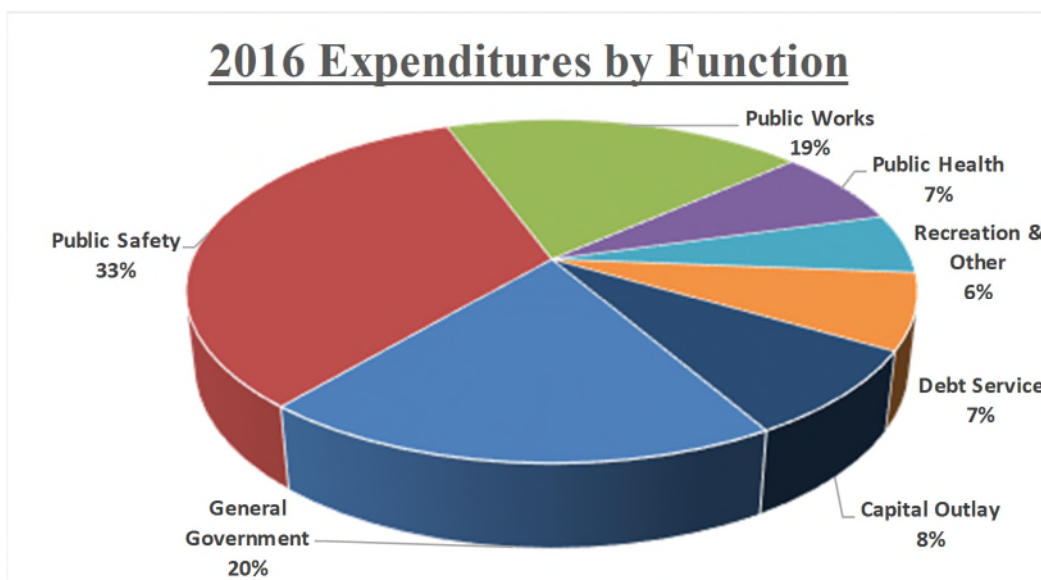
### **Graph of Revenues by Source – Activities**

Gallatin County received \$56,048,320 in revenues to finance governmental operations. Total expenses for governmental activities were \$49,652,779, which resulted in a net position increase of \$6,395,541.

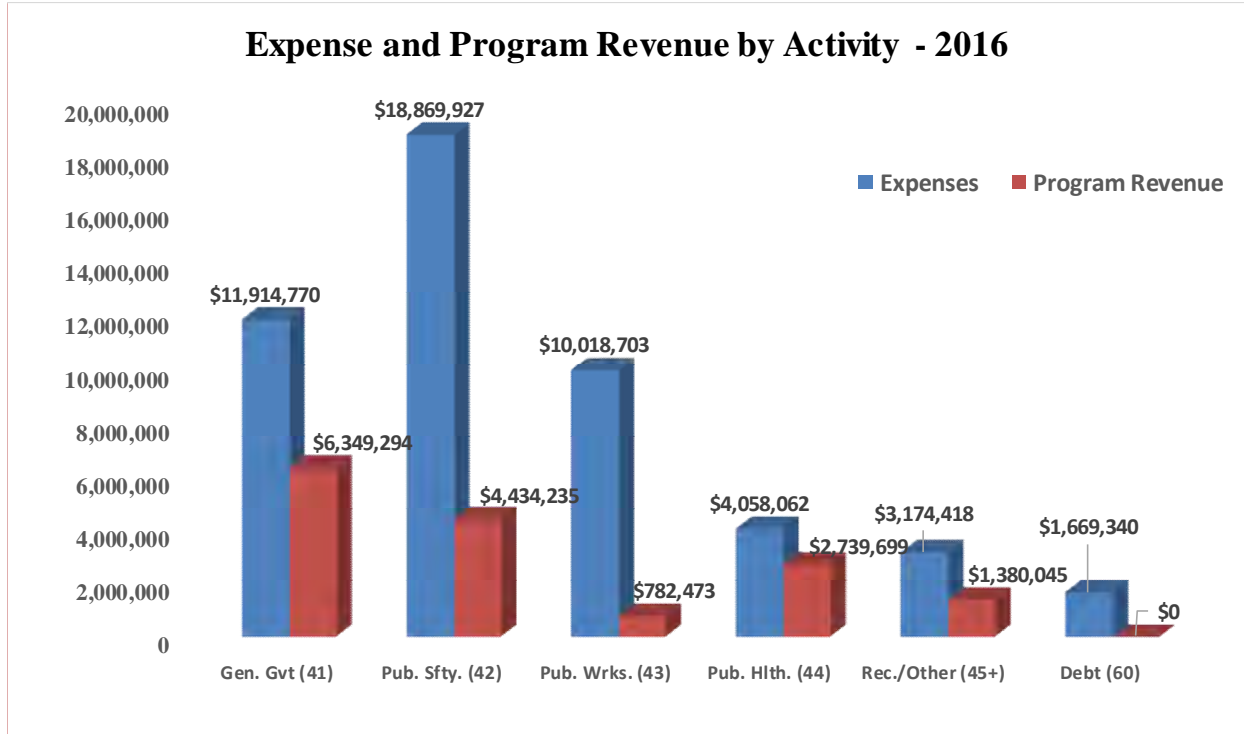
After all activities are considered, net position increased from \$141,050,471 to \$149,029,973 for governmental activities and business type activities. The graphs that follow show revenues by source and expenditures by activity for all activities.



A listing of which departments are included in each function section of the following pie chart can be found on pages 19 and 20 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.

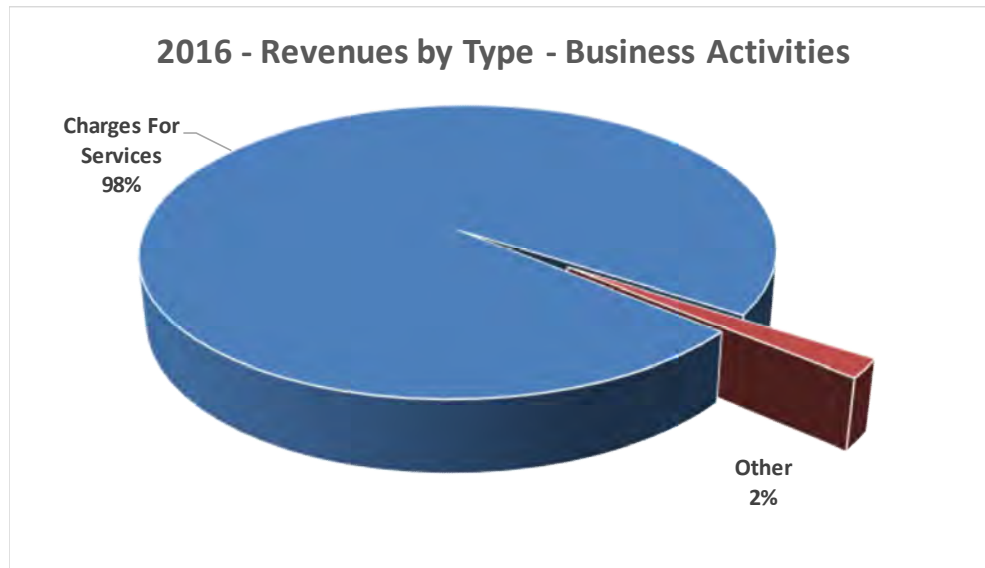
As a local government, Gallatin County uses tax revenues to support mandated services, as is the case with all county governments in Montana. To some extent, the County will need to increase tax levies from the inflationary mill, just to maintain service levels. In order to increase service levels, the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

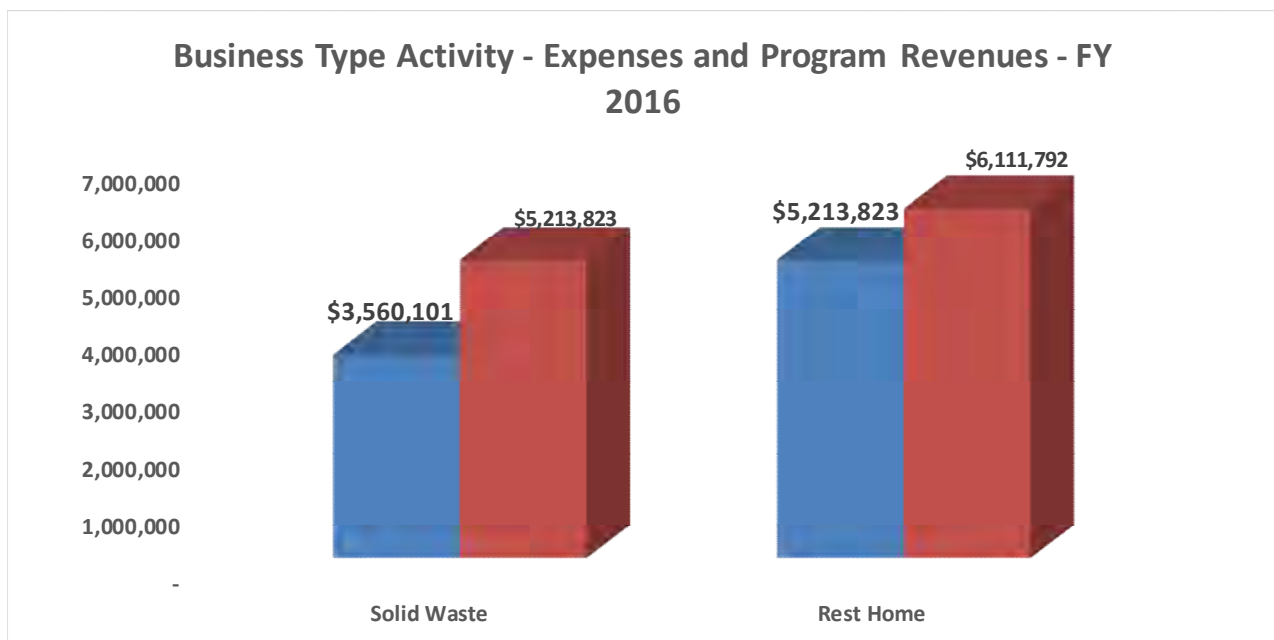
## **Business Type Activities**

The cost of all proprietary (business type) activities for FY 2016 was \$9,671,893. The amount paid by users of the Rest Home, Landfill and Refuse District was \$10,424,971.

Total resources for fiscal year 2016 to finance proprietary funds (business type) were \$10,633,320 (Charges for Services \$10,424,971 and Grants / Contributions \$208,349).



*Total proprietary expenses during the year were \$9,671,893.*



## 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 2016 to FY 2015:

**Gallatin County, State of Montana**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

|                               | GENERAL              | PUBLIC<br>SAFETY FUND | RID<br>MAINTENANCE  | CAPITAL<br>PROJECTS  | RID BOND<br>DEBT<br>SERVICE | TOTAL NON<br>MAJOR<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS | FY 2015<br>TOTAL     |
|-------------------------------|----------------------|-----------------------|---------------------|----------------------|-----------------------------|-----------------------------|--------------------------------|----------------------|
| <b>REVENUES</b>               |                      |                       |                     |                      |                             |                             |                                |                      |
| Property Taxes                | \$ 7,121,607         | \$ 12,101,696         | \$ -                | \$ 2,919,029         | \$ -                        | \$ 11,632,442               | \$ 33,774,774                  | \$ 34,704,604        |
| Licenses & Permits            | 700                  | 65,740                | -                   | -                    | -                           | 323,761                     | 390,201                        | 315,809              |
| Intergovernmental Revenues    | 1,221,482            | 982,555               | -                   | 39,373               | -                           | 7,393,265                   | 9,636,675                      | 11,402,125           |
| Charges for Services          | 2,665,170            | 1,934,960             | -                   | 746,028              | -                           | 1,982,585                   | 7,328,743                      | 6,995,952            |
| Fines & Forfeitures           | 574,243              | 55,394                | -                   | -                    | -                           | 98,305                      | 727,942                        | 663,951              |
| Miscellaneous                 | 93,282               | 43,865                | 1,438,471           | 121,330              | 948,195                     | 277,665                     | 2,922,808                      | 271,232              |
| Investment Earnings (loss)    | 211,496              | 58,542                | 75,211              | 100,043              | 10,109                      | 102,756                     | 558,157                        | 410,916              |
| Transfer In                   | 962,315              | 81,850                | -                   | 51,004               | -                           | 1,235,140                   | 2,330,309                      | 3,023,841            |
| Contributions/Donations/Bonds | -                    | 20,495                | -                   | 22,464,509           | 5,686                       | 6,555,216                   | 29,045,906                     | 22,056               |
| <b>Total revenues</b>         | <b>\$ 12,850,295</b> | <b>\$ 15,345,097</b>  | <b>\$ 1,513,682</b> | <b>\$ 26,441,316</b> | <b>\$ 963,990</b>           | <b>\$ 29,601,135</b>        | <b>\$ 86,715,515</b>           | <b>\$ 57,810,486</b> |

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

|                               | GENERAL              | PUBLIC<br>SAFETY FUND | RID<br>MAINTENANCE | CAPITAL<br>PROJECTS  | RID BOND<br>DEBT<br>SERVICE | TOTAL NON<br>MAJOR<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS | FY 2015<br>TOTAL     |
|-------------------------------|----------------------|-----------------------|--------------------|----------------------|-----------------------------|-----------------------------|--------------------------------|----------------------|
| <b>EXPENDITURES</b>           |                      |                       |                    |                      |                             |                             |                                |                      |
| General Government            | 8,889,014            | -                     | -                  | 90,729               | 4,200                       | 1,042,876                   | 10,026,819                     | 9,624,897            |
| Public Safety                 | 1,097,959            | 14,323,719            | -                  | -                    | -                           | 1,871,211                   | 17,292,889                     | 16,490,355           |
| Public Works                  | 717,430              | -                     | 788,831            | 43,748               | -                           | 4,079,098                   | 5,629,107                      | 8,247,170            |
| Public Health                 | -                    | -                     | -                  | -                    | -                           | 4,178,535                   | 4,178,535                      | 3,865,629            |
| Social & Economic Services    | 415,010              | -                     | -                  | -                    | -                           | 57,281                      | 472,291                        | 460,748              |
| Culture & Recreation          | -                    | -                     | -                  | 408                  | -                           | 1,975,716                   | 1,976,124                      | 1,835,302            |
| Housing & Community Dvlpmnt   | -                    | -                     | -                  | -                    | -                           | 490,269                     | 490,269                        | 85,778               |
| Conservation of Natural Rsres | -                    | -                     | -                  | -                    | -                           | 139,297                     | 139,297                        | 109,607              |
| Prinipal Retirement           | 226,811              | 161,007               | -                  | 20,371,175           | -                           | 5,487,792                   | 26,246,785                     | 3,946,327            |
| Interest                      | 30,997               | 8,641                 | -                  | 1,940,479            | 299,376                     | 1,685,363                   | 3,964,856                      | 1,975,528            |
| Capital Outlay                | 66,894               | 580,978               | -                  | 2,020,734            | 396,085                     | 2,008,080                   | 5,072,771                      | 2,697,533            |
| Transfer Out                  | 576,850              | 292,663               | -                  | 100,000              | 5,686                       | 2,408,795                   | 3,383,994                      | 3,911,184            |
| <b>Total Expenditures</b>     | <b>\$ 12,020,965</b> | <b>\$ 15,367,008</b>  | <b>\$ 788,831</b>  | <b>\$ 24,567,273</b> | <b>\$ 705,347</b>           | <b>\$ 25,424,313</b>        | <b>\$ 78,873,737</b>           | <b>\$ 53,250,058</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. The RID Bonds Fund is considered a 'Major Fund' because it has greater than 10% assets and also has greater than 10% of the Assets and Liabilities of debt service funds. The Capital Project Fund is considered a 'Major Fund' because it has greater than 10% assets and also has greater than 10% of the Assets and Liabilities of the Capital Project funds.

## **Proprietary Funds**

The County has four proprietary funds comprised of Internal Service Funds and three major Enterprise Funds: Rest Home, Gallatin County Solid Waste District (Logan Landfill) and 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**

|                                  | <b>For the Year Ended June 30, 2016</b>  |   |   |  | <b>For the Year Ended June 30, 2015</b>  |   |   |  |
|----------------------------------|--|---|---|--|--|---|---|--|
|                                  | <b>Gallatin<br/>County Rest<br/>Home</b> | <b>Gallatin<br/>County<br/>Landfill</b> | <b>West<br/>Yellowstone<br/>Refuse District</b> | <b>Total<br/>Proprietary<br/>Funds</b> | <b>Gallatin<br/>County Rest<br/>Home</b> | <b>Gallatin<br/>County<br/>Landfill</b> | <b>West<br/>Yellowstone<br/>Refuse<br/>District</b> | <b>Total<br/>Proprietary<br/>Funds</b> |
| Operating Revenues               |  |   |   |  |  |   |   |  |
| Operating Revenues               | \$ 5,211,148                             | \$ 4,443,750                            | \$ 770,073                                      | \$ 10,424,971                          | \$ 4,827,634                             | \$ 4,254,126                            | \$ 803,647  | \$ 9,885,407                           |
| Operating Expenses               | 6,111,792                                | 2,572,402                               | 979,444   | 9,663,638                              | 5,978,517                                | 2,699,661                               | 948,803   | 9,626,981                              |
| Operating Income (loss)          | (900,644)                                | 1,871,348                               | (209,371)                                       | 761,333                                | (1,150,883)                              | 1,554,465                               | (145,156)   | 258,426                                |
| Nonoperating revenues (expenses) |  |   |   |  |  |   |   |  |
| Nonoperating revenues (expenses) | 341,562                                  | 256,502                                 | 224,340   | 822,404                                | 238,584                                  | 190,032                                 | (11,326)  | 417,290                                |
| Change in net position           | (559,082)                                | 2,127,850                               | 14,969  | 1,583,737                              | (912,299)                                | 1,744,497                               | (156,482)   | 675,716                                |
| Total net position - beginning   | 1,493,629                                | 12,413,087                              | 4,410,012                                       | 18,316,728                             | 5,064,868                                | 11,429,862                              | 4,732,714   | 21,227,444                             |
| Restatements                     | -  | -                                       | -   | -                                      | (2,658,940)                              | (761,272)                               | (166,220)   | (3,586,432)                            |
| Total net position - ending      | \$ 934,547                               | \$ 14,540,937                           | \$ 4,424,981                                    | \$ 19,900,465                          | \$ 1,493,629                             | \$ 12,413,087                           | \$ 4,410,012  | \$ 18,316,728                          |

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.

|                                      | <b>----- PRIOR YEARS -----</b> |                     |                     |                     | <b>CURRENT</b>      |
|--------------------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | <b><u>FY 12</u></b>            | <b><u>FY 13</u></b> | <b><u>FY 14</u></b> | <b><u>FY 15</u></b> | <b><u>FY 16</u></b> |
| Total Assets                         | 24,406,597                     | 24,384,437          | 25,329,817          | 25,746,723          | 27,654,597          |
| Net Position                         | <u>20,343,681</u>              | <u>20,510,028</u>   | <u>21,227,444</u>   | <u>18,316,728</u>   | <u>19,900,465</u>   |
| <b>TOTAL</b>                         |                                |                     |                     |                     |                     |
| <b>LIABILITIES/DEFERS</b>            | 4,062,916                      | 3,874,009           | 4,102,373           | 7,429,995           | 7,754,132           |
| Net Income – Business Activities     | 519,196                        | 166,348             | 717,416             | 675,716             | 1,583,737           |
| (DIVIDED BY)                         |                                |                     |                     |                     |                     |
| Ending Net Position (EQUALS)         | 20,343,681                     | 20,510,028          | 21,227,444          | 18,316,728          | 19,900,465          |
| <b>Return On Ending Net Position</b> | <b>2.56%</b>                   | <b>0.81%</b>        | <b>3.38%</b>        | <b>3.69%</b>        | <b>7.96%</b>        |



## **Debt Administration**

Gallatin County maintained its bond rating from Standard and Poor at AA+, based on the 2016 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 increased in fiscal year 2016 by \$3,367,846 because of refinancing detention center; adding final Open Space bond; change to capital lease; and RID bonds.

The cost per capita for governmental debt outstanding increased from \$530.38 to \$545.91 in fiscal year 2016 (\$54,994,722 divided by estimated population of 100,739). Governmental activity debt summary for fiscal year 2016 is presented below.

|   | ----- PRIOR YEARS ----- |                   |                   |                   | CURRENT           |
|---|-------------------------|-------------------|-------------------|-------------------|-------------------|
|   | FY 12                   | FY 13             | FY 14             | FY 15             | FY 16             |
| <b>DEBT PAYABLE ON (June 30)</b>        |                         |                   |                   |                   |                   |
| <b>BEGINNING BALANCE</b>                | <b>62,773,975</b>       | <b>57,914,983</b> | <b>56,679,376</b> | <b>54,223,929</b> | <b>51,626,876</b> |
| <b>ADD:</b> Intercap Loan / Notes/Bonds | 300,000                 | -0-               | 1,150,000         | -0-               | -0-               |
| Special Assessment Bonds                | -0-                     | -0-               | -0-               | 765,000           | 107,000           |
| G. O Bonds                              | -0-                     | 7,840,000         |                   | -0-               | 24,960,000        |
| Bond Premiums                           | -0-                     | -0-               | -0-               | 603,471           | 3,727,204         |
| Compensated Absences (INC)              | 109,168                 | 23,378            | 87,478            | -0-               | 70,155            |
| Capital Lease Agreements                | -0-                     | -0-               | -0-               | -0-               | 1,789,056         |
| <b>LESS:</b> Loan/Lease Payments        | 2,774,953               | 835,133           | 895,825           | 985,227           | 1,448,357         |
| Special Assessment Payments             | 602,000                 | 698,000           | 420,000           | 499,000           | 299,375           |
| Compensated Absence (DEC)               | 5,650                   | -0-               | -0-               | 19,449            | -0-               |
| G.O. Payment/Refinancing                | 1,885,557               | 7,565,852         | 2,377,100         | 2,462,100         | 25,417,100        |
| Bond Premiums                           | -0-                     | -0-               | -0-               | -0-               | 120,737           |
| <b>DEBT PAYABLE (June 30)</b>           | <b>57,914,983</b>       | <b>56,679,376</b> | <b>54,223,929</b> | <b>51,626,876</b> | <b>54,994,722</b> |
|   |                         |                   |                   |                   |                   |
| <b>Cost Per Capita</b>                  | <b>\$635.94</b>         | <b>\$607.88</b>   | <b>\$574.89</b>   | <b>\$530.38</b>   | <b>\$545.91</b>   |

Debt includes compensated absences (amount due to employees for accrued leave, including 1/4 sick leave, all vacation and compensatory time) of \$2,147,148 up \$70K from FY 15. The increase of \$70,155 represents a change of 3.38%, primarily from wage adjustments. Debt does not include Governmental Activities Other Post-Employment Benefits (OPEB) of \$1,810,217 and retirement shortfall of \$16,298,335.

The County, by statute, can have debt of 2.50% of Assessed Valuation. For fiscal year 2016 this equals \$375,763,746. County debt of \$47,813,097 (\$54,994,722 less Special Assessment Bonds (RID) \$7,181,625) means the County has used 12.72% of its borrowing capacity through fiscal year 2016, with unused borrowing capacity being \$327,950,649. 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.

### **Capital Assets**

(net of depreciation)

|  | <b>Governmental Activities</b> |                    | <b>Business - Type Activities</b> |                  | <b>Total</b>       |                    |
|--|--------------------------------|--------------------|-----------------------------------|------------------|--------------------|--------------------|
|  | <b>2016</b>                    | <b>2015</b>        | <b>2016</b>                       | <b>2015</b>      | <b>2016</b>        | <b>2015</b>        |
| <b>Land</b>                              | 4,414,707                      | 4,527,205          | 1,657,607                         | 1,657,607        | 6,072,314          | 6,184,812          |
| <b>Buildings</b>                         | 45,090,473                     | 46,474,989         | 3,722,500                         | 3,926,162        | 48,812,973         | 50,401,151         |
| <b>Improvements other than buildings</b> | 1,844,866                      | 1,618,619          | 490,081                           | 803,861          | 2,334,947          | 2,422,480          |
| <b>Machinery and equipment</b>           | 10,768,716                     | 9,915,082          | 3,455,646                         | 3,190,351        | 14,224,362         | 13,105,433         |
| <b>Intangibles</b>                       | 14,627,112                     | 14,307,258         | 2,807                             | 7,747            | 14,629,919         | 14,315,005         |
| <b>Infrastructure</b>                    | 60,770,118                     | 64,461,929         | -                                 | -                | 60,770,118         | 64,461,929         |
| <b>Construction in progress</b>          | 2,830,006                      | 1,686,933          | 715,508                           | 241,454          | 3,545,514          | 1,928,387          |
| <b>Total assets</b>                      | <b>140,345,998</b>             | <b>142,992,015</b> | <b>10,044,149</b>                 | <b>9,827,182</b> | <b>150,390,147</b> | <b>152,819,197</b> |

At the end of 2016 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 2016 included:

|                              | <u>Governmental</u> | <u>Business-Type</u> |
|------------------------------|---------------------|----------------------|
| ▪ Land                       | \$ -0-              | \$ 80                |
| ▪ Building Improvements      | 42,544              | 19,853               |
| ▪ Improvements Not Buildings | 378,423             | 6,140                |
| ▪ Intangibles - Software     | 83,696              | -0-                  |
| ▪ Intangibles - Easements    | 345,000             | -0-                  |
| ▪ Infrastructure             | 882,429             | -0-                  |
| ▪ Machinery & Equipment      | 3,180,790           | 795,029              |
| ▪ Construction in Progress   | 1,673,648           | 463,275              |

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 2016 adopted and final budgets for the General and Public Safety Funds totaled \$27,981,014. These budgets increased by \$654,420 during the year. Individual department budgets were amended, throughout the year, without affecting the total budget.

|                      |   |                           |   |               |   |                      |
|----------------------|---|---------------------------|---|---------------|---|----------------------|
| Original Budget      | + | Continuing Appropriations | + | Encumbrances  | = | Beg. Balance         |
| <u>\$ 27,981,014</u> | + | <u>\$ -0-</u>             | + | <u>\$ -0-</u> | = | <u>\$ 27,981,014</u> |

|                     |     |                      |   |                      |
|---------------------|-----|----------------------|---|----------------------|
| Beg. Balance        | +/- | Supplemental Changes | = | Final Budget         |
| <u>\$27,981,014</u> | +   | <u>\$654,420</u>     | = | <u>\$ 28,635,434</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 2016 Compared to FY 2017**

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 2016 and fiscal year 2017 by the County Commission. Changes in staffing were:

| <b>Department / Division</b>                | <b>(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, 2016 and the amount budgeted for FY 2017. 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 misc. funds and 'Capital Equipment (special districts)' for capital items funded from fire districts, etc.

| Projects by Department / Project Name        |            |                  |                   |                      |                 |            |         |            |                  |
|--|------------|------------------|-------------------|----------------------|-----------------|------------|---------|------------|------------------|
| CAPITAL PROJECT AND OUTLAY / RESERVES        |            |                  |                   |                      |                 |            |         |            | Amount<br>Needed |
| DESCRIPTION                                  | YEAR       | CIPC<br>Priority | FY 2017<br>Budget | Estimated<br>Project | Revenue Sources |            |         |            |                  |
|  |            |                  |                   |                      | County          | Department | Other   | TOTAL      |                  |
| Core Rolling Stock                           | 2011       |                  | 1,901,801         | 27,578,000           | 1,901,801       | 364,312    | -       | 2,266,113  | 25,311,887       |
| Bridge Replacement Program                   | 2013       |                  | 1,600,000         | 23,948,640           | 1,600,000       | -          | -       | 1,600,000  | 22,348,640       |
| Building Reserve (\$0.95/sq. ft.)            | 1994       |                  | 951,522           | 951,522              | 951,522         | -          | -       | 951,522    | -                |
| Judicial / Law Enforcement Building          | 2010       | 1 and 2          | 2,683,536         | 65,000,000           | 2,683,536       | -          | -       | 2,683,536  | 62,316,464       |
| 9 1 1 Radio Project                          | 2017       | 3                | 530,009           | 27,500,000           | 380,009         | 150,000    | -       | 530,009    | 26,969,991       |
| Sheriff - Radio Replacement                  | 2017       | 4                | -                 | 1,000,000            | 1,000,000       | -          | -       | 1,000,000  | -                |
| Rest Home Addition                           | 2016       | 5                | 100,000           | 300,000              | 100,000         | -          | -       | 100,000    | 200,000          |
| Storage Facility - in Judicial / Law Buildir | 2015       | carry over       | -                 | -                    | -               | -          | -       | -          | -                |
| L. E. Records / CAD System                   | 2017       | 6                | 828,446           | 828,446              | 600,000         | 228,446    | -       | 828,446    | -                |
| Financial Software Replacement               | 2017       | 9                | 600,000           | 600,000              | 600,000         | -          | -       | 600,000    | -                |
| Detention Center (Reserve / Expansion)       | 2013       |                  | 2,607,481         | 9,423,311            | -               | 2,607,481  | -       | 2,607,481  | 6,815,830        |
| CTEP Projects                                | 2015       |                  | 396,476           | 396,476              | -               | -          | 396,476 | 396,476    | -                |
| Subtotal Budgeted Projects                   |            |                  | 12,199,271        | 157,526,395          | 9,816,868       | 3,350,239  | 396,476 | 13,563,583 | 143,962,812      |
| Capital Reserves                             | 2017       |                  | 12,153,633        |                      |                 |            |         |            |                  |
| Machinery & Equipment                        | 2017       |                  | 11,891,623        |                      |                 |            |         |            |                  |
| CIP - Long Term                              |            |                  |                   |                      | Estimates Only  |            |         |            |                  |
| DES - Storage Facility                       | prior year |                  | -                 | 540,000              |                 |            |         |            | 540,000          |
| Health - Expansion / Renovation              | 2017       | 8                | -                 | 50,000               |                 |            |         |            | 50,000           |
| Fair - Event Center                          | 2018+      | 10               | -                 | 3,000,000            |                 |            |         |            | 3,000,000        |
| Subtotal CIP - Long Term                     | 2019+      |                  | -                 | 3,590,000            | -               | -          | -       | -          | 3,590,000        |
| TOTAL CAPITAL PROJECTS                       |            |                  | 36,244,527        | 161,116,395          | 9,816,868       | 3,350,239  | 396,476 | 13,563,583 | 147,552,812      |

Capital Projects increased to \$161.1 million for FY 2017 including full funding for the Law and Justice Building, 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 2017 Budget. The Commission authorized \$1,901,801 for Core Rolling Stock, \$1,600,000 for the Bridge Replacement Program, \$951,522 for repair, remodeling and updating of County Facilities, \$2,683,536 for the Law / Judicial Building, \$530,009 for 9-1-1 Radio Project, \$100,000 for Rest Home Addition, CTEP Projects of \$396,476 and \$2,607,481 reserved for Detention Center remodel and expansion.

## Summary

The fiscal year 2017 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:

### Comparison of Budgeted Taxes

| <u>Taxes Budgeted</u>        | <u>FY 2010</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| County Operating Taxes       | \$16,343,857   | \$ 17,362,033  | \$ 18,282,663  | \$ 18,808,855  | \$ 19,702,783  | \$ 20,957,110  |
| Road and Library Taxes       | 3,153,566      | 3,563,417      | 3,686,493      | 3,762,770      | 3,944,991      | 4,224,927      |
| Debt Service/Insurance Taxes | 3,941,648      | 4,719,997      | 4,696,891      | 5,077,427      | 5,206,857      | 5,597,857      |

### MILL LEVIES

|                              |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|-------|
| County Operating Taxes       | 73.20 | 72.50 | 74.15 | 74.35 | 82.84 | 83.79 |
| Road and Library Taxes       | 25.23 | 26.34 | 26.44 | 26.29 | 30.04 | 30.31 |
| Debt Service/Insurance Taxes | 17.80 | 19.79 | 19.13 | 20.15 | 21.96 | 22.47 |

### TAXABLE VALUATIONS

|                             |         |         |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| County Operating Valuations | 223,244 | 239,468 | 246,571 | 252,964 | 237,836 | 248,031 |
| Road and Library Valuations | 125,025 | 135,307 | 139,435 | 143,113 | 131,332 | 137,851 |

This table shows increase in the taxable valuation of property for FY 2017. The Valuations shown were adjusted by a negotiated tax appeal between Northwestern Energy and the Department of Revenue. Under state law the Commission could have increased the number of mills to offset the reduction in taxable values, but decided not to make changes in the number of mills. In addition, taxes generated by newly taxable property (new construction) accounted for a 4.89% increase in taxes, with the balance coming from a small increase associated with inflationary adjustment. 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 \$2,323,089. 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

  
Don Seifert, Chairman

# **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Gallatin County, State of Montana  
Statement of Net Position  
June 30, 2016

|  | Primary Government         |                             |                       |
|--|----------------------------|-----------------------------|-----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                 |
| <b>ASSETS</b>  |                            |                             |                       |
| Cash & Cash Equivalents                                | \$ 57,539,995              | \$ 12,742,539               | \$ 70,282,534         |
| Cash & Investments-Restricted                          | -                          | 2,329,378                   | 2,329,378             |
| Tax/Assessments Receivable (Net)                       | 8,507,629                  | 3,076                       | 8,510,705             |
| Other Receivables                                      | 1,997,100                  | 1,535,355                   | 3,532,455             |
| Due from/(to) other Funds                              | (1,000,000)                | 1,000,000                   | -                     |
| Inventories  | 203,749                    | -                           | 203,749               |
| Capital Assets (net)                                   | 140,346,000                | 10,044,249                  | 150,390,249           |
| Total assets   | <u>\$ 207,594,473</u>      | <u>\$ 27,654,597</u>        | <u>\$ 235,249,070</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                            |                             |                       |
| Contribution to pension plan(s) in current fiscal year | 4,578,512                  | 245,923                     | 4,824,435             |
| Excess reacquisition costs due to bond refunding       | 2,726,579                  | -                           | 2,726,579             |
| Total deferred outflows of resources                   | <u>7,305,091</u>           | <u>245,923</u>              | <u>7,551,014</u>      |
| <b>LIABILITIES</b>                                     |                            |                             |                       |
| Accounts Payable                                       | 2,223,541                  | 638,432                     | 2,861,973             |
| Accrued Payroll & Other Liabilities                    | 1,506,768                  | 307,160                     | 1,813,928             |
| Deposits Payable                                       | 12,233                     | -                           | 12,233                |
| Unearned grant revenue                                 | 72,070                     | -                           | 72,070                |
| Current Portion Of Long Term Debt                      | 4,242,012                  | 161,841                     | 4,403,853             |
| Noncurrent Portion Of Long Term Debt                   | 50,752,709                 | 769,208                     | 51,521,917            |
| Landfill Closure/Post Closure Costs                    | -                          | 2,121,697                   | 2,121,697             |
| OPEB Liability   | 1,428,207                  | 381,785                     | 1,809,992             |
| Net pension liability                                  | 20,793,357                 | 3,281,186                   | 24,074,543            |
| Total liabilities                                      | <u>81,030,897</u>          | <u>7,661,309</u>            | <u>88,692,206</u>     |
| <b>Deferred Inflows of Resources</b>                   |                            |                             |                       |
| Pension deferrals                                      | 4,739,159                  | 338,746                     | 5,077,905             |
| Total deferred inflows of resources                    | <u>4,739,159</u>           | <u>338,746</u>              | <u>5,077,905</u>      |
| <b>NET POSITION</b>                                    |                            |                             |                       |
| Net investment in capital assets                       | 90,225,006                 | 9,481,749                   | 99,706,755            |
| Restricted   | 26,890,362                 | 2,329,378                   | 29,219,740            |
| Unrestricted   | 12,014,140                 | 8,089,338                   | 20,103,478            |
| Total net position                                     | <u>\$ 129,129,508</u>      | <u>\$ 19,900,465</u>        | <u>\$ 149,029,973</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, 2016

| Functions/Programs                                   | Expenses             | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                        |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------------|
|  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          | Total                  |
|  |                      |                      |                                    |                                  | Governmental Activities                           | Business-type Activities |                        |
| <b>Primary government:</b>                           |                      |                      |                                    |                                  |   |                          |                        |
| Governmental activities:                             |                      |                      |                                    |                                  |   |                          |                        |
| General Government                                   | \$ 11,914,770        | \$ 3,657,356         | \$ 2,581,262                       | \$ 110,676                       | \$ (5,565,476)                                    | \$ -                     | \$ (5,565,476)         |
| Public Safety  | 18,869,927           | 2,845,452            | 1,588,783                          | -                                | (14,435,692)                                      | -                        | (14,435,692)           |
| Public Works   | 10,018,703           | 102,184              | 644,289                            | 36,000                           | (9,236,230)                                       | -                        | (9,236,230)            |
| Public Health  | 4,058,062            | 613,709              | 2,125,990                          | -                                | (1,318,363)                                       | -                        | (1,318,363)            |
| Social & Economic Services                           | 448,813              | -                    | -                                  | -                                | (448,813)   | -                        | (448,813)              |
| Culture & Recreation                                 | 2,108,826            | 643,495              | 77,003                             | -                                | (1,388,328)                                       | -                        | (1,388,328)            |
| Housing & Community Development                      | 480,457              | 589,487              | -                                  | -                                | 109,030   | -                        | 109,030                |
| Conservation of Natural Resources                    | 136,322              | 70,060               | -                                  | -                                | (66,262)  | -                        | (66,262)               |
| Debt Service Interest                                | 1,669,340            | -                    | -                                  | -                                | (1,669,340)                                       | -                        | (1,669,340)            |
| Total governmental activities                        | <u>49,705,220</u>    | <u>8,521,743</u>     | <u>7,017,327</u>                   | <u>146,676</u>                   | <u>(34,019,474)</u>                               | <u>-</u>                 | <u>(34,019,474)</u>    |
| Business-type activities:                            |                      |                      |                                    |                                  |   |                          |                        |
| West Yellowstone Refuse District                     | 979,444              | 770,073              | -                                  | -                                | -   | (209,371)                | (209,371)              |
| Gallatin County Rest Home                            | 6,111,792            | 5,211,148            | 208,349                            | -                                | -   | (692,295)                | (692,295)              |
| Gallatin County Landfill                             | 2,580,657            | 4,443,750            | -                                  | -                                | -   | 1,863,093                | 1,863,093              |
| Total business-type activities                       | <u>9,671,893</u>     | <u>10,424,971</u>    | <u>208,349</u>                     | <u>-</u>                         | <u>-</u>  | <u>961,427</u>           | <u>961,427</u>         |
| Total primary government                             | <u>\$ 59,377,113</u> | <u>\$ 18,946,714</u> | <u>\$ 7,225,676</u>                | <u>\$ 146,676</u>                | <u>\$ (34,019,474)</u>                            | <u>\$ 961,427</u>        | <u>\$ (33,058,047)</u> |
| General revenues:                                    |                      |                      |                                    |                                  |   |                          |                        |
| Property Taxes for General Purposes                  |                      |                      |                                    |                                  | 34,018,159  | 2,098                    | 34,020,257             |
| Unrestricted grants and contributions                |                      |                      |                                    |                                  | 3,185,361   | 213,577                  | 3,398,938              |
| Investment Earnings                                  |                      |                      |                                    |                                  | 627,769   | 189,821                  | 817,590                |
| Miscellaneous  |                      |                      |                                    |                                  | 2,531,285   | -                        | 2,531,285              |
| Gain (loss) on Sale/Disposal of Fixed Assets         |                      |                      |                                    |                                  | 152,665   | 116,814                  | 269,479                |
| Transfer In/Out                                      |                      |                      |                                    |                                  | (100,000)   | 100,000                  | -                      |
| Total general revenues, special items, and transfers |                      |                      |                                    |                                  | <u>40,415,239</u>                                 | <u>622,310</u>           | <u>41,037,549</u>      |
| Change in net position                               |                      |                      |                                    |                                  | 6,395,765   | 1,583,737                | 7,979,502              |
| Net position - beginning                             |                      |                      |                                    |                                  | 122,733,743                                       | 18,316,728               | 141,050,471            |
| Net position - ending                                |                      |                      |                                    |                                  | <u>\$ 129,129,508</u>                             | <u>\$ 19,900,465</u>     | <u>\$ 149,029,973</u>  |

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, 2016

|   | GENERAL<br>FUND     | PUBLIC SAFETY<br>FUND | RID MAINTENANCE<br>FUND | RID BOND DEBT<br>SERVICE FUND | CAPITAL PROJECTS     | TOTAL NON<br>MAJOR FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------|-----------------------|-------------------------|-------------------------------|----------------------|--------------------------|--------------------------------|
| <b>ASSETS</b>   |                     |                       |                         |                               |                      |                          |                                |
| Cash & Investments  | \$ 6,085,239        | \$ 5,470,079          | \$ 7,120,448            | \$ 602,228                    | \$ 9,918,066         | \$ 21,515,466            | \$ 50,711,526                  |
| Real Estate Taxes Receivable  | 139,933             | 262,472               | 48,974                  | 88,336                        | 73,413               | 329,459                  | 942,587                        |
| Personal Property Taxes Receivable  | 30,896              | 52,785                | -                       | -                             | 10,899               | 78,748                   | 173,328                        |
| Protested Taxes Receivable  | 8,116               | 15,983                | -                       | -                             | 4,652                | 14,517                   | 43,268                         |
| Special Assessments Receivable  | -                   | -                     | -                       | 7,348,446                     | -                    | -                        | 7,348,446                      |
| Accounts Receivable-Net   | 262,493             | 291,256               | -                       | -                             | 129,334              | 1,288,343                | 1,971,426                      |
| Due from other funds  | 67,966              | 108,560               | -                       | -                             | -                    | 158,274                  | 334,800                        |
| Inventories   | 137,004             | -                     | -                       | -                             | -                    | 66,745                   | 203,749                        |
| <b>Total assets</b>   | <b>\$ 6,731,647</b> | <b>\$ 6,201,135</b>   | <b>\$ 7,169,422</b>     | <b>\$ 8,039,010</b>           | <b>\$ 10,136,364</b> | <b>\$ 23,451,552</b>     | <b>\$ 61,729,130</b>           |
| <b>LIABILITIES</b>  |                     |                       |                         |                               |                      |                          |                                |
| Accounts Payable  | \$ 156,311          | \$ 406,495            | \$ 371,507              | \$ -                          | \$ 208,201           | \$ 988,094               | \$ 2,130,608                   |
| Contracts/Loans Payable   | -                   | -                     | 12,233                  | -                             | -                    | -                        | 12,233                         |
| Other Accrued Payables  | 507,872             | 442,227               | 4,998                   | -                             | -                    | 295,461                  | 1,250,558                      |
| Due To Other Funds  | -                   | -                     | -                       | -                             | 1,000,000            | 334,800                  | 1,334,800                      |
| Unearned Grant Revenue  | -                   | -                     | -                       | -                             | -                    | 72,070                   | 72,070                         |
| <b>Total liabilities</b>  | <b>664,183</b>      | <b>848,722</b>        | <b>388,738</b>          | <b>-</b>                      | <b>1,208,201</b>     | <b>1,690,425</b>         | <b>4,800,269</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                       |                         |                               |                      |                          |                                |
| Unavailable Revenue, Fines and Forfeitures,<br>Fees                           | 136,357             | -                     | -                       | -                             | -                    | -                        | 136,357                        |
| Unavailable Revenue, Property Taxes   | 178,945             | 331,240               | 48,974                  | 7,436,782                     | 88,964               | 422,724                  | 8,507,629                      |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>315,302</b>      | <b>331,240</b>        | <b>48,974</b>           | <b>7,436,782</b>              | <b>88,964</b>        | <b>422,724</b>           | <b>8,643,986</b>               |
| <b>Fund balances:</b>   |                     |                       |                         |                               |                      |                          |                                |
| Nonspendable:   |                     |                       |                         |                               |                      |                          |                                |
| Inventories   | 137,004             | -                     | -                       | -                             | -                    | 66,745                   | 203,749                        |
| Restricted for:   |                     |                       |                         |                               |                      |                          |                                |
| Grants  | -                   | -                     | -                       | -                             | 7,454,440            | 4,366,701                | 11,821,141                     |
| Debt Service Obligations  | -                   | -                     | -                       | -                             | -                    | 1,363,959                | 1,363,959                      |
| RID Debt Services   | -                   | -                     | -                       | 602,228                       | -                    | -                        | 602,228                        |
| Construction Projects   | -                   | -                     | -                       | -                             | -                    | 4,836,395                | 4,836,395                      |
| General Government  | 702,166             | -                     | -                       | -                             | -                    | -                        | 702,166                        |
| Public Safety   | -                   | 127,691               | -                       | -                             | -                    | -                        | 127,691                        |
| Committed for:  |                     |                       |                         |                               |                      |                          |                                |
| Contractual Obligations   | -                   | -                     | -                       | -                             | 1,299,655            | -                        | 1,299,655                      |
| RID Maintenance   | -                   | -                     | 6,731,710               | -                             | -                    | -                        | 6,731,710                      |
| General Government  | 4,285,365           | -                     | -                       | -                             | -                    | 4,573,614                | 8,858,979                      |
| Public Safety   | -                   | 4,818,914             | -                       | -                             | -                    | 50,329                   | 4,869,243                      |
| Public Works  | -                   | -                     | -                       | -                             | -                    | 3,209,449                | 3,209,449                      |
| Public Health   | -                   | -                     | -                       | -                             | -                    | 1,695,379                | 1,695,379                      |
| Social & Economic Services  | -                   | -                     | -                       | -                             | -                    | -                        | -                              |
| Culture & Recreation  | -                   | -                     | -                       | -                             | -                    | 715,495                  | 715,495                        |
| Housing & Community Development   | -                   | -                     | -                       | -                             | -                    | -                        | -                              |
| Conservation Of Natural Resources   | -                   | -                     | -                       | -                             | -                    | 460,337                  | 460,337                        |
| Assigned for:   |                     |                       |                         |                               |                      |                          |                                |
| General Government  | 627,627             | -                     | -                       | -                             | 85,104               | -                        | 712,731                        |
| Public Safety   | -                   | 74,568                | -                       | -                             | -                    | -                        | 74,568                         |
| <b>Total fund balances</b>  | <b>5,752,162</b>    | <b>5,021,173</b>      | <b>6,731,710</b>        | <b>602,228</b>                | <b>8,839,199</b>     | <b>21,338,403</b>        | <b>48,284,875</b>              |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 6,731,647</b> | <b>\$ 6,201,135</b>   | <b>\$ 7,169,422</b>     | <b>\$ 8,039,010</b>           | <b>\$ 10,136,364</b> | <b>\$ 23,451,552</b>     | <b>\$ 61,729,130</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, 2016

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

|   |                      |
|---|----------------------|
| <b>Total fund balances - governmental funds</b> | <b>\$ 48,284,875</b> |
|---|----------------------|

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

|  |             |
|--|-------------|
| The cost of the assets is \$252,977,305 and the accumulated depreciation is \$113,371,103. | 139,606,202 |
|--|-------------|

Deferred inflows of resources (unavailable property taxes and unavailable fines and forfeitures and fees) are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds.

8,643,986

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.

(1,405,039)

The net pension liability and related deferred inflows and outflows are not accounted for in the governmental funds. Excess reacquisition costs related to bond refunding are accounted for as deferred inflows of resources in the government-wide statements. The following number reports the net result of the current and long-term effect of these resources.

(20,954,004)

Long-term liabilities, including bonds payable, compensated absences, capital leases and notes payable are not due and payable in the current period and therefore are not reported in the funds.

(52,225,956)

Internal service funds are used by the County to charge the costs of employee health insurance. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

7,179,444

|   |                                     |
|---|-------------------------------------|
| <b>Total net position - governmental activities</b> | <b><u><u>\$ 129,129,508</u></u></b> |
|---|-------------------------------------|

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, 2016

|   | GENERAL      | PUBLIC SAFETY FUND | RID MAINTENANCE | RID BOND DEBT<br>SERVICE | CAPITAL PROJECTS | Total Non Major Funds | Total Governmental<br>Funds |
|---|--------------|--------------------|-----------------|--------------------------|------------------|-----------------------|-----------------------------|
| <b>REVENUES</b>                                   |              |                    |                 |                          |                  |                       |                             |
| Property Taxes                                    | \$ 7,121,607 | \$ 12,101,696      | \$ -            | \$ -                     | \$ 2,919,029     | \$ 11,632,442         | \$ 33,774,774               |
| Licenses & Permits                                | 700          | 65,740             | -               | -                        | -                | 323,761               | 390,201                     |
| Intergovernmental Revenues                        | 1,221,482    | 982,555            | -               | -                        | 39,373           | 7,393,265             | 9,636,675                   |
| Charges for Services                              | 2,665,170    | 1,934,960          | -               | -                        | 746,028          | 1,982,585             | 7,328,743                   |
| Fines & Forfeitures                               | 574,243      | 55,394             | -               | -                        | -                | 98,305                | 727,942                     |
| Miscellaneous                                     | 93,282       | 43,865             | 1,438,471       | 948,195                  | 121,330          | 277,665               | 2,922,808                   |
| Investment Earnings (loss)                        | 211,496      | 58,542             | 75,211          | 10,109                   | 100,043          | 102,756               | 558,157                     |
| Contributions/Donations                           | -            | 20,495             | -               | -                        | -                | 69,546                | 90,041                      |
| Total revenues                                    | 11,887,980   | 15,263,247         | 1,513,682       | 958,304                  | 3,925,803        | 21,880,325            | 55,429,341                  |
| <b>EXPENDITURES</b>                               |              |                    |                 |                          |                  |                       |                             |
| Current:  |              |                    |                 |                          |                  |                       |                             |
| General Government                                | 8,889,014    | -                  | -               | 4,200                    | 90,729           | 1,083,072             | 10,067,015                  |
| Public Safety                                     | 1,097,959    | 14,323,719         | -               | -                        | -                | 1,872,726             | 17,294,404                  |
| Public Works                                      | 717,430      | -                  | 788,831         | -                        | 43,748           | 4,042,912             | 5,592,921                   |
| Public Health                                     | -            | -                  | -               | -                        | -                | 4,178,535             | 4,178,535                   |
| Social & Economic Services                        | 415,010      | -                  | -               | -                        | -                | 57,281                | 472,291                     |
| Culture & Recreation                              | -            | -                  | -               | -                        | 408              | 1,975,716             | 1,976,124                   |
| Housing & Community Development                   | -            | -                  | -               | -                        | -                | 490,269               | 490,269                     |
| Conservation of Natural Resources                 | -            | -                  | -               | -                        | -                | 133,772               | 133,772                     |
| Debt service:                                     |              |                    |                 |                          |                  |                       |                             |
| Principal retirement                              | 226,811      | 161,007            | -               | 299,376                  | -                | 2,871,982             | 3,559,176                   |
| Interest  | 30,997       | 8,641              | -               | 396,085                  | 1,940,479        | 1,685,363             | 4,061,565                   |
| Capital Outlay                                    | 66,894       | 580,978            | -               | -                        | 2,020,734        | 2,008,080             | 4,676,686                   |
| Total expenditures                                | 11,444,115   | 15,074,345         | 788,831         | 699,661                  | 4,096,098        | 20,399,708            | 52,502,758                  |
| Excess (deficiency) of revenues over expenditures | 443,865      | 188,902            | 724,851         | 258,643                  | (170,295)        | 1,480,617             | 2,926,583                   |
| <b>OTHER FINANCING SOURCES (USES)</b>             |              |                    |                 |                          |                  |                       |                             |
| Transfers Out                                     | (576,850)    | (292,663)          | -               | (5,686)                  | (100,000)        | (2,408,795)           | (3,383,994)                 |
| Proceeds from sale of fixed assets                | -            | -                  | -               | -                        | 146,090          | 9,885                 | 155,975                     |
| Transfers In                                      | 962,315      | 81,850             | -               | 5,686                    | 51,004           | 1,235,140             | 2,335,995                   |
| Advance Refunding Bonds Issued                    | -            | -                  | -               | -                        | 19,130,000       | 2,630,000             | 21,760,000                  |
| Payments to Refunded Bonds Escrow Agent           | -            | -                  | -               | -                        | (20,235,000)     | (2,575,000)           | (22,810,000)                |
| Bond Issuance Costs                               | -            | -                  | -               | -                        | (136,175)        | (40,810)              | (176,985)                   |
| Bonds Proceeds                                    | -            | -                  | -               | -                        | -                | 3,307,000             | 3,307,000                   |
| Bonds Premium                                     | -            | -                  | -               | -                        | 3,188,419        | 538,785               | 3,727,204                   |
| Total other financing sources (uses)              | 385,465      | (210,813)          | -               | -                        | 2,044,338        | 2,696,205             | 4,915,195                   |
| Net change in fund balances                       | 829,330      | (21,911)           | 724,851         | 258,643                  | 1,874,043        | 4,176,822             | 7,841,778                   |
| Fund balances - beginning                         | 4,922,832    | 5,043,084          | 6,006,859       | 343,585                  | 6,965,156        | 17,161,581            | 40,443,097                  |
| Fund balances - ending                            | \$ 5,752,162 | \$ 5,021,173       | \$ 6,731,710    | \$ 602,228               | \$ 8,839,199     | \$ 21,338,403         | \$ 48,284,875               |

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 Year Ended June 30, 2016

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

|  |    |           |
|--|----|-----------|
| Net change in fund balances - total governmental funds | \$ | 7,841,778 |
|--|----|-----------|

|  |  |             |
|--|--|-------------|
| 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 (\$5,888,097) depreciation (\$7,729,169) in the current period (exclusive of internal service funds). |  | (1,841,072) |
|--|--|-------------|

|   |  |          |
|---|--|----------|
| 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. |  | (55,564) |
|---|--|----------|

|  |  |         |
|--|--|---------|
| Deferred inflows of resources in the governmental funds are reported on the full accrual method in the government-wide financial statements. |  | 226,641 |
|--|--|---------|

|  |  |           |
|--|--|-----------|
| The current period net increase in compensated absences and Other Post Employment Benefits require the use of current financial resources and, therefore, generated no expenditure to be reported in the governmental funds. |  | (192,122) |
|--|--|-----------|

|   |  |         |
|---|--|---------|
| The net pension liability and related pension deferred inflows and outflows of the County are reported on the full accrual method and solely in the government-wide financial statements. |  | 459,472 |
|---|--|---------|

|  |  |             |
|--|--|-------------|
| 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. Also, governmental funds report the effect of bond premiums when the debt is first issued, whereas these amounts are deferred and amortized as a component of interest and fiscal charges in the statement of activities. If debt is refunded at a cost more than the carrying amount of the old debt, this excess acquisition cost is also amortized as a component of interest and fiscal charges in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt. |  | (1,644,874) |
|--|--|-------------|

|  |  |           |
|--|--|-----------|
| 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. |  | 1,601,506 |
|--|--|-----------|

|   |    |                  |
|---|----|------------------|
| Change in net position of governmental activities | \$ | <u>6,395,765</u> |
|---|----|------------------|

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, 2016

|  | 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                                     | \$ 2,411,054                              | \$ 8,179,574             | \$ 2,151,911                     | \$ 12,742,539           | \$ 6,828,469           |
| Cash & Investments-Restricted                          | -   | 2,329,378                | -                                | 2,329,378               | -                      |
| Noncurrent assets:                                     |   |                          |                                  |                         |                        |
| Real Estate Taxes Receivable                           | 823                                       | -                        | 2,116                            | 2,939                   | -                      |
| Personal Taxes Receivable                              | 137                                       | -                        | -                                | 137                     | -                      |
| Accounts Receivable-Net                                | 515,811                                   | 687,905                  | 331,639                          | 1,535,355               | 25,674                 |
| Due from Other Funds                                   | -   | 1,000,000                | -                                | 1,000,000               | -                      |
| Capital Assets-Net                                     | 1,474,870                                 | 6,209,176                | 2,360,203                        | 10,044,249              | 739,798                |
| Total assets   | <u>4,402,695</u>                          | <u>18,406,033</u>        | <u>4,845,869</u>                 | <u>27,654,597</u>       | <u>7,593,941</u>       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |   |                          |                                  |                         |                        |
| Contribution to pension plan(s) in current fiscal year | 182,222                                   | 52,304                   | 11,397                           | 245,923                 | -                      |
| Total deferred outflows of resources                   | <u>182,222</u>                            | <u>52,304</u>            | <u>11,397</u>                    | <u>245,923</u>          | <u>-</u>               |
| <b>LIABILITIES</b>                                     |   |                          |                                  |                         |                        |
| Current liabilities:                                   |   |                          |                                  |                         |                        |
| Accounts Payable                                       | 216,331                                   | 207,378                  | 214,723                          | 638,432                 | 92,933                 |
| Contracts/Loans Payable                                | -   | 125,000                  | -                                | 125,000                 | -                      |
| Other Accrued Payables                                 | 162,982                                   | 133,883                  | 10,295                           | 307,160                 | 256,210                |
| Compensated Absences                                   | 27,463                                    | 6,532                    | 2,846                            | 36,841                  | 4,219                  |
| Total current liabilities                              | <u>406,776</u>                            | <u>472,793</u>           | <u>227,864</u>                   | <u>1,107,433</u>        | <u>353,362</u>         |
| Noncurrent liabilities:                                |   |                          |                                  |                         |                        |
| Contracts/Loans Payable                                | -   | 437,500                  | -                                | 437,500                 | -                      |
| GASB 45 OPEB Obligation                                | 311,241                                   | 59,357                   | 11,187                           | 381,785                 | 23,168                 |
| Net pension liability                                  | 2,428,595                                 | 700,565                  | 152,026                          | 3,281,186               | -                      |
| Closure/Post Closure Costs                             | -   | 2,121,697                | -                                | 2,121,697               | -                      |
| Compensated Absences                                   | 247,166                                   | 59,098                   | 25,444                           | 331,708                 | 37,967                 |
| Total noncurrent liabilities                           | <u>2,987,002</u>                          | <u>3,378,217</u>         | <u>188,657</u>                   | <u>6,553,876</u>        | <u>61,135</u>          |
| Total liabilities                                      | <u>3,393,778</u>                          | <u>3,851,010</u>         | <u>416,521</u>                   | <u>7,661,309</u>        | <u>414,497</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |   |                          |                                  |                         |                        |
| Pension deferrals                                      | 256,592                                   | 66,390                   | 15,764                           | 338,746                 | -                      |
| Total deferred inflows of resources                    | <u>256,592</u>                            | <u>66,390</u>            | <u>15,764</u>                    | <u>338,746</u>          | <u>-</u>               |
| <b>NET POSITION</b>                                    |   |                          |                                  |                         |                        |
| Net investment in capital assets                       | 1,474,870                                 | 5,646,676                | 2,360,203                        | 9,481,749               | 739,798                |
| Restricted (expendable)                                | -   | 2,329,378                | -                                | 2,329,378               | -                      |
| Unrestricted   | (540,323)                                 | 6,564,883                | 2,064,778                        | 8,089,338               | 6,439,646              |
| Total net position                                     | <u>\$ 934,547</u>                         | <u>\$ 14,540,937</u>     | <u>\$ 4,424,981</u>              | <u>\$ 19,900,465</u>    | <u>\$ 7,179,444</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, 2016

|  | 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                             | \$ 5,206,361              | \$ 4,441,150             | \$ 768,573                       | \$ 10,416,084           | \$ 622,859             |
| Miscellaneous                                    | 4,787                     | 2,600                    | 1,500                            | 8,887                   | 902                    |
| Internal Services                                | -                         | -                        | -                                | -                       | 7,601,616              |
| Total operating revenues                         | <u>5,211,148</u>          | <u>4,443,750</u>         | <u>770,073</u>                   | <u>10,424,971</u>       | <u>8,225,377</u>       |
| <b>OPERATING EXPENSES</b>                        |                           |                          |                                  |                         |                        |
| Public Works Personnel Services                  | -                         | 957,243                  | 215,292                          | 1,172,535               | -                      |
| Public Works Operations                          | -                         | 1,299,626                | 542,259                          | 1,841,885               | -                      |
| Public Works Depreciation                        | -                         | 315,533                  | 221,893                          | 537,426                 | -                      |
| Public Health Personnel                          | 4,062,540                 | -                        | -                                | 4,062,540               | -                      |
| Public Health Operations                         | 1,931,548                 | -                        | -                                | 1,931,548               | -                      |
| Internal Service Personnel                       | -                         | -                        | -                                | -                       | 527,969                |
| Internal Service Supplies                        | -                         | -                        | -                                | -                       | 136,807                |
| Internal Service Purchased Services              | -                         | -                        | -                                | -                       | 1,248,200              |
| Internal Service Fixed Charges                   | -                         | -                        | -                                | -                       | 765,731                |
| Internal Service Depreciation                    | -                         | -                        | -                                | -                       | 121,456                |
| Internal Serv Benefit Payments                   | -                         | -                        | -                                | -                       | 4,841,132              |
| Public Health Depreciation                       | 117,704                   | -                        | -                                | 117,704                 | -                      |
| Total operating expenses                         | <u>6,111,792</u>          | <u>2,572,402</u>         | <u>979,444</u>                   | <u>9,663,638</u>        | <u>7,641,295</u>       |
| Operating income (loss)                          | <u>(900,644)</u>          | <u>1,871,348</u>         | <u>(209,371)</u>                 | <u>761,333</u>          | <u>584,082</u>         |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                           |                          |                                  |                         |                        |
| Property Taxes                                   | 594                       | -                        | 1,504                            | 2,098                   | -                      |
| Intergovernmental Revenues                       | 208,349                   | 17,995                   | 195,582                          | 421,926                 | -                      |
| Investment Earnings (loss)                       | 32,935                    | 129,632                  | 27,254                           | 189,821                 | 69,612                 |
| Gain (loss) on Sale of Fixed Assets              | (316)                     | 117,130                  | -                                | 116,814                 | (187)                  |
| Interest Expense                                 | -                         | (8,255)                  | -                                | (8,255)                 | -                      |
| Total nonoperating revenues (expenses)           | <u>241,562</u>            | <u>256,502</u>           | <u>224,340</u>                   | <u>722,404</u>          | <u>69,425</u>          |
| Income (loss) before contributions and transfers | <u>(659,082)</u>          | <u>2,127,850</u>         | <u>14,969</u>                    | <u>1,483,737</u>        | <u>653,507</u>         |
| Transfers In                                     | 100,000                   | -                        | -                                | 100,000                 | 955,700                |
| Transfers Out                                    | -                         | -                        | -                                | -                       | (7,701)                |
| Change in net position                           | <u>(559,082)</u>          | <u>2,127,850</u>         | <u>14,969</u>                    | <u>1,583,737</u>        | <u>1,601,506</u>       |
| Total net position - beginning                   | 1,493,629                 | 12,413,087               | 4,410,012                        | 18,316,728              | 5,577,938              |
| Restatements                                     | -                         | -                        | -                                | -                       | -                      |
| Total net position - ending                      | <u>\$ 934,547</u>         | <u>\$ 14,540,937</u>     | <u>\$ 4,424,981</u>              | <u>\$ 19,900,465</u>    | <u>\$ 7,179,444</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, 2016

|   | 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   | \$ -  | \$ -                     | \$ -                             | \$ -                    | \$ 8,080,836           |
| Cash Other  | 4,787                                       | (997,600)                | -                                | (992,813)               | -                      |
| Cash receipts from customer   | 5,046,748                                   | 4,361,796                | 579,002                          | 9,987,546               | 142,742                |
| Other payments  | (49,963)                                    | 158,276                  | -                                | 108,313                 | -                      |
| Payments to employees   | (4,093,521)                                 | (959,788)                | (217,264)                        | (5,270,573)             | (533,634)              |
| Payments to interfund   | (56,700)                                    | -                        | -                                | (56,700)                | (34,307)               |
| Payments to suppliers   | (1,739,943)                                 | (1,195,505)              | (404,766)                        | (3,340,214)             | (6,950,319)            |
| Net cash provided (used) by operating activities  | (888,592)                                   | 1,367,179                | (43,028)                         | 435,559                 | 705,318                |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |   |                          |                                  |                         |                        |
| Intergovernmental Revenue   | 208,349                                     | 17,995                   | 195,582                          | 421,926                 | -                      |
| Subsidy from taxes  | 60  | -                        | -                                | 60                      | -                      |
| Transfers from (to) Other Funds   | 100,000                                     | -                        | -                                | 100,000                 | 955,700                |
| Net cash provided (used) by noncapital financing activities   | 308,409                                     | 17,995                   | 195,582                          | 521,986                 | 955,700                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |   |                          |                                  |                         |                        |
| Interest Paid on Debt   | -   | (8,255)                  | -                                | (8,255)                 | -                      |
| Principal on Debt   | -   | (125,000)                | -                                | (125,000)               | -                      |
| Proceeds from sale of capital assets  | -   | 165,000                  | -                                | 165,000                 | -                      |
| Purchases/acquisition/const. of Capital Assets  | (266,834)                                   | (836,164)                | (181,380)                        | (1,284,378)             | (167,674)              |
| Net cash provided (used) by capital and related financing activities                                  | (266,834)                                   | (804,419)                | (181,380)                        | (1,252,633)             | (167,674)              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |                          |                                  |                         |                        |
| Interest Earnings   | 32,935                                      | 129,632                  | 27,254                           | 189,821                 | 69,611                 |
| Net cash provided (used) by investing activities  | 32,935                                      | 129,632                  | 27,254                           | 189,821                 | 69,611                 |
| Net increase (decrease) in cash and cash equivalents  | (814,082)                                   | 710,387                  | (1,572)                          | (105,267)               | 1,562,955              |
| Balances - beginning of year  | 3,225,136                                   | 9,798,565                | 2,153,483                        | 15,177,184              | 5,265,514              |
| Balances - end of the year  | \$ 2,411,054                                | \$ 10,508,952            | \$ 2,151,911                     | \$ 15,071,917           | \$ 6,828,469           |
| Cash and Investments consist of:  |   |                          |                                  |                         |                        |
| Cash and investments  | \$ 2,411,054                                | \$ 8,179,574             | \$ 2,151,911                     | \$ 12,742,539           | \$ 6,828,469           |
| Restricted cash and investments   | -   | 2,329,378                | -                                | 2,329,378               | -                      |
| Total cash and investments  | \$ 2,411,054                                | \$ 10,508,952            | \$ 2,151,911                     | \$ 15,071,917           | \$ 6,828,469           |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |   |                          |                                  |                         |                        |
| Operating Income  | \$ (900,644)                                | \$ 1,871,348             | \$ (209,371)                     | \$ 761,333              | \$ 584,082             |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |   |                          |                                  |                         |                        |
| Depreciation Expense  | 117,704                                     | 315,533                  | 221,893                          | 655,130                 | 121,456                |
| Pension Adjustments   | (86,592)                                    | (26,756)                 | (5,490)                          | (118,838)               | -                      |
| Changes in assets and liabilities:  |   |                          |                                  |                         |                        |
| Accounts Receivable   | (159,613)                                   | (1,079,355)              | (191,073)                        | (1,430,041)             | 713                    |
| Accounts Payable  | 84,944                                      | 99,648                   | 137,494                          | 322,086                 | 843                    |
| Other Accrued Payables  | 1,515                                       | 10,960                   | (752)                            | 11,723                  | -                      |
| Closure/Post Closure Costs  | -   | 158,220                  | -                                | 158,220                 | -                      |
| Compensated absences  | 26,592                                      | 12,269                   | 3,270                            | 42,131                  | 7,052                  |
| GASB 45 OPEB Obligation   | 27,502                                      | 5,312                    | 1,001                            | 33,815                  | (8,828)                |
| Net cash provided (used) by operating activities  | \$ (888,592)                                | \$ 1,367,179             | \$ (43,028)                      | \$ 435,559              | \$ 705,318             |

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

Gallatin County, State of Montana  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

|                                 | Investment<br>Trust<br>Funds | Agency<br>Funds             |
|---------------------------------|------------------------------|-----------------------------|
|                                 | <u>                    </u>  | <u>                    </u> |
| <b>ASSETS</b>                   |                              |                             |
| Cash and investments            | \$ 107,210,802               | \$ 3,529,918                |
| Tax/assessment receivable (net) | -                            | 4,303,580                   |
| Accrued Interest Receivable     | <u>98,546</u>                | <u>-</u>                    |
| <b>Total Assets</b>             | <u><u>107,309,348</u></u>    | <u><u>7,833,498</u></u>     |
| <br><b>LIABILITIES</b>          |                              |                             |
| Accounts payable                | -                            | 716,287                     |
| Protested taxes payable         | -                            | 213,287                     |
| Due to others                   | <u>-</u>                     | <u>6,903,924</u>            |
| <b>Total Liabilities</b>        | -                            | 7,833,498                   |
| <br><b>NET POSITION</b>         |                              |                             |
| Assets held in trust            | <u><u>\$ 107,309,348</u></u> | <u><u>\$ -</u></u>          |

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

Gallatin County, State of Montana  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2016

|   | Investment<br>Trust<br>Funds |
|---|------------------------------|
|   | <hr/>                        |
| <b>ADDITIONS:</b>                       |                              |
| Investment earnings (loss)              | \$ 715,146                   |
| Contributions to investment trust fund  | <u>433,948,791</u>           |
| <b>Total Additions</b>                  | <u>434,663,937</u>           |
| <b>DEDUCTIONS:</b>                      |                              |
| Distribution from investment trust fund | <u>393,103,070</u>           |
| <b>Total Deductions</b>                 | <u>393,103,070</u>           |
| Change in net position                  | 41,560,867                   |
| Net position - beginning of year        | <u>65,748,481</u>            |
| Net position - end of year              | <u><u>\$ 107,309,348</u></u> |

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

## **NOTES TO THE FINANCIAL STATEMENTS**

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Gallatin County, State of Montana (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the financial position of the County and the various funds and fund types, the results of operations of the County and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2016, and for the year then ended. The significant accounting policies of the County are described below.

**New Accounting Pronouncements**

The County implemented the provisions of the following GASB pronouncements for the year ended June 30, 2016:

- Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015.
- Statement No. 82, *Pension Issues, an amendment of GASB No. 67, 68, and 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for fiscal years beginning after June 15, 2016, with early application encouraged.

**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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

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.

**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).

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.

**Government-Wide and Fund Financial Statements**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

*Government-Wide Financial Statements* – The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government utilizing a full accrual basis of accounting. 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 net position presents the financial condition of the governmental activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities (and ultimately presents changes in net position). Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipient of the goods or services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

*Fund Financial Statements* – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Fund financial statements are designed to present financial information of the County at a more detailed level (and to demonstrate legal compliance). The focus of governmental fund financial statements is on major funds. Major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. The fiduciary funds are reported by type.

**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, generally only current assets and current liabilities 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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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 County 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 Debt Service 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 County 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.



GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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.

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

The County maintains an investment pool consisting of funds belonging to the County and also of funds held by the County Treasurer belonging to legally separate entities such as school districts and special purpose districts. These districts can elect to participate in the County's investment pool, or can self-direct investment of their funds in individual investment accounts. The portion of the investment pool belonging to the legally separate entities and any self-directed individual investment accounts are reported in an investment trust fund in the fiduciary fund financial statements. The investment pool is managed by the County Treasurer in accordance with the County's stated investment policies and as prescribed in the MCA. There is no external regulatory oversight for the investment pool, and the County has not provided or obtained any legally binding guarantees to support the value of the investments.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Investments (Continued)**

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

For purposes of the statement of cash flows for the Enterprise and Internal Service Funds, the County considers all highly liquid debt instruments with an original maturity of three months or less, including restricted cash and demand investments, to be cash equivalents.

**Restricted Cash and Investments**

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.

**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, 2016, was \$10,397. 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, 2016, was \$51,134. All other receivables are considered fully collectible.

Property tax levies are set on the later of the first Thursday in September or within 30 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 10 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 3 years, the County may exercise the lien and take title to the property.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables and Payables (Continued)**

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 30 days after billing. Mobile home taxes are billed in two halves. The first is due 30 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 30 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.

The tax levies for the fiscal year ended June 30, 2016, were based upon the county-wide taxable valuation of \$237,835,957.

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 obligation 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.

**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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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. Property, plant, and equipment 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            |

**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 County has some pension related deferred outflows of resources in the current fiscal year.

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 County'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, 2016. 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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences Payable**

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. Annual accumulations greater than this amount can be carried over, but no more than 90 days can be carried into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. The 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 20 hours in compensatory time. Only non-exempt employees are paid compensatory time at 100% upon termination.

**Net Pension Liability (NPL)**

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.

**Other Postemployment Benefits**

The County allows retirees that have just 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.

**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.

**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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

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.

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 exist in which this balance in the General Fund can be spent; 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.

**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 that 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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**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 30 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.

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 expirated or honored during the subsequent fiscal year.

**Excess of Expenditures over Appropriations**

There were no funds with excess of expenditures over appropriations for the fiscal year ended June 30, 2016.

**Deficit Fund Balances**

At June 30, 2016, deficit fund balances were reported in fund 3205, Intercap Loan Fund, for \$1,900.

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**  
**JUNE 30, 2016**

**NOTE 3. CASH AND INVESTMENTS**

The County maintains a cash and investment pool for all funds under the control of the County Treasurer. The non-pooled cash and investments represent funds held for other individuals or districts to be utilized for a specific purpose or capital project. 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, 2016 equaled or exceeded the amount required by State statutes.

Along with limitations placed on investments by State law, the County minimizes interest rate risk and 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. Interest rate risk is defined as the risk that the fair value of investments could decrease in a rising interest rate environment. The County maintains a listing of financial institutions that are approved for investment purposes.

At June 30, 2016, the County's pooled and non-pooled cash and investment balances were as follows:

| <u>Pooled Cash and Investments</u>                 | <u>Maturities</u> | <u>Credit Risk<br/>Rating</u> | <u>Amount</u>         | <u>Valuation<br/>Inputs</u> |
|--|-------------------|-------------------------------|-----------------------|-----------------------------|
| Cash on hand and demand deposits                   | N/A               | N/A                           | \$ 690,129            |                             |
| Money market                                       | N/A               | N/A                           | 2,000,000             |                             |
| Cash in overnight repurchase agreements            | N/A               | N/A                           | 20,013,232            |                             |
| Certificates of deposit                            | 2020              | N/A                           | 1,528,488             | Level 2                     |
| U.S. Government bonds                              | 2017-2020         | S&P AA+<br>Moody's AAA        | 78,589,594            | Level 1                     |
| State of Montana Short-Term Investment Pool (STIP) | N/A               | N/A                           | <u>36,508,259</u>     |                             |
| Total pooled cash and investments                  |                   |                               | <u>\$ 139,329,702</u> |                             |
| <u>Nonpooled Cash and Investments</u>              |                   |                               |                       |                             |
| Cash on hand and demand deposits                   | N/A               | N/A                           | 278,748               |                             |
| Money market                                       | N/A               | N/A                           | 895,594               |                             |
| Certificates of deposit                            | 2018              | N/A                           | 2,707,932             | Level 2                     |
| State of Montana Short-Term Investment Pool (STIP) | N/A               | N/A                           | <u>40,140,656</u>     |                             |
| Total nonpooled cash and investments               |                   |                               | <u>44,022,930</u>     |                             |
| Total cash and investments                         |                   |                               | <u>\$ 183,352,632</u> |                             |

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets (these assets are valued using quoted prices in active markets); Level 2 inputs are significant other observable inputs (these investments are valued using matrix pricing); Level 3 inputs are significant unobservable inputs (these investments are valued using consensus pricing).



GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 3. CASH AND INVESTMENTS (CONTINUED)**

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

|                                 | <u>Unrestricted</u>   | <u>Restricted</u>   | <u>Total</u>          |
|---------------------------------|-----------------------|---------------------|-----------------------|
| Governmental activities         | \$ 57,539,995         | \$ -                | \$ 57,539,995         |
| Business-type activities        | 12,742,539            | 2,329,378           | 15,071,917            |
| Fiduciary funds                 | <u>110,740,720</u>    | <u>-</u>            | <u>110,740,720</u>    |
| Total cash and cash equivalents | <u>\$ 181,023,254</u> | <u>\$ 2,329,378</u> | <u>\$ 183,352,632</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.

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. These funds are carried at cost.

Cash in State Treasurer’s Investment Pool (STIP) – The County voluntarily participates in the STIP (Short-Term Investment Pool) administered by the Montana Board of Investments. (MBOI). A local government’s STIP ownership is represented by shares, the prices of which are fixed at \$1.00 per share, and participants may buy or sell shares with one business days’ notice. STIP administrative expenses are charged daily against the STIP income, which is distributed on the first calendar day of each month. Shareholders have the option to automatically reinvest their distribution income in additional shares. STIP is not registered with the Securities and Exchange Commission (SEC). STIP is not FDIC insured or otherwise insured or guaranteed by the federal government, the State of Montana, the Montana Board of Investments, or any other entity against investment losses and there is no guaranteed rate of return on funds invested in STIP shares. The Montana Board of Investments maintains a reserve fund to offset possible losses and limit fluctuations in STIP’s valuation. The STIP investment portfolio consists of securities with maximum maturity of 2 years. Information on investments held in the STIP can be found in the Annual Report on the Montana Board of Investments website at <http://investment.com/AnnualReportsAudits>.

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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 3. CASH AND INVESTMENTS (CONTINUED)**

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.

**NOTE 4. 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, 2016:

|              |                           | Transfers From     |               |              |            |              |                  |              |
|--------------|---------------------------|--------------------|---------------|--------------|------------|--------------|------------------|--------------|
|              |                           | Governmental Funds |               |              |            |              | Proprietary Fund |              |
|              |                           | General Fund       | Public Safety | RID Bond     | Capital    | Other        | Internal         | Total        |
|              |                           |                    |               | Debt Service | Projects   | Governmental |                  |              |
| Transfers To | General Fund              | \$ (388)           | \$ 388        | \$ -         | \$ -       | \$ 962,315   | \$ -             | \$ 962,315   |
|              | Public Safety             | 6,521              |               | -            | -          | 75,329       | -                | 81,850       |
|              | RID Bond Debt Service     | -                  | -             | 5,686        | -          | -            | -                | 5,686        |
|              | Capital Projects          | 4,775              | -             | -            | -          | 46,229       | -                | 51,004       |
|              | Other Governmental Funds  | 565,942            | 292,275       | -            | -          | 369,222      | 7,701            | 1,235,140    |
|              | Gallatin County Rest Home | -                  | -             | -            | 100,000    | -            | -                | 100,000      |
|              | Internal Service          | -                  | -             | -            | -          | 955,700      | -                | 955,700      |
|              |                           | \$ 576,850         | \$ 292,663    | \$ 5,686     | \$ 100,000 | \$ 2,408,795 | \$ 7,701         | \$ 3,391,695 |

**Interfund Receivables and Payables**

The composition of interfund receivable and payable balances as of June 30, 2016, is as follows:

| Receivable Fund          | Payable Fund             | Amount              |
|--------------------------|--------------------------|---------------------|
| General Fund             | Other Governmental Funds | \$ 67,966           |
| Public Safety            | Other Governmental Funds | 108,560             |
| Other Governmental Funds | Other Governmental Funds | 158,274             |
| Gallatin County Landfill | Capital Projects Fund    | 1,000,000           |
|                          |                          | <u>\$ 1,334,800</u> |

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 5. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2016, is as follows:

|  | Balance<br>July 1, 2015 | Increases             | Decreases             | Balance<br>June 30, 2016 |
|--|-------------------------|-----------------------|-----------------------|--------------------------|
| <b>Governmental activities:</b>              |                         |                       |                       |                          |
| Capital assets, not being depreciated:       |                         |                       |                       |                          |
| Land   | \$ 4,527,205            | \$ -                  | \$ (112,498)          | \$ 4,414,707             |
| Construction in progress                     | <u>1,686,933</u>        | <u>1,673,648</u>      | <u>(530,575)</u>      | <u>2,830,006</u>         |
| Total capital assets, not being depreciated  | <u>6,214,138</u>        | <u>1,673,648</u>      | <u>(643,073)</u>      | <u>7,244,713</u>         |
| Capital assets, being depreciated:           |                         |                       |                       |                          |
| Buildings                                    | 57,232,768              | 42,544                | -                     | 57,275,312               |
| Intangibles software                         | 2,047,180               | 83,696                | -                     | 2,130,876                |
| Intangibles easements                        | 13,856,356              | 345,000               | -                     | 14,201,356               |
| Improvements other than buildings            | 2,332,879               | 378,423               | -                     | 2,711,302                |
| Machinery and equipment                      | 22,429,506              | 3,180,790             | (2,403,589)           | 23,206,707               |
| Infrastructure                               | <u>146,824,600</u>      | <u>882,429</u>        | <u>(32,100)</u>       | <u>147,674,929</u>       |
| Total capital assets being depreciated       | <u>244,723,289</u>      | <u>4,912,882</u>      | <u>(2,435,689)</u>    | <u>247,200,482</u>       |
| Total capital assets                         | 250,937,427             | 6,586,530             | (3,078,762)           | 254,445,195              |
| Less accumulated depreciation:               | <u>(107,945,412)</u>    | <u>(7,850,625)</u>    | <u>1,696,842</u>      | <u>(114,099,195)</u>     |
| Governmental activities capital assets, net  | <u>\$ 142,992,015</u>   | <u>\$ (1,264,095)</u> | <u>\$ (1,381,920)</u> | <u>\$ 140,346,000</u>    |
|  | Balance                 |                       |                       | Balance                  |
|  | July 1, 2015            | Increases             | Decreases             | June 30, 2016            |
| <b>Business-type activities:</b>             |                         |                       |                       |                          |
| Capital assets, not being depreciated:       |                         |                       |                       |                          |
| Land   | \$ 1,657,607            | \$ 80                 | \$ -                  | \$ 1,657,687             |
| Construction in progress                     | <u>252,232</u>          | <u>463,275</u>        | <u>-</u>              | <u>715,507</u>           |
| Total capital assets, not being depreciated  | <u>1,909,839</u>        | <u>463,355</u>        | <u>-</u>              | <u>2,373,194</u>         |
| Capital assets, being depreciated:           |                         |                       |                       |                          |
| Buildings                                    | 7,453,959               | 19,853                | -                     | 7,473,812                |
| Intangibles                                  | 65,668                  | -                     | -                     | 65,668                   |
| Improvements other than buildings            | 3,269,266               | 6,140                 | -                     | 3,275,406                |
| Machinery and equipment                      | <u>6,783,029</u>        | <u>795,029</u>        | <u>(630,954)</u>      | <u>6,947,104</u>         |
| Total capital assets, being depreciated      | <u>17,571,922</u>       | <u>821,022</u>        | <u>(630,954)</u>      | <u>17,761,990</u>        |
| Total capital assets                         | 19,481,761              | 1,284,377             | (630,954)             | 20,135,184               |
| Less accumulated depreciation                | <u>(10,018,575)</u>     | <u>(655,130)</u>      | <u>582,770</u>        | <u>(10,090,935)</u>      |
| Business-type activities capital assets, net | <u>\$ 9,463,186</u>     | <u>\$ 629,247</u>     | <u>\$ (48,184)</u>    | <u>\$ 10,044,249</u>     |

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 5. CAPITAL ASSETS (CONTINUED)**

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

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| General Government                                   | \$ 625,425          |
| Public Safety  | 1,796,629           |
| Public Works   | 5,241,743           |
| Public Health  | 6,143               |
| Social and Economic Services                         | 2,433               |
| Culture and Recreation                               | 142,480             |
| Housing and Community Development                    | 32,481              |
| Conservation of Natural Resources                    | <u>3,291</u>        |
| Total depreciation expense - governmental activities | <u>\$ 7,850,625</u> |

**NOTE 6. ACCRUED PAYROLL AND OTHER LIABILITIES**

Other accrued payables reported on the statement of net position include:

|                           | Governmental<br>Activities | Business-type<br>Activities | Total               |
|---------------------------|----------------------------|-----------------------------|---------------------|
| Payroll Payable           | \$ 1,103,738               | \$ 213,908                  | \$ 1,317,646        |
| Security Deposits Payable | -                          | 90,000                      | 90,000              |
| Accrued Interest Payable  | 34,707                     | 3,252                       | 37,959              |
| Abandon Property Payable  | 112,113                    | -                           | 112,113             |
| Internal Service Payables | <u>256,210</u>             | <u>-</u>                    | <u>256,210</u>      |
|                           | <u>\$ 1,506,768</u>        | <u>\$ 307,160</u>           | <u>\$ 1,813,928</u> |

**GALLATIN COUNTY, STATE OF MONTANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**  
**JUNE 30, 2016**

**NOTE 7. LONG-TERM DEBT**

During the fiscal year ended June 30, 2016, the following changes in liabilities were reported in long-term debt:

|                                 | Balance<br>6/30/15   | Additions            | Deletions              | Balance<br>6/30/16   | Due within<br>one year |
|---------------------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| <b>Governmental Activities:</b> |                      |                      |                        |                      |                        |
| General Obligation bonds        | \$ 39,409,600        | \$ 24,960,000        | \$ (25,417,100)        | \$ 38,952,500        | \$ 2,791,250           |
| Special assessment bonds        | 7,374,000            | 107,000              | (299,375)              | 7,181,625            | 389,173                |
| Bond premiums                   | 603,471              | 3,727,204            | (120,737)              | 4,209,938            | 375,421                |
| Compensated absences            | 2,076,993            | 70,155               | -                      | 2,147,148            | 214,715                |
| Interkap loans                  | 1,367,278            | -                    | (477,746)              | 889,532              | 346,238                |
| Capital leases                  | <u>795,534</u>       | <u>1,789,056</u>     | <u>(970,611)</u>       | <u>1,613,979</u>     | <u>125,215</u>         |
| Total                           | <u>\$ 51,626,876</u> | <u>\$ 30,653,415</u> | <u>\$ (27,285,570)</u> | <u>\$ 54,994,722</u> | <u>\$ 4,242,012</u>    |
| <b>Business-Type Activities</b> |                      |                      |                        |                      |                        |
| Revenue bonds                   | \$ 687,500           | \$ -                 | \$ (125,000)           | \$ 562,500           | \$ 125,000             |
| Compensated absences            | 326,419              | 42,130               | -                      | 368,549              | 36,841                 |
| Closure/postclosure care costs  | <u>1,963,477</u>     | <u>158,220</u>       | <u>-</u>               | <u>2,121,697</u>     | <u>-</u>               |
| Total                           | <u>\$ 2,977,396</u>  | <u>\$ 200,350</u>    | <u>\$ (125,000)</u>    | <u>\$ 3,052,746</u>  | <u>\$ 161,841</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, 2016 were as follows:

| Purpose                 | Issue<br>Date | Interest<br>Rate | Term of<br>Years | Final<br>Maturity | Bonds<br>Issued      | Outstanding<br>6/30/16 | Annual<br>Serial Payment |
|-------------------------|---------------|------------------|------------------|-------------------|----------------------|------------------------|--------------------------|
| Detention Center        | 2/1/2009      | 3.25-4.75%       | 20               | 2/1/2029          | \$ 32,000,000        | \$ 4,380,000           | Varies                   |
| Detention Center        | 6/2/2016      | 3.00-5.00%       | 12               | 6/1/2016          | 19,130,000           | 19,130,000             | Varies                   |
| Hope House              | 7/1/2010      | 2.00-4.00%       | 20               | 7/1/2030          | 1,000,000            | 770,000                | Varies                   |
| Open Space              | 12/15/2008    | 3.50-4.85%       | 18               | 7/1/2026          | 4,000,000            | 225,000                | Varies                   |
| Open Space              | 4/12/2011     | 2.30-3.25%       | 10               | 7/1/2021          | 2,300,000            | 1,240,000              | Varies                   |
| Open Space              | 10/23/2012    | 2.00%            | 10               | 7/1/2023          | 2,450,000            | 1,725,000              | Varies                   |
| Open Space              | 6/9/2013      | 1.00-3.00%       | 12               | 7/1/2026          | 3,390,000            | 3,275,000              | Varies                   |
| Open Space              | 11/19/2015    | 2.00%-4.00%      | 20               | 7/1/2036          | 5,830,000            | 5,780,000              | Varies                   |
| Pogreba Animal Fence    | 7/29/2008     | 3.625%           | 10               | 2/28/2018         | 12,500               | 2,500                  | 1,250                    |
| I-90                    | 12/27/2012    | 1.00-2.25%       | 10               | 7/1/2023          | 2,000,000            | 1,415,000              | Varies                   |
| Ice Facility            | 8/6/2013      | .85-4.00%        | 20               | 7/1/2033          | <u>1,150,000</u>     | <u>1,010,000</u>       | Varies                   |
| <b>Total G.O. Bonds</b> |               |                  |                  |                   | <u>\$ 73,262,500</u> | <u>\$ 38,952,500</u>   |                          |

*Advance Refundings* – On June 2, 2016, the County issued \$19,130,000 of general obligation bonds with the proceeds being placed in an irrevocable escrow account that will service all future debt service payments of 2009 general obligation bonds. As a result, these advance refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,379,453. This amount is included in deferred outflows of resources and amortized over the remaining life of the newly issued debt. This advance refunding was undertaken to reduce total future debt service payments.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On November 9, 2015, the County issued \$5,830,000 of general obligation bonds with a portion of the proceeds (\$2,630,000) being placed in an irrevocable escrow account that will service all future debt service payments of 2008 general obligation bonds. The remaining \$3,200,000 of the proceeds was a new bond issuance. As a result, these advance refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$234,359. This amount is included in deferred outflows of resources and amortized over the remaining life of the newly issued debt. This advance refunding was undertaken to reduce total future debt service payments.

*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 6/30/16 | Annual Serial Payment |
|----------------------------|------------|---------------|---------------|----------------|---------------------|---------------------|-----------------------|
| Landfill Land              | 2010       | 1.25          | 10            | 2020           | \$ 1,250,000        | \$ 562,500          | Varies                |
| <b>Total Revenue Bonds</b> |            |               |               |                | <u>\$ 1,250,000</u> | <u>\$ 562,500</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, 2016.

*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 6/30/16 | 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              | 50,000              | 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            | 1,380,000           | Varies                |
| #396                                  | 2010       | 2.5-6.0       | 20            | 2030           | 4,715,000            | 3,710,000           | Varies                |
| #605-606                              | 2015       | 4.00          | 20            | 2035           | 765,000              | 740,625             | Varies                |
| #607                                  | 2016       | 3.55          | 16            | 2032           | 107,000              | 107,000             | Varies                |
| <b>Total Special Assessment Bonds</b> |            |               |               |                | <u>\$ 10,997,200</u> | <u>\$ 7,181,625</u> |                       |

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

*Loans/Contracted Debt* – Loans and Contracted Debt outstanding as of June 30, 2016 were as follows:

| Purpose                    | Original<br>Amount         | Date<br>of Issue | Interest<br>Rate | Outstanding<br>6/30/2015 | Date of<br>Last<br>Payment |
|----------------------------|----------------------------|------------------|------------------|--------------------------|----------------------------|
| Courthouse Annex           | \$ 999,000                 | 2007             | Varies           | \$ 178,474               | 2018                       |
| 9-1-1 Center               | 1,000,000                  | 2009             | Varies           | 330,066                  | 2019                       |
| Road & Bridge Shop Complex | 1,300,000                  | 2008             | Varies           | 307,205                  | 2019                       |
| Search & Rescue Building   | <u>300,000</u>             | 2012             | 2.75             | <u>73,787</u>            | 2023                       |
| <b>Total</b>               | <b><u>\$ 3,599,000</u></b> |                  |                  | <b><u>\$ 889,532</u></b> |                            |

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, 2016, which represents vacation and sick leave earned by employees and is payable upon separation, is as follows:

|                                 |                            |
|---------------------------------|----------------------------|
| Proprietary Funds               | \$ 368,549                 |
| General Governmental Activities | 2,104,962                  |
| Internal Service Funds          | <u>42,186</u>              |
|                                 | <b><u>\$ 2,515,697</u></b> |

**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.

On October 7, 2015, the County entered into a lease for six motor graders. The lease term is six years payable in five annual installments of \$145,366 and one final installment of \$977,212 at 2.25%. The total amount capitalized of \$1,678,500 represents the present value of the future lease payments.

On October 10, 2015, the County entered into a lease for a Ballot Counter and Election Scanner. The lease term is five years payable in annual installments of \$31,686. The total amount capitalized of \$95,335 represents the present value of the future lease payments.

Equipment under capital leases in capital assets at June 30, 2016, includes the following:

|                                |                            |
|--------------------------------|----------------------------|
| Equipment                      | \$ 1,773,835               |
| Less: Accumulated depreciation | <u>(223,392)</u>           |
| Total                          | <b><u>\$ 1,550,443</u></b> |

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

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

**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, 2016 were as follows:

| For Fiscal<br>Year Ended | G. O.<br>Principal         | G. O.<br>Interest         | Revenue Bond<br>Principal   | Revenue<br>Bonds<br>Interest |
|--------------------------|----------------------------|---------------------------|-----------------------------|------------------------------|
| 2017                     | \$ 2,791,250               | \$ 2,422,786              | \$ 125,000                  | \$ 8,232                     |
| 2018                     | 2,891,250                  | 2,167,802                 | 125,000                     | 6,781                        |
| 2019                     | 2,995,000                  | 2,087,195                 | 125,000                     | 4,844                        |
| 2020                     | 2,980,000                  | 1,126,214                 | 125,000                     | 2,906                        |
| 2021                     | 3,120,000                  | 1,014,020                 | 62,500                      | 969                          |
| 2022-2026                | 14,805,000                 | 3,339,181                 | -                           | -                            |
| 2027-2031                | 8,185,000                  | 818,830                   | -                           | -                            |
| 2032-2036                | <u>1,185,000</u>           | <u>136,000</u>            | <u>-</u>                    | <u>-</u>                     |
| Total                    | <u>\$ 38,952,500</u>       | <u>\$ 13,112,027</u>      | <u>\$ 562,500</u>           | <u>\$ 23,732</u>             |
| For Fiscal<br>Year Ended | Special Bonds<br>Principal | Special Bonds<br>Interest | Intercap Loans<br>Principal | Intercap Loans<br>Interest   |
| 2017                     | \$ 389,173                 | \$ 284,212                | \$ 346,238                  | \$ 15,465                    |
| 2018                     | 435,897                    | 339,819                   | 293,232                     | 4,716                        |
| 2019                     | 473,202                    | 347,664                   | 176,274                     | 4,138                        |
| 2020                     | 501,560                    | 321,593                   | 7,135                       | 2,438                        |
| 2021                     | 502,971                    | 295,451                   | 22,601                      | 1,833                        |
| 2022-2026                | 2,483,067                  | 1,087,870                 | 44,052                      | 1,786                        |
| 2027-2031                | 2,177,783                  | 361,491                   | -                           | -                            |
| 2032-2036                | <u>217,972</u>             | <u>19,350</u>             | <u>-</u>                    | <u>-</u>                     |
| Total                    | <u>\$ 7,181,625</u>        | <u>\$ 3,057,451</u>       | <u>\$ 889,532</u>           | <u>\$ 30,375</u>             |
| For Fiscal<br>Year Ended | Capital Lease<br>Principal | Capital Lease<br>Interest |                             | Grand<br>Total               |
| 2017                     | \$ 125,215                 | \$ 51,837                 |                             | \$ 3,776,876                 |
| 2018                     | 130,837                    | 46,215                    |                             | 3,876,216                    |
| 2019                     | 137,174                    | 39,878                    |                             | 3,906,651                    |
| 2020                     | 144,366                    | 32,686                    |                             | 3,758,060                    |
| 2021                     | 120,896                    | 24,470                    |                             | 3,828,968                    |
| 2022-2026                | 955,490                    | 21,722                    |                             | 18,287,609                   |
| 2027-2031                | -                          | -                         |                             | 10,362,783                   |
| 2032-2036                | <u>-</u>                   | <u>-</u>                  |                             | <u>1,402,972</u>             |
| Total                    | <u>\$ 1,613,979</u>        | <u>\$ 216,808</u>         |                             | <u>\$ 49,200,135</u>         |



GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS**

**Plan Description and Provisions**

All full-time County employees are covered under one of the following retirement plans: Montana Public Employees Retirement System (PERS), Sheriff's 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.

**PUBLIC EMPLOYEES' 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).

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

***Summary of Benefits***

**Eligibility for benefit**

Service retirement:

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

Early Retirement:

Early retirement, actuarially reduced:

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

Vesting

5 years of membership service

Member's highest average compensation (HAC)

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

Compensation Cap

- Hired prior to July 1, 2013 – 110% annual cap on compensation considered as part of a members highest average compensation

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

Monthly benefit formula

Members hired prior to July 1, 2011:

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

Guaranteed Annual Benefit Adjustment (GABA)

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

Members hired on or after July 1, 2013: (a) 1.5 for each year PERS is funded at or above 90%; (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and (c) 0% whenever the amortization period for PERS is 40 years or more.

***Overview of Contributions***

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

Member contributions to the system of 7.90% of member's compensation are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

Employer contributions to the system

Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates. State and University System employers are required to contribute 8.27% of members' compensation.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

Employer contributions to the system (Continued)

Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

The portion of employer contributions allocated to the PCR are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts

- Non Employer Contributions
  - a) Special Funding
    - The State contributes 0.1% of members' compensation on behalf of local government entities.
    - The State contributes 0.37% of members' compensation on behalf of school district entities.
  - b) Not Special Funding
    - The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust Fund

| Fiscal<br>Year |                   |                   | State &<br>Universities | Local Government |       | School Districts |        |
|----------------|-------------------|-------------------|-------------------------|------------------|-------|------------------|--------|
|                | Member            |                   | Employer                | Employer         | State | Employer         | State  |
|                | Hired<br><7/01/11 | Hired<br>>7/01/11 |                         |                  |       |                  |        |
| 2016           | 7.9%              | 7.9%              | 8.370%                  | 8.270%           | 0.10% | 8.00%            | 0.370% |
| 2015           | 7.9%              | 7.9%              | 8.270%                  | 8.170%           | 0.10% | 7.90%            | 0.370% |
| 2014           | 7.9%              | 7.9%              | 8.170%                  | 8.070%           | 0.10% | 7.80%            | 0.370% |
| 2012-2013      | 6.9%              | 7.9%              | 7.170%                  | 7.070%           | 0.10% | 6.80%            | 0.370% |
| 2010-2011      | 6.9%              |                   | 7.170%                  | 7.070%           | 0.10% | 6.80%            | 0.370% |
| 2008-2009      | 6.9%              |                   | 7.035%                  | 6.935%           | 0.10% | 6.80%            | 0.235% |
| 2000-2007      | 6.9%              |                   | 6.900%                  | 6.800%           | 0.10% | 6.80%            | 0.100% |

***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 stand-alone financial statements can be found at <http://mpera.mt.gov/annualreports.shtml>. The latest actuarial valuation and experience study can be found at <http://mpera.mt.gov/actuarialvaluations.shtml>.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Actuarial Assumptions***

The total pension liability (TPL) was determined by an actuarial valuation date of June 30, 2014, with update procedures to roll forward the TPL to June 30, 2015. There were several significant assumptions and other inputs used to measure the TPL. 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:

- Investment Return (net of admin expense) 7.75%
- Admin expense as a % of payroll 0.27%
- General Wage Growth\* 4.00%
- \*includes Inflation at 3.00%
- Merit Increases 0% to 6%
- Postretirement Benefit Increases

***Guaranteed annual Benefit Adjustment (GABA)***

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

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  - a) 1.5% for each year PERS is funded at or above 90%;
  - b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - c) 0% whenever the amortization period for PERS is 40 years or more.

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are 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 TPL 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 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Target Allocations***

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of 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 an 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.

Summarized in the table below are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

| Asset Class      | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------|-------------------------|--|
| Cash Equivalents | 2.00%                   | -0.25%                                 |
| Domestic Equity  | 36.00%                  | 4.55%                                  |
| Foreign Equity   | 18.00%                  | 6.10%                                  |
| Fixed Income     | 24.00%                  | 1.25%                                  |
| Private Equity   | 12.00%                  | 8.00%                                  |
| Real Estate      | 8.00%                   | 4.25%                                  |

***Sensitivity Analysis***

|   | 1.0% Decrease<br>at 6.75% | Current Discount<br>Rate | 1.0% Increase<br>at 8.75% |
|---|---------------------------|--------------------------|---------------------------|
| Gallatin County's Net Pension Liability | \$ 24,823,591             | \$ 16,100,567            | \$ 8,734,176              |

The above table presents the NPL calculated using the discount rate of 7.75%, as well as what the NPL 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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***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 NPL; 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.

***Pension Amounts***

GASB Statement 68, Paragraph 74 requires that when employees are provided benefits through more than one pension system, whether provided through cost-sharing, single-employer, or agent pension plans, the employer must combine the amounts reported as a total or aggregate for all pensions.

***Net Pension Liability (NPL)***

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers and the non-employer contributing entity are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System (PERS). Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective net pension liability (NPL), pension expense, and deferred inflows and deferred outflows of resources associated with pensions.

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, the State is required to report a proportionate share of a local government or school district's collective NPL that is associated with the non-State 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 tax severance fund. All employers are required to report the portion of coal tax severance income and earnings attributable to the employer.

The TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to the measurement date of June 30, 2015. For most employers, their June 30, 2016, reporting will use the 2016 reporting values presented in these notes.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Net Pension Liability (NPL) (Continued)***

|  | Net Pension<br>Liability as of<br>6/30/16 | Net Pension<br>Liability as of<br>6/30/15 | Percent of<br>Collective NPL as<br>of 6/30/16 | Percent of<br>Collective NPL as<br>of 6/30/15 | Change in Percent<br>of Collective NPL |
|--|---|---|---|---|--|
| Gallatin County Proportionate<br>Share                             | \$ 16,100,567                             | \$ 14,517,810                             | 1.1517910%                                    | 1.1651430%                                    | -0.0133520%                            |
|  |   |   |   |   |  |
| State of Montana Proportionate<br>Share associated with the County | \$ 197,768                                | \$ 177,285                                | 0.0141480%                                    | 0.0142280%                                    | -0.0000800%                            |
|  |   |   |   |   |  |
| <b>Total</b>   | \$ 16,298,335                             | \$ 14,695,095                             | 1.1659390%                                    | 1.1793710%                                    | -0.0134320%                            |

The table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by PERS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all PERS' participating employers. As of the employer's reporting date the employer recorded a liability of \$ 16,100,567 and the employer's proportionate share was 1.151791%.

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

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

*Changes in proportionate share:* Between the measurement date of the collective NPL and the employer's reporting date, there were no significant changes in proportion that had an effect on the employer's proportionate share of the collective NPL.

***Pension Expense***

At June 30, 2016, the employer recognized a pension expense of \$1,010,840 for its proportionate share of the PERS' pension expense. The employer also recognized grant revenue of \$12,289 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer and grant revenue of \$386,396 from the coal tax fund.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (Continued)**

***Recognition of Deferred Inflows and Outflows***

At June 30, 2016, 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<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between actual and expected experience  | \$ -                              | \$ 97,409                        |
| Changes in assumptions  | \$ -                              | \$ -                             |
| Difference between projected and actual investment earnings   | \$ -                              | \$ 1,363,084                     |
| Changes in proportion differences between employer contributions and proportionate share of contributions | \$ 837                            | \$ 160,277                       |
| Employer contributions subsequent to the measurement date   | \$ 1,204,455                      | \$ -                             |
| <b>Total</b>  | <b>\$ 1,205,292</b>               | <b>\$ 1,620,770</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 NPL beginning in the year ended June 30, 2017.

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: | Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to pension expense |
|---------------------|---|
| 2017                | \$ (658,692)  |
| 2018                | \$ (658,692)  |
| 2019                | \$ (657,061)  |
| 2020                | \$ 354,512  |
| 2021                | \$ -  |
| Thereafter          | \$ -  |



GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**SHERIFF'S 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.

***Summary of Benefits***

Eligibility for benefit

20 years of membership service, regardless of age

Other Retirement Option

Age 50, 5 years of membership service. This benefit is the actuarial equivalent of the service retirement benefit.

Vesting

5 years of membership service.

Member's highest average compensation (HAC)

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

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

Compensation Cap

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

Monthly benefit formula

2.5% of HAC per year of service.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% 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

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Sheriff's Retirement System (SRS) (Continued)**

***Overview of Contributions***

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

| <b>Fiscal Year</b> | <b>Member</b> | <b>Employer</b> |
|--------------------|---------------|-----------------|
| 2010 - 2016        | 9.245%        | 10.115%         |
| 2008 - 2009        | 9.245%        | 9.825%          |
| 1998 - 2007        | 9.245%        | 9.535%          |

***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 TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to June 30, 2015. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the last actuarial experience study, dated June 2010 for the six year period July 1, 2003 to June 30, 2009. There were several significant assumptions and other inputs used to measure the TPL. Among those assumptions were the following:

- Investment Return 7.75%
- Admin Expense as a % of Payroll 0.17%
- General Wage Growth\* 4.00%  
    \*includes Inflation at 3.00%
- Merit Increases 0% to 7.3%
- Postretirement Benefit Increases

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

- For members hired prior to July 1, 2007 3.00%
- For members hired on or after July 1, 2007 1.50%
- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are 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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Sheriff's Retirement System (SRS) (Continued)**

***Discount Rate***

The discount rate used to measure the TPL was 6.86%, which is a blend of the assumed long-term expected rate of return of 7.75% on System's investments and a municipal bond index rate of 3.80%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members and employers will be made based on the Board's funding policy, which establishes the contractually required rates under the Montana Code Annotated. Based on those assumptions, the System's fiduciary net position was projected to not be adequate to make all the projected future benefit payments of current plan members after 2057. Therefore, the portion of future projected benefit payments after 2057 are discounted at the municipal bond index rate.

***Target Allocations***

| Asset Class      | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------|-------------------------|--|
| Cash Equivalents | 2.00%                   | -0.25%                                 |
| Domestic Equity  | 36.00%                  | 4.55%                                  |
| Foreign Equity   | 18.00%                  | 6.10%                                  |
| Fixed Income     | 24.00%                  | 1.25%                                  |
| Private Equity   | 12.00%                  | 8.00%                                  |
| Real Estate      | 8.00%                   | 4.25%                                  |

The long-term expected return on pension plan assets is reviewed as part of the regular experience study prepared for the System. The most recent analysis, performed for the period of fiscal years 2003 through 2009, is outlined in a report dated June 2010 and is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption. These factors include rates of return adopted by similar public sector systems, as well as the utilization of 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 an 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.

Summarized in the table above are best estimates of the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015.

***Sensitivity Analysis***

|   | 1.0% Decrease<br>at 5.86% | Current Discount<br>Rate | 1.0% Increase<br>at 7.86% |
|---|---------------------------|--------------------------|---------------------------|
| Gallatin County's Net Pension Liability | \$ 12,672,132             | \$ 7,890,821             | \$ 3,971,305              |

The above table presents the NPL calculated using the discount rate of 6.86%, as well as what the NPL would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Sheriff's Retirement System (SRS) (Continued)**

***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 NPL; 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.

***Pension Amount Totals***

GASB Statement 68, Paragraph 74 requires that when employees are provided benefits through more than one pension system, whether provided through cost-sharing, single-employer or agent pension plans, the employer must combine the amounts reported as a total or aggregate for all pensions.

***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). GASB Statement 68, which became effective June 30, 2015, includes requirements for employers to record and report their proportionate share of the collective NPL, pension expense, and deferred inflows and deferred outflows of resources associated with pensions.

The TPL used to calculate the NPL was determined by an actuarial valuation as of June 30, 2014, with update procedures to roll forward the TPL to the measurement date of June 30, 2015. For most employers, their June 30, 2016 reporting will use the 2016 reporting values presented in these notes.

|  | Net Pension<br>Liability as of<br>6/30/16 | Net Pension<br>Liability as of<br>6/30/15 | Percent of<br>Collective NPL as<br>of 6/30/16 | Percent of<br>Collective NPL as<br>of 6/30/15 | Change in Percent<br>of Collective NPL |
|--|---|---|---|---|--|
| Gallatin County Proportionate<br>Share | \$ 7,890,821                              | \$ 3,363,154                              | 8.1855940%                                    | 8.0811990%                                    | 0.1043950%                             |
| <b>Total</b>                           | <b>\$ 7,890,821</b>                       | <b>\$ 3,363,154</b>                       | <b>8.1855940%</b>                             | <b>8.0811990%</b>                             | <b>0.1043950%</b>                      |

The table above displays the employer proportionate share of the NPL and the employer's proportion of NPL for June 30, 2015 and 2016. The employer's proportion of the NPL was based on the employer's contributions received by SRS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all SRS' participating employers. As of the employer's reporting date the employer recorded a liability of \$7,890,821 and the employer's proportionate share was \$7,890,821.

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

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Sheriff's Retirement System (SRS) (Continued)**

***Net Pension Liability (NPL) (Continued)***

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

*Changes in proportionate share:* Between the measurement date of the collective NPL and the employer's reporting date there were some changes in proportion that may have an effect on the employer's proportionate share of the collective NPL. (Employers must disclose the details of significant changes or state no changes.)

***Pension Expense***

At June 30, 2016, the employer recognized its proportionate share of the SRS' pension expense of \$602,901.

***Recognition of Deferred Inflows and Outflows***

At June 30, 2016, the employer reported its proportionate share of SRS' deferred outflows of resources and deferred inflows of resources related to MPORS from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between actual and expected experience  | \$ -                              | \$ 13,301                        |
| Changes in assumptions  | \$ 2,937,144                      | \$ 2,896,664                     |
| Difference between projected and actual investment earnings   | \$ -                              | \$ 540,427                       |
| Changes in proportion differences between employer contributions and proportionate share of contributions | \$ 89,105                         | \$ -                             |
| Employer contributions subsequent to the measurement date   | \$ 586,095                        | \$ -                             |
| <b>Total</b>  | <b>\$ 3,612,344</b>               | <b>\$ 3,450,392</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 NPL beginning in the year ended June 30, 2017.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Sheriff's Retirement System (SRS) (Continued)**

***Recognition of Deferred Inflows and Outflows (Continued)***

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: | Amount of<br>deferred outflows<br>and deferred<br>inflows<br>recognized in<br>future years as an<br>increase or<br>(decrease) to<br>pension expense |
|---------------------|---|
| 2017                | \$ (205,687)  |
| 2018                | \$ (205,687)  |
| 2019                | \$ (205,687)  |
| 2020                | \$ 169,662  |
| 2021                | \$ 23,257   |
| Thereafter          | \$ -  |

**TEACHER'S RETIREMENT SYSTEM (TRS)**

***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)

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***Summary of Benefits (Continued)***

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

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

***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.

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> |                  |                     | <b>Total Employee<br/>&amp; Employer</b> |
|-------------------------------|---|------------------|---------------------|--|
|                               | <b>Members</b>                                    | <b>Employers</b> | <b>General Fund</b> |  |
| 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%                                   |

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***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>.

***Actuarial Assumptions***

The TPL as of June 30, 2015, is based on the results of an actuarial valuation date of July 1, 2015. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the July 1, 2015, 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\* 4%-8.51%
- Investment Return 7.75%
- Price Inflation 3.25%
- Postretirement Benefit Increases 1.50%
- Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
- Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members, service retired members, and beneficiaries
  - For Males: 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from 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.
  - For Females: 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from 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.



GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***Discount Rate***

The discount rate used to measure the TPL 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 2119. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. No municipal bond rate was incorporated in the discount rate.

***Target Allocations***

| Asset Class                        | Target Asset Allocation | Real Rate of Return Arithmetic Basis | Long-Term Expected Portfolio Real Rate of Return* |
|------------------------------------|-------------------------|--------------------------------------|---|
| Broad U.S. Equity                  | 36.00%                  | 4.80%                                | 1.73%   |
| Broad International Equity         | 18.00%                  | 6.05%                                | 1.09%   |
| Private Equity                     | 12.00%                  | 8.50%                                | 1.02%   |
| Intermediate Bonds                 | 23.40%                  | 1.50%                                | 0.35%   |
| Core Real Estate                   | 4.00%                   | 4.50%                                | 0.18%   |
| High Yield Bonds                   | 2.60%                   | 3.25%                                | 0.08%   |
| Non-Core Real Estate               | <u>4.00%</u>            | 7.50%                                | <u>0.30%</u>                                      |
|                                    | <u>100.00%</u>          |                                      | 4.75%   |
| Inflation                          |                         |                                      | <u>3.25%</u>                                      |
| Expected arithmetic nominal return |                         |                                      | <u>8.00%</u>                                      |

\* The long-term expected nominal rate of return above of 8.00% differs from the total TRS long-term rate of return assumption of 7.75%. The assumed rate is comprised of a 3.25% inflation rate and a real long-term expected rate of return of 4.50%.

The assumed 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 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, 2015, is summarized in the above table.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***Sensitivity Analysis***

|   | 1.0% Decrease<br>at 6.75% | Current<br>Discount Rate | 1.0% Increase<br>at 8.75% |
|---|---------------------------|--------------------------|---------------------------|
| Gallatin County's Net Pension Liability | \$ 114,248                | \$ 83,154                | \$ 56,991                 |

In accordance with GASB 68 regarding the disclosure of the sensitivity of the NPL to changes in the discount rate, the above table presents the NPL calculated using the discount rate of 7.75%, as well as what the NPL 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 NPL, 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>.

***Net Pension Liability (NPL)***

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 NPL. 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 NPL that is associated with the employer. The following table displays the amounts and the percentages of NPL

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***Net Pension Liability (NPL) (Continued)***

|   | Net Pension<br>Liability as of<br>6/30/16 | Net Pension<br>Liability as of<br>6/30/15 | Percent of<br>Collective NPL<br>as of 6/30/16 | Percent of<br>Collective NPL<br>as of 6/30/15 | Change in<br>Percent of<br>Collective NPL |
|---|---|---|---|---|---|
| Gallatin County Proportionate Share                             | \$ 83,154                                 | \$ 78,229                                 | 0.0051%                                       | 0.0051%                                       | 0.0000%                                   |
| State of Montana Proportionate Share associated with the County | \$ 63,117                                 | \$ 56,237                                 | 0.0038%                                       | 0.0037%                                       | 0.0001%                                   |
| <b>Total</b>  | <b>\$ 146,271</b>                         | <b>\$ 134,466</b>                         | <b>0.0089%</b>                                | <b>0.0088%</b>                                | <b>0.0001%</b>                            |

At June 30, 2016, the employer recorded a liability of \$83,154 for its proportionate share of the NPL. The NPL was measured as of June 30, 2015, and the TLP used to calculate the NPL was determined by an actuarial valuation as of July 1, 2015. Therefore, no update procedures were used to roll forward the TPL to the measurement date. The employer's proportion of the NPL was based on the employer's contributions received by TRS during the measurement period July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2016, the employer's proportion was 0.0051 percent.

*Changes in actuarial assumptions and methods:* Since the previous measurement date the following changes were made:

Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier Two Members.

The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).

The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.

The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to "retain membership in the System" are covered by the \$500 death benefit after termination.

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

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***Net Pension Liability (NPL) (Continued)***

*Changes in proportionate share:* There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL. (NOTE – TRS Employers will have to disclose any changes specific to their situation that may have significant impacts on their proportionate share.)

***Pension Expense***

At June 30, 2016, the employer recognized a pension expense of \$7,973 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$3,968 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

***Deferred Inflows and Outflows***

At June 30, 2016, 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<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between actual<br>and expected experience   | \$ 877                               | \$ -                             |
| Changes in assumptions  | \$ 1,177                             | \$ 176                           |
| Difference between projected<br>and actual investment earnings  | \$ -                                 | \$ 4,465                         |
| Changes in proportion<br>differences between employer<br>contributions and<br>proportionate share of<br>contributions | \$ -                                 | \$ 2,101                         |
| Employer contributions<br>subsequent to the<br>measurement date   | \$ 5,850                             | \$ -                             |
| <b>Total</b>  | <b>\$ 7,904</b>                      | <b>\$ 6,742</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 NPL in the year ended June 30, 2017.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)**

**Teacher's Retirement System (TRS) (Continued)**

***Deferred Inflows and Outflows (Continued)***

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<br>Outflows of<br>Resources (a) | Deferred Inflows<br>of Resources (b) | Amount<br>recognized in<br>Pension Expense<br>as an increase or<br>(decrease) to<br>Pension Expense<br>(a) - (b) |
|---------------------|--|--------------------------------------|--|
| 2017                | \$ 971                                   | \$ 2,820                             | \$ (1,849)   |
| 2018                | \$ 971                                   | \$ 2,820                             | \$ (1,849)   |
| 2019                | \$ 112                                   | \$ 2,248                             | \$ (2,136)   |
| 2020                | \$ 1,145                                 | \$ -                                 | \$ 1,145   |
| 2021                | \$ -                                     | \$ -                                 | \$ -   |
| Thereafter          | \$ -                                     | \$ -                                 | \$ -   |

**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.

**NOTE 9. RESTRICTED CASH AND INVESTMENTS**

The following restricted cash and investments were held by the County as of June 30, 2016. These amounts are reported within the cash and investment account on fund financial statements.

| <u>Description</u>       | <u>Amount</u>       |
|--------------------------|---------------------|
| Gallatin County Landfill | \$ 2,329,378        |
| Total                    | <u>\$ 2,329,378</u> |

**NOTE 10. 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.

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 11. 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 \$2,121,697 liability for landfill closure and post closure care as of June 30, 2016, which represents the cumulative amount reported to date based on the use of 58.36% 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 \$1,514,003. These amounts are based on what it should cost to perform all closure and post closure in 2016. The County expects to close the landfill in the year 2026. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The engineering report estimates 9.6 years of life remaining from the date of the report – August 2016.

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, 2016 the County demonstrated its ability to handle closure and post closure care costs by passing the local government financial test.

**NOTE 12. 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, water and sewer 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 FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 13. 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, 2016, were estimated by the plan administrator. Claims payable as of yearend are:

|                          | <u>2014</u>        | <u>2015</u>        | <u>2016</u>        |
|--------------------------|--------------------|--------------------|--------------------|
| Beginning claims payable | \$ 248,793         | \$ 321,733         | \$ 234,300         |
| Claims incurred          | 5,681,109          | 4,713,940          | 4,841,132          |
| Claims paid              | <u>(5,608,169)</u> | <u>(4,801,373)</u> | <u>(4,841,132)</u> |
| Ending claims payable    | <u>\$ 321,733</u>  | <u>\$ 234,300</u>  | <u>\$ 234,300</u>  |

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 14. COMMITMENTS**

At June 30, 2016, the County had approximate contractual commitments of the following:

| Department         | Amount              | Description  |
|--------------------|---------------------|--|
| 911 Communications | \$ 3,500            | Strategic Planning                                   |
| 911 Communications | 31,380              | Communication Consulting                             |
| Emergency Manager  | 15,000              | 5-year contract to Everbridge for a Mass Emergency   |
| Facilities         | 61,628              | Architectural Services for the Joint County/City L&J |
| Facilities         | 1,410               | Architectural/Engineering services Building 4        |
| Facilities         | 64,823              | Rest Home remodel for new activity room.             |
| Facilities         | 15,918              | Rest Home  |
| Facilities         | 8,650               | Installation of conduit through trenching            |
| Facilities         | 6,000               | Provide pre-construction design phase                |
| Facilities         | 2,092               | Fairgrounds MWF electrical remodel                   |
| Facilities         | 5,881               | 911 subsystem  |
| Facilities         | 28,117              | Provide architectural services                       |
| Finance            | 30,000              | Legal Services New L&J                               |
| Grants             | 3,000               | Management Plan for Simms Fishing Products Grant     |
| Grants             | 2,305               | CTEP Three Forks (Milwaukee Park - DEPOT)            |
| Grants             | 21,000              | CTEP Three Forks (Milwaukee Park - DEPOT)            |
| Grants             | 6,150               | CTEP Three Forks (Milwaukee Park - DEPOT)            |
| Grants             | 1,556               | CTEP Anderson School PII                             |
| Grants             | 91,298              | CTEP Anderson School PII                             |
| Grants             | 139,099             | TIGER  |
| Grants             | 857,101             | Construction award for 6-unit group home             |
| Grants             | 72,560              | Task order No. 3 Pavement maintenance                |
| Grants             | 202,500             | Big Sky Economic Development Trust Fund              |
| Road & Bridge      | 1,650               | Garage Doors   |
| Road & Bridge      | 2,550               | Provide Geotechnical Engineering Services            |
| Road & Bridge      | 727,283             | Chipseal   |
| Road Department    | 657,461             | Leveling Course and Overlay                          |
| Weed               | 84,386              | Weed Abatement                                       |
| Weed               | 8,126               | Weed control   |
| West Yellowstone C | 59,850              | Replace existing software and distributed controls   |
|                    | <u>\$ 3,212,272</u> |  |

Future appropriations will fund these commitments as work is performed.



GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
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JUNE 30, 2016

**NOTE 15. 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 postemployment benefit liability in 2016.

**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 dependents, 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 2016 there are 31 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               | \$ 328,467                 |
| Interest on net OPEB obligation            | 41,127                     |
| Adjustment to annual required contribution | <u>(56,206)</u>            |
| Annual OPEB cost (expense)                 | 313,388                    |
| Contributions made                         | <u>(148,235)</u>           |
| Increase in net OPEB obligation            | 165,153                    |
| Net OPEB obligation - beginning of year    | <u>1,645,064</u>           |
| Net OPEB obligation - end of year          | <u><u>\$ 1,810,217</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, 2016, 2015, 2014, and 2013 are as follows:

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Percent of<br>Annual<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|----------------------|---------------------|--|------------------------|
| 2013                 | \$ 444,924          | 38.2%  | \$ 1,234,879           |
| 2014                 | 467,768             | 44.7%  | 1,493,723              |
| 2015                 | 301,254             | 49.8%  | 1,645,064              |
| 2016                 | 313,388             | 47.3%  | 1,810,217              |

GALLATIN COUNTY, STATE OF MONTANA  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
JUNE 30, 2016

**NOTE 15. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Funded Status and Funding Progress**

As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$2,984,599 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 \$18,891,846 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.8%.

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:

Retirement and Disability rates are assumed to follow the RP2000 Healthy Combined Table with mortality improvements by Scale AA on a fully generational basis.

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.

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.

Healthcare cost trend rate (HCCTR) was based on projections from historical rates of the County. A rate of 5.0% initially in 2016 with variations of 1% to 3.0% in subsequent years.

**NOTE 16. 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.

## **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, 2016

|   | Budgeted Amounts    |                     |                     | Variance with       |
|---|---------------------|---------------------|---------------------|---------------------|
|   | Original            | Final               | Actual              | Final Budget        |
| <b>REVENUES</b>                                   |                     |                     |                     |                     |
| Property Taxes                                    | \$ 6,622,329        | \$ 6,622,329        | \$ 7,121,607        | \$ 499,278          |
| General Business Licenses                         | 900                 | 900                 | 700                 | (200)               |
| Federal Grants                                    | -                   | -                   | -                   | -                   |
| Federal Payments in Lieu of Tx                    | -                   | -                   | 387                 | 387                 |
| State Grants                                      | 64,159              | 64,159              | 90,955              | 26,796              |
| State Shared Revenue                              | 900,000             | 900,251             | 1,120,847           | 220,596             |
| Local Grants                                      | -                   | 6,574               | 9,293               | 2,719               |
| Charges for Services                              | 2,089,310           | 2,089,310           | 2,665,170           | 575,860             |
| Fines & Forfeitures                               | 515,801             | 515,801             | 574,243             | 58,442              |
| Miscellaneous                                     | -                   | -                   | 93,282              | 93,282              |
| Investment Earnings                               | 80,000              | 80,000              | 211,496             | 131,496             |
| Total revenues                                    | <u>10,272,499</u>   | <u>10,279,324</u>   | <u>11,887,980</u>   | <u>1,608,656</u>    |
| <b>EXPENDITURES</b>                               |                     |                     |                     |                     |
| Current:  |                     |                     |                     |                     |
| General Government-Personnel                      | 5,552,448           | 5,552,448           | 7,447,527           | (1,895,079)         |
| General Government-Operations                     | 4,125,932           | 4,123,427           | 1,441,487           | 2,681,940           |
| Public Safety-Personnel                           | 471,825             | 471,825             | 650,005             | (178,180)           |
| Public Safety-Operations                          | 660,375             | 666,949             | 447,954             | 218,995             |
| Public Works-Personnel                            | 377,196             | 377,196             | 443,519             | (66,323)            |
| Public Works-Operations                           | 697,344             | 697,344             | 273,911             | 423,433             |
| Social & Economic Services-Personnel              | 32,103              | 32,103              | 46,578              | (14,475)            |
| Social & Economic Services-Operations             | 383,183             | 383,434             | 368,432             | 15,002              |
| Total current                                     | <u>12,300,406</u>   | <u>12,304,726</u>   | <u>11,119,413</u>   | <u>1,185,313</u>    |
| Debt service:                                     |                     |                     |                     |                     |
| Principal retirement                              | 192,253             | 192,253             | 226,811             | (34,558)            |
| Interest  | 34,225              | 34,225              | 30,997              | 3,228               |
| Total debt service                                | <u>226,478</u>      | <u>226,478</u>      | <u>257,808</u>      | <u>(31,330)</u>     |
| Capital outlay:                                   |                     |                     |                     |                     |
| General Government-Capital Expenditures           | 49,096              | 51,601              | 6,881               | 44,720              |
| Public Works-Capital Expenditures                 | 294,202             | 294,202             | 60,013              | 234,189             |
| Social & Econ Serv-Capital Expenditures           | 5,000               | 5,000               | -                   | 5,000               |
| Total capital outlay                              | <u>348,298</u>      | <u>350,803</u>      | <u>66,894</u>       | <u>283,909</u>      |
| Total expenditures                                | <u>12,875,182</u>   | <u>12,882,007</u>   | <u>11,444,115</u>   | <u>1,437,892</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(2,602,683)</u>  | <u>(2,602,683)</u>  | <u>443,865</u>      | <u>3,046,548</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                     |                     |                     |
| Transfers Out                                     | (472,842)           | (472,842)           | (576,850)           | (104,008)           |
| Transfers In                                      | 513,664             | 513,664             | 962,315             | 448,651             |
| Total other financing source (uses)               | <u>40,822</u>       | <u>40,822</u>       | <u>385,465</u>      | <u>344,643</u>      |
| Net change in fund balances                       | (2,561,861)         | (2,561,861)         | 829,330             | 3,391,191           |
| Fund balances - beginning                         | 4,922,832           | 4,922,832           | 4,922,832           | -                   |
| Fund balances - ending                            | <u>\$ 2,360,971</u> | <u>\$ 2,360,971</u> | <u>\$ 5,752,162</u> | <u>\$ 3,391,191</u> |

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, 2016

|   | Budgeted Amounts |               |               | Variance with |
|---|------------------|---------------|---------------|---------------|
|   | Original         | Final         | Actual        | Final Budget  |
| <b>REVENUES</b>                                   |                  |               |               |               |
| Property Taxes                                    | \$ 11,533,493    | \$ 11,533,493 | \$ 12,101,696 | \$ 568,203    |
| Other licenses                                    | 30,000           | 30,000        | 65,740        | 35,740        |
| Federal Grants                                    | 53,000           | 53,000        | 63,851        | 10,851        |
| State Grants                                      | 15,000           | 15,000        | 136,791       | 121,791       |
| State Shared Revenue                              | 538,500          | 695,291       | 646,172       | (49,119)      |
| Local Grants                                      | 118,944          | 118,944       | 135,741       | 16,797        |
| Charges for Services                              | 1,574,263        | 1,924,493     | 1,934,960     | 10,467        |
| Fines & Forfeitures                               | 40,000           | 40,000        | 55,394        | 15,394        |
| Miscellaneous                                     | 23,400           | 23,400        | 43,865        | 20,465        |
| Investment Earnings                               | 18,000           | 18,000        | 58,542        | 40,542        |
| Contributions/Donations                           | -                | 10,000        | 20,495        | 10,495        |
| Total revenues                                    | 13,944,600       | 14,461,621    | 15,263,247    | 801,626       |
| <b>EXPENDITURES</b>                               |                  |               |               |               |
| Current:  |                  |               |               |               |
| Public Safety-Personnel                           | 6,084,357        | 6,107,020     | 10,372,049    | (4,265,029)   |
| Public Safety-Operations                          | 8,645,437        | 9,052,389     | 3,951,670     | 5,100,719     |
| Total current                                     | 14,729,794       | 15,159,409    | 14,323,719    | 835,690       |
| Debt service:                                     |                  |               |               |               |
| Principal retirement                              | 152,731          | 162,731       | 161,007       | 1,724         |
| Interest  | 7,000            | 7,000         | 8,641         | (1,641)       |
| Total debt service                                | 159,731          | 169,731       | 169,648       | 83            |
| Capital outlay:                                   |                  |               |               |               |
| Public Safety-Capital Expenditures                | 791,083          | 1,001,568     | 580,978       | 420,590       |
| Total capital outlay                              | 791,083          | 1,001,568     | 580,978       | 420,590       |
| Total expenditures                                | 15,680,608       | 16,330,708    | 15,074,345    | 1,256,363     |
| Excess (deficiency) of revenues over expenditures | (1,736,008)      | (1,869,087)   | 188,902       | 2,057,989     |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |               |               |               |
| Transfers Out                                     | (1,058,927)      | (1,035,543)   | (292,663)     | 742,880       |
| Transfers In                                      | -                | -             | 81,850        | 81,850        |
| Sale of Fixed Assets                              | -                | -             | -             | -             |
| Total other financing source (uses)               | (1,058,927)      | (1,035,543)   | (210,813)     | 824,730       |
| Net change in fund balances                       | (2,794,935)      | (2,904,630)   | (21,911)      | 2,882,719     |
| Fund balances - beginning                         | 5,043,084        | 5,043,084     | 5,043,084     | -             |
| Fund balances - ending                            | \$ 2,248,149     | \$ 2,138,454  | \$ 5,021,173  | \$ 2,882,719  |

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, 2016

|   | Budgeted Amounts   |                    | Actual              | Variance with<br>Final Budget |
|---|--------------------|--------------------|---------------------|-------------------------------|
|   | Original           | Final              |                     |                               |
| <b>REVENUES</b>                                   |                    |                    |                     |                               |
| Miscellaneous                                     | \$ 1,569,121       | \$ 1,569,121       | \$ 1,438,471        | \$ (130,650)                  |
| Investment Earnings                               | -                  | -                  | 75,211              | 75,211                        |
| Total revenues                                    | <u>1,569,121</u>   | <u>1,569,121</u>   | <u>1,513,682</u>    | <u>(55,439)</u>               |
| <b>EXPENDITURES</b>                               |                    |                    |                     |                               |
| Current:  |                    |                    |                     |                               |
| Public Works-Operations                           | <u>7,603,160</u>   | <u>7,603,160</u>   | <u>788,831</u>      | <u>6,814,329</u>              |
| Total expenditures                                | <u>7,603,160</u>   | <u>7,603,160</u>   | <u>788,831</u>      | <u>6,814,329</u>              |
| Excess (deficiency) of revenues over expenditures | <u>(6,034,039)</u> | <u>(6,034,039)</u> | <u>724,851</u>      | <u>6,758,890</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                    |                    |                     |                               |
| Transfers Out                                     | -                  | -                  | -                   | -                             |
| Total other financing source (uses)               | <u>-</u>           | <u>-</u>           | <u>-</u>            | <u>-</u>                      |
| Net change in fund balances                       | (6,034,039)        | (6,034,039)        | 724,851             | 6,758,890                     |
| Fund balances - beginning                         | 6,006,859          | 6,006,859          | 6,006,859           | -                             |
| Fund balances - ending                            | <u>\$ (27,180)</u> | <u>\$ (27,180)</u> | <u>\$ 6,731,710</u> | <u>\$ 6,758,890</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<br/>Valuation Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)</u> | <u>Unfunded<br/>AAL (UAAL)</u> | <u>Funded Ratio<br/>%</u> | <u>Annual<br/>Covered<br/>Payroll</u> | <u>UAAL as a<br/>Percentage of<br/>Covered<br/>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%   |
| June 30, 2016                       | \$ -                                     | \$ 2,984,599   | \$ 2,984,599                   | 0.00%                     | \$ 18,891,846                         | 15.80%   |

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   | \$ 16,100,567 | \$ 7,890,821 | \$ 83,154  |
| Employer's proportionate share of the net pension liability associated with the Employer (as a percentage)       | 1.15179%      | 8.18559%     | 0.0051%    |
| State of MT proportionate share of the net pension liability associated with the Employer                        | \$ 197,768    | \$ -         | \$ 63,117  |
| <b>Total</b>   | \$ 16,298,335 | \$ 7,890,821 | \$ 146,271 |
| Employer's covered-employee payroll  | \$ 13,441,636 | \$ 5,569,930 | \$ 64,595  |
| Employer's proportionate share of the net pension liability as of its covered-employee payroll (as a percentage) | 119.7810%     | 141.67%      | 128.73%    |
| Plan fiduciary net position as a percentage of the total pension liability                                       | 78.4000%      | 75.40%       | 69.30%     |

**Schedule of Contributions:**

|   | <b>PERS</b>   | <b>SRS</b>   | <b>TRS</b> |
|---|---------------|--------------|------------|
| Contractually required contributions                                  | \$ 1,204,455  | \$ 586,095   | \$ 5,850   |
| Contributions in relation to the contractually required contributions | \$ 1,204,455  | \$ 586,095   | \$ 5,850   |
| Contribution deficiency (excess)                                      | \$ -          | \$ -         | \$ -       |
| Employer's covered-employee payroll                                   | \$ 13,943,937 | \$ 5,654,808 | \$ 67,473  |
| Contributions of covered-employee payroll (as a percentage)           | 8.6378%       | 10.3645%     | 8.6701%    |

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  
Riverside

Logan  
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 protect, preserve and improve groundwater and surface water quality within the Gallatin Local Water Quality District.

#### **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 & Records 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, 2016

|  | 2110                | 2111                 | 2140              | 2153                   | 2160              | 2200                   |
|--|---------------------|----------------------|-------------------|------------------------|-------------------|------------------------|
|  | ROAD FUND           | ROAD IMPACT FEE FUND | NOXIOUS WEED FUND | PREDATORY CONTROL FUND | FAIR FUND         | MOSQUITO DISTRICT FUND |
| <b>ASSETS</b>                                    |                     |                      |                   |                        |                   |                        |
| Cash & Investments                               | \$ 4,014,783        | \$ 116,579           | \$ 209,685        | \$ 10,188              | \$ 251,018        | \$ 166,374             |
| Real Estate Tax Receivable                       | 93,767              | -                    | 986               | 471                    | 11,611            | 10,802                 |
| Personal Tax Receivable                          | 19,872              | -                    | 661               | 1,916                  | 2,182             | 544                    |
| Protested Tax Receivable                         | 3,535               | -                    | -                 | -                      | 697               | 333                    |
| Accounts Receivable-Net                          | 17,225              | -                    | 80                | -                      | 18,684            | -                      |
| Due from/Advance to Other fund                   | -                   | -                    | -                 | -                      | -                 | -                      |
| Inventories                                      | 66,745              | -                    | -                 | -                      | -                 | -                      |
| Total assets                                     | <u>\$ 4,215,927</u> | <u>\$ 116,579</u>    | <u>\$ 211,412</u> | <u>\$ 12,575</u>       | <u>\$ 284,192</u> | <u>\$ 178,053</u>      |
| <b>LIABILITIES</b>                               |                     |                      |                   |                        |                   |                        |
| Accounts Payable                                 | \$ 132,104          | \$ -                 | \$ 2,770          | \$ 6,741               | \$ 35,596         | \$ 4,594               |
| Other Accrued Payables                           | 73,753              | -                    | 11,992            | -                      | 18,152            | 4,401                  |
| Due To Other Funds                               | -                   | -                    | -                 | -                      | -                 | -                      |
| Deferred Revenue                                 | -                   | -                    | -                 | -                      | -                 | -                      |
| Unearned Grant Revenue                           | -                   | -                    | -                 | -                      | -                 | -                      |
| Total liabilities                                | -                   | -                    | -                 | -                      | -                 | -                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                     |                      |                   |                        |                   |                        |
| Unavailable Revenue, Fines and Forfeitures, Fees | -                   | -                    | -                 | -                      | -                 | -                      |
| Unavailable Revenue, Property Taxes              | 117,174             | -                    | 1,647             | 2,387                  | 14,490            | 11,679                 |
| Total Deferred Inflows of Resources              | <u>323,031</u>      | <u>-</u>             | <u>16,409</u>     | <u>9,128</u>           | <u>68,238</u>     | <u>20,674</u>          |
| <b>FUND BALANCES:</b>                            |                     |                      |                   |                        |                   |                        |
| Inventories                                      | 66,745              | -                    | -                 | -                      | -                 | -                      |
| Restricted for:                                  |                     |                      |                   |                        |                   |                        |
| Grants   | 953,381             | -                    | -                 | -                      | -                 | -                      |
| Debt Service Obligations                         | -                   | -                    | -                 | -                      | -                 | -                      |
| RID Debt Services                                | -                   | -                    | -                 | -                      | -                 | -                      |
| Construction Projects                            | -                   | -                    | -                 | -                      | -                 | -                      |
| General Government                               | -                   | -                    | -                 | -                      | -                 | -                      |
| Public Safety                                    | -                   | -                    | -                 | -                      | -                 | -                      |
| Committed for:                                   |                     |                      |                   |                        |                   |                        |
| Contractual Obligations                          | -                   | -                    | -                 | -                      | -                 | -                      |
| RID Maintenance                                  | -                   | -                    | -                 | -                      | -                 | -                      |
| General Government                               | -                   | -                    | -                 | -                      | -                 | -                      |
| Public Safety                                    | -                   | -                    | -                 | -                      | -                 | -                      |
| Public Works                                     | 2,872,770           | 116,579              | 195,003           | -                      | -                 | -                      |
| Public Health                                    | -                   | -                    | -                 | 3,447                  | -                 | 157,379                |
| Social & Economic Services                       | -                   | -                    | -                 | -                      | -                 | -                      |
| Culture & Recreation                             | -                   | -                    | -                 | -                      | 215,954           | -                      |
| Housing & Community Developr                     | -                   | -                    | -                 | -                      | -                 | -                      |
| Conservation Of Natural Resourc                  | -                   | -                    | -                 | -                      | -                 | -                      |
| Assigned for:                                    |                     |                      |                   |                        |                   |                        |
| General Government                               | -                   | -                    | -                 | -                      | -                 | -                      |
| Public Safety                                    | -                   | -                    | -                 | -                      | -                 | -                      |
| Public Works                                     | -                   | -                    | -                 | -                      | -                 | -                      |
| Public Health                                    | -                   | -                    | -                 | -                      | -                 | -                      |
| Social & Economic Services                       | -                   | -                    | -                 | -                      | -                 | -                      |
| Culture & Recreation                             | -                   | -                    | -                 | -                      | -                 | -                      |
| Housing & Community Developr                     | -                   | -                    | -                 | -                      | -                 | -                      |
| Conservation Of Natural Resourc                  | -                   | -                    | -                 | -                      | -                 | -                      |
| Unassigned:                                      | -                   | -                    | -                 | -                      | -                 | -                      |
| Total fund balance                               | <u>3,892,896</u>    | <u>116,579</u>       | <u>195,003</u>    | <u>3,447</u>           | <u>215,954</u>    | <u>157,379</u>         |
| Total liabilities and fund balances (deficits)   | <u>\$ 4,215,927</u> | <u>\$ 116,579</u>    | <u>\$ 211,412</u> | <u>\$ 12,575</u>       | <u>\$ 284,192</u> | <u>\$ 178,053</u>      |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|   | 2210             | 2220              | 2250                    | 2251             | 2255                     | 2260                     |
|---|------------------|-------------------|-------------------------|------------------|--------------------------|--------------------------|
|   | PARK             | LIBRARY           | COUNTY WIDE<br>PLANNING | ZONING DISTRICTS | OPEN SPACE<br>LANDS FUND | COUNTY<br>EMERGENCY FUND |
| <b>ASSETS</b>                                       |                  |                   |                         |                  |                          |                          |
| Cash & Investments                                  | \$ 50,061        | \$ 453,006        | \$ 262,037              | \$ 813           | \$ 458,599               | \$ 6,325                 |
| Real Estate Tax Receivable                          | -                | 27,910            | 6,250                   | 1,405            | -                        | -                        |
| Personal Tax Receivable                             | -                | 6,128             | 1,483                   | -                | -                        | -                        |
| Protested Tax Receivable                            | -                | 1,054             | 286                     | -                | -                        | -                        |
| Accounts Receivable-Net                             | -                | -                 | -                       | -                | 5,850                    | -                        |
| Due from/Advance to Other fund                      | -                | -                 | -                       | -                | -                        | -                        |
| Inventories   | -                | -                 | -                       | -                | -                        | -                        |
| Total assets  | <u>\$ 50,061</u> | <u>\$ 488,098</u> | <u>\$ 270,056</u>       | <u>\$ 2,218</u>  | <u>\$ 464,449</u>        | <u>\$ 6,325</u>          |
| <b>LIABILITIES</b>                                  |                  |                   |                         |                  |                          |                          |
| Accounts Payable                                    | \$ 220           | \$ 3,500          | \$ 333                  | \$ -             | \$ 108                   | \$ -                     |
| Other Accrued Payables                              | 1,048            | -                 | -                       | -                | 4,004                    | (22)                     |
| Due To Other Funds                                  | -                | -                 | -                       | -                | -                        | -                        |
| Deferred Revenue                                    | -                | -                 | -                       | -                | -                        | -                        |
| Unearned Grant Revenue                              | 200              | -                 | -                       | -                | -                        | -                        |
| <b>Total liabilities</b>                            |                  |                   |                         |                  |                          |                          |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>            |                  |                   |                         |                  |                          |                          |
| Unavailable Revenue, Fines and<br>Forfeitures, Fees | -                | -                 | -                       | -                | -                        | -                        |
| Unavailable Revenue, Property<br>Taxes              | -                | 35,092            | 8,019                   | 1,405            | -                        | -                        |
| <b>Total Deferred Inflows of<br/>Resources</b>      | <u>1,468</u>     | <u>38,592</u>     | <u>8,352</u>            | <u>1,405</u>     | <u>4,112</u>             | <u>(22)</u>              |
| <b>FUND BALANCES:</b>                               |                  |                   |                         |                  |                          |                          |
| Inventories   | -                | -                 | -                       | -                | -                        | -                        |
| Restricted for:                                     |                  |                   |                         |                  |                          |                          |
| Grants  |                  |                   |                         |                  |                          |                          |
| Debt Service Obligations                            | -                | -                 | -                       | -                | -                        | -                        |
| RID Debt Services                                   | -                | -                 | -                       | -                | -                        | -                        |
| Construction Projects                               | -                | -                 | -                       | -                | -                        | -                        |
| General Government                                  | -                | -                 | -                       | -                | -                        | -                        |
| Public Safety                                       | -                | -                 | -                       | -                | -                        | 6,347                    |
| Committed for:                                      | -                | -                 | -                       | -                | -                        | -                        |
| Contractual Obligations                             |                  |                   |                         |                  |                          |                          |
| RID Maintenance                                     | -                | -                 | -                       | -                | -                        | -                        |
| General Government                                  | -                | -                 | -                       | -                | -                        | -                        |
| Public Safety                                       | -                | -                 | 261,704                 | 813              | -                        | -                        |
| Public Works  | -                | -                 | -                       | -                | -                        | -                        |
| Public Health                                       | -                | -                 | -                       | -                | -                        | -                        |
| Social & Economic Services                          | -                | -                 | -                       | -                | -                        | -                        |
| Culture & Recreation                                | -                | -                 | -                       | -                | -                        | -                        |
| Housing & Community Developr                        | 48,593           | 449,506           | -                       | -                | -                        | -                        |
| Conservation Of Natural Resourc                     | -                | -                 | -                       | -                | -                        | -                        |
| Assigned for:                                       | -                | -                 | -                       | -                | 460,337                  | -                        |
| General Government                                  |                  |                   |                         |                  |                          |                          |
| Public Safety                                       | -                | -                 | -                       | -                | -                        | -                        |
| Public Works  | -                | -                 | -                       | -                | -                        | -                        |
| Public Health                                       | -                | -                 | -                       | -                | -                        | -                        |
| Social & Economic Services                          | -                | -                 | -                       | -                | -                        | -                        |
| Culture & Recreation                                | -                | -                 | -                       | -                | -                        | -                        |
| Housing & Community Developr                        | -                | -                 | -                       | -                | -                        | -                        |
| Conservation Of Natural Resourc                     | -                | -                 | -                       | -                | -                        | -                        |
| Unassigned:   | -                | -                 | -                       | -                | -                        | -                        |
| <b>Total fund balance</b>                           | <u>48,593</u>    | <u>449,506</u>    | <u>261,704</u>          | <u>813</u>       | <u>460,337</u>           | <u>6,347</u>             |
| Total liabilities and fund balances<br>(deficits)   | <u>\$ 50,061</u> | <u>\$ 488,098</u> | <u>\$ 270,056</u>       | <u>\$ 2,218</u>  | <u>\$ 464,449</u>        | <u>\$ 6,325</u>          |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|   | 2270                | 2361                     | 2372                       | 2390                | 2393                                  | 2395                    |
|---|---------------------|--------------------------|----------------------------|---------------------|---------------------------------------|-------------------------|
|   | HEALTH              | HISTORIC<br>PRESERVATION | PERMISSIVE<br>MEDICAL LEVY | DRUG<br>FORFEITURES | CLK & REC.<br>RECORDS<br>PRESERVATION | ECONOMIC<br>DEVELOPMENT |
| <b>ASSETS</b>                                       |                     |                          |                            |                     |                                       |                         |
| Cash & Investments                                  | \$ 1,130,805        | \$ 9,942                 | \$ 72,395                  | \$ 36               | \$ 134,597                            | \$ 365,555              |
| Real Estate Tax Receivable                          | 35,714              | -                        | 44,785                     | -                   | -                                     | -                       |
| Personal Tax Receivable                             | 7,282               | -                        | 7,908                      | -                   | -                                     | -                       |
| Protested Tax Receivable                            | 2,110               | -                        | 2,787                      | -                   | -                                     | -                       |
| Accounts Receivable-Net                             | 51,225              | -                        | -                          | -                   | -                                     | -                       |
| Due from/Advance to Other fund                      | 158,274             | -                        | -                          | -                   | -                                     | -                       |
| Inventories   | -                   | -                        | -                          | -                   | -                                     | -                       |
| Total assets  | <u>\$ 1,385,410</u> | <u>\$ 9,942</u>          | <u>\$ 127,875</u>          | <u>\$ 36</u>        | <u>\$ 134,597</u>                     | <u>\$ 365,555</u>       |
| <b>LIABILITIES</b>                                  |                     |                          |                            |                     |                                       |                         |
| Accounts Payable                                    | \$ 100,578          | \$ 8,500                 | \$ -                       | \$ -                | \$ 1,171                              | \$ -                    |
| Other Accrued Payables                              | 76,107              | -                        | -                          | -                   | -                                     | -                       |
| Due To Other Funds                                  | -                   | -                        | -                          | -                   | -                                     | -                       |
| Deferred Revenue                                    | -                   | -                        | -                          | -                   | -                                     | -                       |
| Unearned Grant Revenue                              | 70,963              | -                        | -                          | -                   | -                                     | -                       |
| <b>Total liabilities</b>                            |                     |                          |                            |                     |                                       |                         |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>            |                     |                          |                            |                     |                                       |                         |
| Unavailable Revenue, Fines and<br>Forfeitures, Fees | -                   | -                        | -                          | -                   | -                                     | -                       |
| Unavailable Revenue, Property<br>Taxes              | 45,106              | -                        | 55,480                     | -                   | -                                     | -                       |
| <b>Total Deferred Inflows of<br/>Resources</b>      | <u>292,754</u>      | <u>8,500</u>             | <u>55,480</u>              | <u>-</u>            | <u>1,171</u>                          | <u>-</u>                |
| <b>FUND BALANCES:</b>                               |                     |                          |                            |                     |                                       |                         |
| Inventories   | -                   | -                        | -                          | -                   | -                                     | -                       |
| Restricted for:                                     |                     |                          |                            |                     |                                       |                         |
| Grants  |                     |                          |                            |                     |                                       |                         |
| Debt Service Obligations                            | 113,114             | -                        | -                          | -                   | -                                     | 365,555                 |
| RID Debt Services                                   | -                   | -                        | -                          | -                   | -                                     | -                       |
| Construction Projects                               | -                   | -                        | -                          | -                   | -                                     | -                       |
| General Government                                  | -                   | -                        | -                          | -                   | -                                     | -                       |
| Public Safety                                       | -                   | -                        | -                          | -                   | -                                     | -                       |
| Committed for:                                      | -                   | -                        | -                          | -                   | -                                     | -                       |
| Contractual Obligations                             |                     |                          |                            |                     |                                       |                         |
| RID Maintenance                                     | -                   | -                        | -                          | -                   | -                                     | -                       |
| General Government                                  | -                   | -                        | -                          | -                   | -                                     | -                       |
| Public Safety                                       | -                   | -                        | 72,395                     | -                   | 133,426                               | -                       |
| Public Works  | -                   | -                        | -                          | 36                  | -                                     | -                       |
| Public Health                                       | -                   | -                        | -                          | -                   | -                                     | -                       |
| Social & Economic Services                          | 979,542             | -                        | -                          | -                   | -                                     | -                       |
| Culture & Recreation                                | -                   | -                        | -                          | -                   | -                                     | -                       |
| Housing & Community Developr                        | -                   | 1,442                    | -                          | -                   | -                                     | -                       |
| Conservation Of Natural Resourc                     | -                   | -                        | -                          | -                   | -                                     | -                       |
| Assigned for:                                       | -                   | -                        | -                          | -                   | -                                     | -                       |
| General Government                                  |                     |                          |                            |                     |                                       |                         |
| Public Safety                                       | -                   | -                        | -                          | -                   | -                                     | -                       |
| Public Works  | -                   | -                        | -                          | -                   | -                                     | -                       |
| Public Health                                       | -                   | -                        | -                          | -                   | -                                     | -                       |
| Social & Economic Services                          | -                   | -                        | -                          | -                   | -                                     | -                       |
| Culture & Recreation                                | -                   | -                        | -                          | -                   | -                                     | -                       |
| Housing & Community Developr                        | -                   | -                        | -                          | -                   | -                                     | -                       |
| Conservation Of Natural Resourc                     | -                   | -                        | -                          | -                   | -                                     | -                       |
| Unassigned:   | -                   | -                        | -                          | -                   | -                                     | -                       |
| <b>Total fund balance</b>                           | <u>1,092,656</u>    | <u>1,442</u>             | <u>72,395</u>              | <u>36</u>           | <u>133,426</u>                        | <u>365,555</u>          |
| Total liabilities and fund balances<br>(deficits)   | <u>\$ 1,385,410</u> | <u>\$ 9,942</u>          | <u>\$ 127,875</u>          | <u>\$ 36</u>        | <u>\$ 134,597</u>                     | <u>\$ 365,555</u>       |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|  | 2398                                  | 2420             | 2790                      | 2800                      | 2801             | 2820              |
|--|---------------------------------------|------------------|---------------------------|---------------------------|------------------|-------------------|
|  | COUNTY FIRE<br>CONTROL PERMIT<br>FUND | LIGHT DISTRICTS  | WATER QUALITY<br>DISTRICT | ALCOHOL<br>REHABILITATION | STATE GRANTS     | GAS TAX           |
| <b>ASSETS</b>                                    |                                       |                  |                           |                           |                  |                   |
| Cash & Investments                               | \$ 52,327                             | \$ 26,794        | \$ 329,953                | \$ -                      | \$ -             | \$ 856,467        |
| Real Estate Tax Receivable                       | -                                     | 428              | 5,883                     | -                         | -                | -                 |
| Personal Tax Receivable                          | -                                     | -                | 13,407                    | -                         | -                | -                 |
| Protested Tax Receivable                         | -                                     | -                | -                         | -                         | -                | -                 |
| Accounts Receivable-Net                          | -                                     | -                | 3,416                     | 39,793                    | 82,500           | -                 |
| Due from/Advance to Other fund                   | -                                     | -                | -                         | -                         | -                | -                 |
| Inventories                                      | -                                     | -                | -                         | -                         | -                | -                 |
| Total assets                                     | <u>\$ 52,327</u>                      | <u>\$ 27,222</u> | <u>\$ 352,659</u>         | <u>\$ 39,793</u>          | <u>\$ 82,500</u> | <u>\$ 856,467</u> |
| <b>LIABILITIES</b>                               |                                       |                  |                           |                           |                  |                   |
| Accounts Payable                                 | \$ 2,034                              | \$ 1,697         | \$ 546                    | \$ 39,793                 | \$ 80,437        | \$ 27,227         |
| Other Accrued Payables                           | -                                     | -                | 8,115                     | -                         | -                | -                 |
| Due To Other Funds                               | -                                     | -                | -                         | -                         | 2,063            | -                 |
| Deferred Revenue                                 | -                                     | -                | -                         | -                         | -                | -                 |
| Unearned Grant Revenue                           | -                                     | -                | -                         | -                         | -                | -                 |
| Total liabilities                                |                                       |                  |                           |                           |                  |                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                                       |                  |                           |                           |                  |                   |
| Unavailable Revenue, Fines and Forfeitures, Fees | -                                     | -                | -                         | -                         | -                | -                 |
| Unavailable Revenue, Property Taxes              |                                       | 428              | 19,290                    |                           |                  |                   |
| Total Deferred Inflows of Resources              | <u>2,034</u>                          | <u>2,125</u>     | <u>27,951</u>             | <u>39,793</u>             | <u>82,500</u>    | <u>27,227</u>     |
| <b>FUND BALANCES:</b>                            |                                       |                  |                           |                           |                  |                   |
| Inventories                                      | -                                     | -                | -                         | -                         | -                | -                 |
| Restricted for:                                  |                                       |                  |                           |                           |                  |                   |
| Grants   |                                       |                  |                           |                           |                  |                   |
| Debt Service Obligations                         | -                                     | -                | 7,234                     | -                         | -                | 829,240           |
| RID Debt Services                                | -                                     | -                | -                         | -                         | -                | -                 |
| Construction Projects                            | -                                     | -                | -                         | -                         | -                | -                 |
| General Government                               | -                                     | -                | -                         | -                         | -                | -                 |
| Public Safety                                    | -                                     | -                | -                         | -                         | -                | -                 |
| Committed for:                                   | -                                     | -                | -                         | -                         | -                | -                 |
| Contractual Obligations                          |                                       |                  |                           |                           |                  |                   |
| RID Maintenance                                  | -                                     | -                | -                         | -                         | -                | -                 |
| General Government                               | -                                     | -                | -                         | -                         | -                | -                 |
| Public Safety                                    | -                                     | -                | -                         | -                         | -                | -                 |
| Public Works                                     | 50,293                                | -                | -                         | -                         | -                | -                 |
| Public Health                                    | -                                     | 25,097           | -                         | -                         | -                | -                 |
| Social & Economic Services                       | -                                     | -                | 317,474                   | -                         | -                | -                 |
| Culture & Recreation                             | -                                     | -                | -                         | -                         | -                | -                 |
| Housing & Community Developr                     | -                                     | -                | -                         | -                         | -                | -                 |
| Conservation Of Natural Resourc                  | -                                     | -                | -                         | -                         | -                | -                 |
| Assigned for:                                    | -                                     | -                | -                         | -                         | -                | -                 |
| General Government                               |                                       |                  |                           |                           |                  |                   |
| Public Safety                                    | -                                     | -                | -                         | -                         | -                | -                 |
| Public Works                                     | -                                     | -                | -                         | -                         | -                | -                 |
| Public Health                                    | -                                     | -                | -                         | -                         | -                | -                 |
| Social & Economic Services                       | -                                     | -                | -                         | -                         | -                | -                 |
| Culture & Recreation                             | -                                     | -                | -                         | -                         | -                | -                 |
| Housing & Community Developr                     | -                                     | -                | -                         | -                         | -                | -                 |
| Conservation Of Natural Resourc                  | -                                     | -                | -                         | -                         | -                | -                 |
| Unassigned:                                      | -                                     | -                | -                         | -                         | -                | -                 |
| Total fund balance                               | <u>50,293</u>                         | <u>25,097</u>    | <u>324,708</u>            | <u>-</u>                  | <u>-</u>         | <u>829,240</u>    |
| Total liabilities and fund balances (deficits)   | <u>\$ 52,327</u>                      | <u>\$ 27,222</u> | <u>\$ 352,659</u>         | <u>\$ 39,793</u>          | <u>\$ 82,500</u> | <u>\$ 856,467</u> |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|   | 2830              | 2836             | 2840                                 | 2850              | 2859                               | 2865                                |
|---|-------------------|------------------|--------------------------------------|-------------------|------------------------------------|-------------------------------------|
|   | JUNK VEHICLE      | MTUPP            | NOXIOUS WEED<br>TRUST FUND<br>GRANTS | 911 EMERGENCY     | COUNTY LAND<br>INFORMATION<br>FUND | DNRC GRANT -<br>COMPOST<br>FACILITY |
| <b>ASSETS</b>                                       |                   |                  |                                      |                   |                                    |                                     |
| Cash & Investments                                  | \$ 102,438        | \$ -             | \$ 3,786                             | \$ 937,015        | \$ 16,823                          | \$ 70                               |
| Real Estate Tax Receivable                          | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Personal Tax Receivable                             | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Protested Tax Receivable                            | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Accounts Receivable-Net                             | -                 | 22,413           | -                                    | 1,464             | -                                  | -                                   |
| Due from/Advance to Other fund                      | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Inventories   | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Total assets  | <u>\$ 102,438</u> | <u>\$ 22,413</u> | <u>\$ 3,786</u>                      | <u>\$ 938,479</u> | <u>\$ 16,823</u>                   | <u>\$ 70</u>                        |
| <b>LIABILITIES</b>                                  |                   |                  |                                      |                   |                                    |                                     |
| Accounts Payable                                    | \$ 736            | \$ 4,184         | \$ 20                                | \$ 33,526         | \$ -                               | \$ -                                |
| Other Accrued Payables                              | 3,231             | 2,532            | -                                    | -                 | -                                  | -                                   |
| Due To Other Funds                                  | -                 | 3,520            | -                                    | -                 | -                                  | -                                   |
| Deferred Revenue                                    | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Unearned Grant Revenue                              | -                 | -                | -                                    | -                 | -                                  | -                                   |
| <b>Total liabilities</b>                            |                   |                  |                                      |                   |                                    |                                     |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>            |                   |                  |                                      |                   |                                    |                                     |
| Unavailable Revenue, Fines and<br>Forfeitures, Fees | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Unavailable Revenue, Property<br>Taxes              | -                 | -                | -                                    | -                 | -                                  | -                                   |
| <b>Total Deferred Inflows of<br/>Resources</b>      | <u>3,967</u>      | <u>10,236</u>    | <u>20</u>                            | <u>33,526</u>     | <u>-</u>                           | <u>-</u>                            |
| <b>FUND BALANCES:</b>                               |                   |                  |                                      |                   |                                    |                                     |
| Inventories   | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Restricted for:                                     |                   |                  |                                      |                   |                                    |                                     |
| Grants  |                   |                  |                                      |                   |                                    |                                     |
| Debt Service Obligations                            | 98,471            | 12,177           | 3,766                                | 904,953           | -                                  | 70                                  |
| RID Debt Services                                   | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Construction Projects                               | -                 | -                | -                                    | -                 | -                                  | -                                   |
| General Government                                  | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Public Safety                                       | -                 | -                | -                                    | -                 | 16,823                             | -                                   |
| Committed for:                                      | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Contractual Obligations                             |                   |                  |                                      |                   |                                    |                                     |
| RID Maintenance                                     | -                 | -                | -                                    | -                 | -                                  | -                                   |
| General Government                                  | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Public Safety                                       | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Public Works  | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Public Health                                       | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Social & Economic Services                          | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Culture & Recreation                                | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Housing & Community Developr                        | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Conservation Of Natural Resourc                     | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Assigned for:                                       | -                 | -                | -                                    | -                 | -                                  | -                                   |
| General Government                                  |                   |                  |                                      |                   |                                    |                                     |
| Public Safety                                       | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Public Works  | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Public Health                                       | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Social & Economic Services                          | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Culture & Recreation                                | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Housing & Community Developr                        | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Conservation Of Natural Resourc                     | -                 | -                | -                                    | -                 | -                                  | -                                   |
| Unassigned:   | -                 | -                | -                                    | -                 | -                                  | -                                   |
| <b>Total fund balance</b>                           | <u>98,471</u>     | <u>12,177</u>    | <u>3,766</u>                         | <u>904,953</u>    | <u>16,823</u>                      | <u>70</u>                           |
| Total liabilities and fund balances<br>(deficits)   | <u>\$ 102,438</u> | <u>\$ 22,413</u> | <u>\$ 3,786</u>                      | <u>\$ 938,479</u> | <u>\$ 16,823</u>                   | <u>\$ 70</u>                        |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|   | 2870                     | 2871                                 | 2900                | 2902                           | 2915                              | 2916             |
|---|--------------------------|--------------------------------------|---------------------|--------------------------------|-----------------------------------|------------------|
|   | COMMUNITY<br>CORRECTIONS | SW REGIONAL<br>YTH. DET.<br>FACILITY | PILT                | FOREST RECEIPTS -<br>TITLE III | OPERATION<br>FREEDOM FROM<br>FEAR | COPS GRANT       |
| <b>ASSETS</b>                                       |                          |                                      |                     |                                |                                   |                  |
| Cash & Investments                                  | \$ -                     | \$ -                                 | \$ 4,148,230        | \$ 1,620                       | \$ 618                            | \$ -             |
| Real Estate Tax Receivable                          | -                        | -                                    | -                   | -                              | -                                 | -                |
| Personal Tax Receivable                             | -                        | -                                    | -                   | -                              | -                                 | -                |
| Protested Tax Receivable                            | -                        | -                                    | -                   | -                              | -                                 | -                |
| Accounts Receivable-Net                             | 53,427                   | 88,000                               | 765                 | -                              | 3,494                             | 58,883           |
| Due from/Advance to Other fund                      | -                        | -                                    | -                   | -                              | -                                 | -                |
| Inventories   | -                        | -                                    | -                   | -                              | -                                 | -                |
| <b>Total assets</b>                                 | <u>\$ 53,427</u>         | <u>\$ 88,000</u>                     | <u>\$ 4,148,995</u> | <u>\$ 1,620</u>                | <u>\$ 4,112</u>                   | <u>\$ 58,883</u> |
| <b>LIABILITIES</b>                                  |                          |                                      |                     |                                |                                   |                  |
| Accounts Payable                                    | \$ 48,424                | \$ 71,114                            | \$ 17,838           | \$ -                           | \$ 229                            | \$ -             |
| Other Accrued Payables                              | -                        | -                                    | 25,881              | -                              | 3,882                             | -                |
| Due To Other Funds                                  | 5,002                    | 12,690                               | -                   | -                              | -                                 | 58,869           |
| Deferred Revenue                                    | -                        | -                                    | -                   | -                              | -                                 | -                |
| Unearned Grant Revenue                              | -                        | -                                    | -                   | -                              | -                                 | -                |
| <b>Total liabilities</b>                            |                          |                                      |                     |                                |                                   |                  |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>            |                          |                                      |                     |                                |                                   |                  |
| Unavailable Revenue, Fines and<br>Forfeitures, Fees | -                        | -                                    | -                   | -                              | -                                 | -                |
| Unavailable Revenue, Property<br>Taxes              | -                        | -                                    | -                   | -                              | -                                 | -                |
| <b>Total Deferred Inflows of<br/>Resources</b>      | <u>53,426</u>            | <u>83,804</u>                        | <u>43,719</u>       | <u>-</u>                       | <u>4,111</u>                      | <u>58,869</u>    |
| <b>FUND BALANCES:</b>                               |                          |                                      |                     |                                |                                   |                  |
| Inventories   | -                        | -                                    | -                   | -                              | -                                 | -                |
| Restricted for:                                     |                          |                                      |                     |                                |                                   |                  |
| Grants  |                          |                                      |                     |                                |                                   |                  |
| Debt Service Obligations                            | 1                        | 4,196                                | -                   | 1,620                          | 1                                 | 14               |
| RID Debt Services                                   | -                        | -                                    | -                   | -                              | -                                 | -                |
| Construction Projects                               | -                        | -                                    | -                   | -                              | -                                 | -                |
| General Government                                  | -                        | -                                    | -                   | -                              | -                                 | -                |
| Public Safety                                       | -                        | -                                    | -                   | -                              | -                                 | -                |
| Committed for:                                      | -                        | -                                    | -                   | -                              | -                                 | -                |
| Contractual Obligations                             |                          |                                      |                     |                                |                                   |                  |
| RID Maintenance                                     | -                        | -                                    | -                   | -                              | -                                 | -                |
| General Government                                  | -                        | -                                    | -                   | -                              | -                                 | -                |
| Public Safety                                       | -                        | -                                    | 4,105,276           | -                              | -                                 | -                |
| Public Works  | -                        | -                                    | -                   | -                              | -                                 | -                |
| Public Health                                       | -                        | -                                    | -                   | -                              | -                                 | -                |
| Social & Economic Services                          | -                        | -                                    | -                   | -                              | -                                 | -                |
| Culture & Recreation                                | -                        | -                                    | -                   | -                              | -                                 | -                |
| Housing & Community Developr                        | -                        | -                                    | -                   | -                              | -                                 | -                |
| Conservation Of Natural Resourc                     | -                        | -                                    | -                   | -                              | -                                 | -                |
| Assigned for:                                       | -                        | -                                    | -                   | -                              | -                                 | -                |
| General Government                                  |                          |                                      |                     |                                |                                   |                  |
| Public Safety                                       | -                        | -                                    | -                   | -                              | -                                 | -                |
| Public Works  | -                        | -                                    | -                   | -                              | -                                 | -                |
| Public Health                                       | -                        | -                                    | -                   | -                              | -                                 | -                |
| Social & Economic Services                          | -                        | -                                    | -                   | -                              | -                                 | -                |
| Culture & Recreation                                | -                        | -                                    | -                   | -                              | -                                 | -                |
| Housing & Community Developr                        | -                        | -                                    | -                   | -                              | -                                 | -                |
| Conservation Of Natural Resourc                     | -                        | -                                    | -                   | -                              | -                                 | -                |
| Unassigned:   | -                        | -                                    | -                   | -                              | -                                 | -                |
| <b>Total fund balance</b>                           | <u>1</u>                 | <u>4,196</u>                         | <u>4,105,276</u>    | <u>1,620</u>                   | <u>1</u>                          | <u>14</u>        |
| Total liabilities and fund balances<br>(deficits)   | <u>\$ 53,427</u>         | <u>\$ 88,000</u>                     | <u>\$ 4,148,995</u> | <u>\$ 1,620</u>                | <u>\$ 4,112</u>                   | <u>\$ 58,883</u> |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|  | 2917             | 2918                              | 2927                       | 2940          | 2950              | 2968                 |
|--|------------------|-----------------------------------|----------------------------|---------------|-------------------|----------------------|
|  | VICTIM WITNESS   | LAW<br>ENFORCEMENT<br>BLOCK GRANT | HOMELAND<br>SECURITY GRANT | CDBG GRANTS   | D.U.I. PROGRAM    | CANCER<br>PREVENTION |
| <b>ASSETS</b>                                    |                  |                                   |                            |               |                   |                      |
| Cash & Investments                               | \$ -             | \$ -                              | \$ -                       | \$ 247        | \$ 134,451        | \$ 324,173           |
| Real Estate Tax Receivable                       | -                | -                                 | -                          | -             | -                 | -                    |
| Personal Tax Receivable                          | -                | -                                 | -                          | -             | -                 | -                    |
| Protested Tax Receivable                         | -                | -                                 | -                          | -             | -                 | -                    |
| Accounts Receivable-Net                          | 38,179           | 1,469                             | 45,485                     | -             | 14,050            | 36,800               |
| Due from/Advance to Other fund                   | -                | -                                 | -                          | -             | -                 | -                    |
| Inventories                                      | -                | -                                 | -                          | -             | -                 | -                    |
| Total assets                                     | <u>\$ 38,179</u> | <u>\$ 1,469</u>                   | <u>\$ 45,485</u>           | <u>\$ 247</u> | <u>\$ 148,501</u> | <u>\$ 360,973</u>    |
| <b>LIABILITIES</b>                               |                  |                                   |                            |               |                   |                      |
| Accounts Payable                                 | \$ 390           | \$ 735                            | \$ 14,220                  | \$ -          | \$ 1,677          | \$ 974               |
| Other Accrued Payables                           | 9,155            | -                                 | -                          | -             | 1,100             | 3,366                |
| Due To Other Funds                               | 28,634           | 734                               | 31,265                     | -             | -                 | -                    |
| Deferred Revenue                                 | -                | -                                 | -                          | -             | -                 | -                    |
| Unearned Grant Revenue                           | -                | -                                 | -                          | -             | -                 | -                    |
| Total liabilities                                |                  |                                   |                            |               |                   |                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                  |                                   |                            |               |                   |                      |
| Unavailable Revenue, Fines and Forfeitures, Fees | -                | -                                 | -                          | -             | -                 | -                    |
| Unavailable Revenue, Property Taxes              | -                | -                                 | -                          | -             | -                 | -                    |
| Total Deferred Inflows of Resources              | <u>38,179</u>    | <u>1,469</u>                      | <u>45,485</u>              | <u>-</u>      | <u>2,777</u>      | <u>4,340</u>         |
| <b>FUND BALANCES:</b>                            |                  |                                   |                            |               |                   |                      |
| Inventories                                      | -                | -                                 | -                          | -             | -                 | -                    |
| Restricted for:                                  |                  |                                   |                            |               |                   |                      |
| Grants   |                  |                                   |                            |               |                   |                      |
| Debt Service Obligations                         | -                | -                                 | -                          | 247           | 145,724           | 356,633              |
| RID Debt Services                                | -                | -                                 | -                          | -             | -                 | -                    |
| Construction Projects                            | -                | -                                 | -                          | -             | -                 | -                    |
| 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 Developr                     | -                | -                                 | -                          | -             | -                 | -                    |
| Conservation Of Natural Resourc                  | -                | -                                 | -                          | -             | -                 | -                    |
| Assigned for:                                    | -                | -                                 | -                          | -             | -                 | -                    |
| General Government                               |                  |                                   |                            |               |                   |                      |
| Public Safety                                    | -                | -                                 | -                          | -             | -                 | -                    |
| Public Works                                     | -                | -                                 | -                          | -             | -                 | -                    |
| Public Health                                    | -                | -                                 | -                          | -             | -                 | -                    |
| Social & Economic Services                       | -                | -                                 | -                          | -             | -                 | -                    |
| Culture & Recreation                             | -                | -                                 | -                          | -             | -                 | -                    |
| Housing & Community Developr                     | -                | -                                 | -                          | -             | -                 | -                    |
| Conservation Of Natural Resourc                  | -                | -                                 | -                          | -             | -                 | -                    |
| Unassigned:                                      | -                | -                                 | -                          | -             | -                 | -                    |
| Total fund balance                               | <u>-</u>         | <u>-</u>                          | <u>-</u>                   | <u>247</u>    | <u>145,724</u>    | <u>356,633</u>       |
| Total liabilities and fund balances (deficits)   | <u>\$ 38,179</u> | <u>\$ 1,469</u>                   | <u>\$ 45,485</u>           | <u>\$ 247</u> | <u>\$ 148,501</u> | <u>\$ 360,973</u>    |

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|   | 2969                                 | 2971             | 2973             | 2976                         |
|---|--------------------------------------|------------------|------------------|------------------------------|
|   | PUBLIC HEALTH<br>EMERGENCY<br>PREPAR | W.I.C.           | MATERNAL CHILD   | COMMUNICABLE<br>DISEASE FUND |
| <b>ASSETS</b>                                       |                                      |                  |                  |                              |
| Cash & Investments                                  | \$ 210,496                           | \$ 16,022        | \$ -             | \$ 207,456                   |
| Real Estate Tax Receivable                          | -                                    | -                | -                | -                            |
| Personal Tax Receivable                             | -                                    | -                | -                | -                            |
| Protested Tax Receivable                            | -                                    | -                | -                | -                            |
| Accounts Receivable-Net                             | 25,751                               | 80,502           | 85,508           | 77,619                       |
| Due from/Advance to Other fund                      | -                                    | -                | -                | -                            |
| Inventories   | -                                    | -                | -                | -                            |
| Total assets  | <u>\$ 236,247</u>                    | <u>\$ 96,524</u> | <u>\$ 85,508</u> | <u>\$ 285,075</u>            |
| <b>LIABILITIES</b>                                  |                                      |                  |                  |                              |
| Accounts Payable                                    | \$ 4,050                             | \$ 2,398         | \$ 5,016         | \$ 22,106                    |
| Other Accrued Payables                              | 2,857                                | 11,786           | 15,344           | 6,540                        |
| Due To Other Funds                                  | -                                    | 82,339           | 52,829           | -                            |
| Deferred Revenue                                    | -                                    | -                | -                | -                            |
| Unearned Grant Revenue                              | -                                    | -                | -                | 907                          |
| Total liabilities                                   |                                      |                  |                  |                              |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>            |                                      |                  |                  |                              |
| Unavailable Revenue, Fines and<br>Forfeitures, Fees | -                                    | -                | -                | -                            |
| Unavailable Revenue, Property<br>Taxes              | -                                    | -                | -                | -                            |
| Total Deferred Inflows of<br>Resources              | <u>6,907</u>                         | <u>96,523</u>    | <u>73,189</u>    | <u>29,553</u>                |
| <b>FUND BALANCES:</b>                               |                                      |                  |                  |                              |
| Inventories   | -                                    | -                | -                | -                            |
| Restricted for:                                     |                                      |                  |                  |                              |
| Grants  |                                      |                  |                  |                              |
| Debt Service Obligations                            | 229,340                              | 1                | 10,729           | 19,574                       |
| RID Debt Services                                   | -                                    | -                | -                | -                            |
| Construction Projects                               | -                                    | -                | -                | -                            |
| General Government                                  | -                                    | -                | -                | -                            |
| Public Safety                                       | -                                    | -                | -                | -                            |
| Committed for:                                      | -                                    | -                | -                | -                            |
| Contractual Obligations                             |                                      |                  |                  |                              |
| RID Maintenance                                     | -                                    | -                | -                | -                            |
| General Government                                  | -                                    | -                | -                | -                            |
| Public Safety                                       | -                                    | -                | -                | -                            |
| Public Works  | -                                    | -                | -                | -                            |
| Public Health                                       | -                                    | -                | -                | -                            |
| Social & Economic Services                          | -                                    | -                | 1,590            | 235,948                      |
| Culture & Recreation                                | -                                    | -                | -                | -                            |
| Housing & Community Developr                        | -                                    | -                | -                | -                            |
| Conservation Of Natural Resourc                     | -                                    | -                | -                | -                            |
| Assigned for:                                       | -                                    | -                | -                | -                            |
| General Government                                  |                                      |                  |                  |                              |
| Public Safety                                       | -                                    | -                | -                | -                            |
| Public Works  | -                                    | -                | -                | -                            |
| Public Health                                       | -                                    | -                | -                | -                            |
| Social & Economic Services                          | -                                    | -                | -                | -                            |
| Culture & Recreation                                | -                                    | -                | -                | -                            |
| Housing & Community Developr                        | -                                    | -                | -                | -                            |
| Conservation Of Natural Resourc                     | -                                    | -                | -                | -                            |
| Unassigned:   | -                                    | -                | -                | -                            |
| Total fund balance                                  | <u>229,340</u>                       | <u>1</u>         | <u>12,319</u>    | <u>255,522</u>               |
| Total liabilities and fund balances<br>(deficits)   | <u>\$ 236,247</u>                    | <u>\$ 96,524</u> | <u>\$ 85,508</u> | <u>\$ 285,075</u>            |

are an integral part of this



Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Special revenue funds  
June 30, 2016

|  | 2979                         | 2987                | 2990                         |   |
|--|------------------------------|---------------------|------------------------------|---|
|  | FEDERAL HEALTH<br>GRANT FUND | TIGER GRANT<br>FUND | DRUG<br>ENFORCEMENT<br>GRANT | Total Nonmajor<br>Special revenue funds |
| <b>ASSETS</b>                                    |                              |                     |                              |   |
| Cash & Investments                               | \$ -                         | \$ 200,170          | \$ 6,746                     | \$ 15,288,700                           |
| Real Estate Tax Receivable                       | -                            | -                   | -                            | 240,012                                 |
| Personal Tax Receivable                          | -                            | -                   | -                            | 61,383                                  |
| Protested Tax Receivable                         | -                            | -                   | -                            | 10,802                                  |
| Accounts Receivable-Net                          | 71,591                       | 222,058             | -                            | 1,146,231                               |
| Due from/Advance to Other fund                   | -                            | -                   | -                            | 158,274                                 |
| Inventories                                      | -                            | -                   | -                            | 66,745                                  |
| Total assets                                     | <u>\$ 71,591</u>             | <u>\$ 422,228</u>   | <u>\$ 6,746</u>              | <u>\$ 16,972,147</u>                    |
| <b>LIABILITIES</b>                               |                              |                     |                              |   |
| Accounts Payable                                 | \$ 45,813                    | \$ 137,070          | \$ 291                       | \$ 858,760                              |
| Other Accrued Payables                           | 3,848                        | 14                  | 6,455                        | 293,541                                 |
| Due To Other Funds                               | 19,585                       | -                   | -                            | 297,530                                 |
| Deferred Revenue                                 | -                            | -                   | -                            | -                                       |
| Unearned Grant Revenue                           | -                            | -                   | -                            | 72,070                                  |
| Total liabilities                                | -                            | -                   | -                            | -                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                              |                     |                              |   |
| Unavailable Revenue, Fines and Forfeitures, Fees | -                            | -                   | -                            | -                                       |
| Unavailable Revenue, Property Taxes              | -                            | -                   | -                            | 312,197                                 |
| Total Deferred Inflows of Resources              | <u>69,246</u>                | <u>137,084</u>      | <u>6,746</u>                 | <u>1,834,098</u>                        |
| <b>FUND BALANCES:</b>                            |                              |                     |                              |   |
| Inventories                                      | -                            | -                   | -                            | 66,745                                  |
| Restricted for:                                  |                              |                     |                              |   |
| Grants   |                              |                     |                              |   |
| Debt Service Obligations                         | 2,345                        | 285,144             | -                            | 4,343,530                               |
| RID Debt Services                                | -                            | -                   | -                            | -                                       |
| Construction Projects                            | -                            | -                   | -                            | -                                       |
| General Government                               | -                            | -                   | -                            | -                                       |
| Public Safety                                    | -                            | -                   | -                            | 23,170                                  |
| Committed for:                                   | -                            | -                   | -                            | -                                       |
| Contractual Obligations                          |                              |                     |                              |   |
| RID Maintenance                                  | -                            | -                   | -                            | -                                       |
| General Government                               | -                            | -                   | -                            | -                                       |
| Public Safety                                    | -                            | -                   | -                            | 4,573,614                               |
| Public Works                                     | -                            | -                   | -                            | 50,329                                  |
| Public Health                                    | -                            | -                   | -                            | 3,209,449                               |
| Social & Economic Services                       | -                            | -                   | -                            | 1,695,380                               |
| Culture & Recreation                             | -                            | -                   | -                            | -                                       |
| Housing & Community Developr                     | -                            | -                   | -                            | 715,495                                 |
| Conservation Of Natural Resourc                  | -                            | -                   | -                            | -                                       |
| Assigned for:                                    | -                            | -                   | -                            | 460,337                                 |
| General Government                               |                              |                     |                              |   |
| Public Safety                                    | -                            | -                   | -                            | -                                       |
| Public Works                                     | -                            | -                   | -                            | -                                       |
| Public Health                                    | -                            | -                   | -                            | -                                       |
| Social & Economic Services                       | -                            | -                   | -                            | -                                       |
| Culture & Recreation                             | -                            | -                   | -                            | -                                       |
| Housing & Community Developr                     | -                            | -                   | -                            | -                                       |
| Conservation Of Natural Resourc                  | -                            | -                   | -                            | -                                       |
| Unassigned:                                      | -                            | -                   | -                            | -                                       |
| Total fund balance                               | <u>2,345</u>                 | <u>285,144</u>      | <u>-</u>                     | <u>15,138,049</u>                       |
| Total liabilities and fund balances (deficits)   | <u>\$ 71,591</u>             | <u>\$ 422,228</u>   | <u>\$ 6,746</u>              | <u>\$ 16,972,147</u>                    |

are an integral part of this

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, 2016

|  | Budgeted Amounts    |                     |                     | Variance with       |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Original            | Final               | Actual              | Final Budget        |
| <b>REVENUES</b>  |                     |                     |                     |                     |
| Property Taxes   | \$ 3,046,139        | \$ 3,046,139        | \$ 3,058,690        | \$ 12,551           |
| Licenses and Permits   | -                   | -                   | -                   | -                   |
| Intergovernmental Revenues                                   | 955,358             | 955,358             | 1,070,842           | 115,484             |
| Charges for Services   | 14,000              | 14,000              | 42,117              | 28,117              |
| Fines and Forfeitures  | -                   | -                   | -                   | -                   |
| Miscellaneous  | -                   | -                   | 4,086               | 4,086               |
| Investment Earnings  | 10,000              | 10,000              | 27,332              | 17,332              |
| Contributions/Donations                                      | -                   | -                   | 36,000              | 36,000              |
| Total revenues   | <u>4,025,497</u>    | <u>4,025,497</u>    | <u>4,239,067</u>    | <u>213,570</u>      |
| <b>EXPENDITURES</b>  |                     |                     |                     |                     |
| Current:   |                     |                     |                     |                     |
| General Government   | -                   | -                   | -                   | -                   |
| Public Safety  | -                   | -                   | -                   | -                   |
| Public Works   | 4,938,639           | 4,918,639           | 2,393,957           | 2,524,682           |
| Public Health  | -                   | -                   | -                   | -                   |
| Social and Economic Services                                 | -                   | -                   | -                   | -                   |
| Culture and Recreation                                       | -                   | -                   | -                   | -                   |
| Housing And Community  | -                   | -                   | -                   | -                   |
| Development  | -                   | -                   | -                   | -                   |
| Conservation Of Natural Resources                            | -                   | -                   | -                   | -                   |
| Debt service:  |                     |                     |                     |                     |
| Principal  | -                   | -                   | -                   | -                   |
| Interest   | -                   | -                   | -                   | -                   |
| Capital outlay   | 914,467             | 934,467             | 1,121,364           | (186,897)           |
| Total expenditures   | <u>5,853,106</u>    | <u>5,853,106</u>    | <u>3,515,321</u>    | <u>2,337,785</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,827,609)</u>  | <u>(1,827,609)</u>  | <u>723,746</u>      | <u>2,551,355</u>    |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                     |                     |                     |                     |
| Transfers Out  | (94,743)            | (94,743)            | (58,080)            | 36,663              |
| Sale of Fixed Assets   | -                   | -                   | 9,300               | 9,300               |
| Transfers In   | 38,204              | 38,204              | 49,183              | 10,979              |
| Bond Proceeds  | -                   | -                   | -                   | -                   |
| Total other financing source (uses)                          | <u>(56,539)</u>     | <u>(56,539)</u>     | <u>403</u>          | <u>56,942</u>       |
| Net change in fund balances                                  | (1,884,148)         | (1,884,148)         | 724,149             | 2,608,297           |
| Fund balances - beginning                                    | 3,168,747           | 3,168,747           | 3,168,747           | -                   |
| Fund balances - ending                                       | <u>\$ 1,284,599</u> | <u>\$ 1,284,599</u> | <u>\$ 3,892,896</u> | <u>\$ 2,608,297</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, 2016

|  | Budgeted Amounts |           | Actual     | Variance with<br>Final Budget |
|--|------------------|-----------|------------|-------------------------------|
|  | Original         | Final     |            |                               |
| <b>REVENUES</b>  |                  |           |            |                               |
| Property Taxes   | \$ -             | \$ -      | \$ -       | \$ -                          |
| Licenses and Permits   | -                | -         | -          | -                             |
| Intergovernmental Revenues                                   | -                | -         | -          | -                             |
| Charges for Services   | -                | -         | -          | -                             |
| Fines and Forfeitures  | -                | -         | -          | -                             |
| Miscellaneous  | 15,000           | 15,000    | 43,997     | 28,997                        |
| Investment Earnings  | 150              | 150       | 840        | 690                           |
| Contributions/Donations                                      | -                | -         | -          | -                             |
| Total revenues   | 15,150           | 15,150    | 44,837     | 29,687                        |
| <b>EXPENDITURES</b>  |                  |           |            |                               |
| Current:   |                  |           |            |                               |
| General Government   | -                | -         | -          | -                             |
| Public Safety  | -                | -         | -          | -                             |
| Public Works   | 76,198           | 76,198    | 1,738      | 74,460                        |
| Public Health  | -                | -         | -          | -                             |
| Social and Economic Services                                 | -                | -         | -          | -                             |
| Culture and Recreation                                       | -                | -         | -          | -                             |
| Housing And Community<br>Development                         | -                | -         | -          | -                             |
| Conservation Of Natural Resources                            | -                | -         | -          | -                             |
| Debt service:  |                  |           |            |                               |
| Principal  | -                | -         | -          | -                             |
| Interest   | -                | -         | -          | -                             |
| Capital outlay   | -                | -         | -          | -                             |
| Total expenditures   | 76,198           | 76,198    | 1,738      | 74,460                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (61,048)         | (61,048)  | 43,099     | 104,147                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |           |            |                               |
| Transfers Out  | -                | -         | -          | -                             |
| Sale of Fixed Assets   | -                | -         | -          | -                             |
| Transfers In   | -                | -         | -          | -                             |
| Bond Proceeds  | -                | -         | -          | -                             |
| Total other financing source (uses)                          | -                | -         | -          | -                             |
| Net change in fund balances                                  | (61,048)         | (61,048)  | 43,099     | 104,147                       |
| Fund balances - beginning                                    | 73,480           | 73,480    | 73,480     | -                             |
| Fund balances - ending                                       | \$ 12,432        | \$ 12,432 | \$ 116,579 | \$ 104,147                    |

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, 2016

|   | Budgeted Amounts |            |           | Variance with |
|---|------------------|------------|-----------|---------------|
|   | Original         | Final      | Actual    | Final Budget  |
| <b>REVENUES</b>   |                  |            |           |               |
| Property Taxes  | \$ 13,297        | \$ 14,075  | \$ 21,015 | \$ 6,940      |
| Licenses and Permits                                      | -                | -          | -         | -             |
| Intergovernmental Revenues                                | -                | -          | -         | -             |
| Charges for Services                                      | -                | -          | -         | -             |
| Fines and Forfeitures                                     | -                | -          | -         | -             |
| Miscellaneous   | -                | -          | -         | -             |
| Investment Earnings                                       | -                | -          | -         | -             |
| Contributions/Donations                                   | -                | -          | -         | -             |
| Total revenues  | 13,297           | 14,075     | 21,015    | 6,940         |
| <b>EXPENDITURES</b>                                       |                  |            |           |               |
| Current:  |                  |            |           |               |
| General Government  | -                | -          | -         | -             |
| Public Safety   | -                | -          | -         | -             |
| Public Works  | -                | -          | -         | -             |
| Public Health   | 15,436           | 16,214     | 14,030    | 2,184         |
| Social and Economic Services                              | -                | -          | -         | -             |
| Culture and Recreation                                    | -                | -          | -         | -             |
| Housing And Community Development                         | -                | -          | -         | -             |
| Conservation Of Natural Resources                         | -                | -          | -         | -             |
| Debt service:   |                  |            |           |               |
| Principal   | -                | -          | -         | -             |
| Interest  | -                | -          | -         | -             |
| Capital outlay  | -                | -          | -         | -             |
| Total expenditures  | 15,436           | 16,214     | 14,030    | 2,184         |
| Excess (deficiency) of revenues over (under) expenditures | (2,139)          | (2,139)    | 6,985     | 9,124         |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |            |           |               |
| Transfers Out   | -                | -          | -         | -             |
| Sale of Fixed Assets                                      | -                | -          | -         | -             |
| Transfers In  | -                | -          | -         | -             |
| Bond Proceeds   | -                | -          | -         | -             |
| Total other financing source (uses)                       | -                | -          | -         | -             |
| Net change in fund balances                               | (2,139)          | (2,139)    | 6,985     | 9,124         |
| Fund balances - beginning                                 | (3,538)          | (3,538)    | (3,538)   | -             |
| Fund balances - ending                                    | \$ (5,677)       | \$ (5,677) | \$ 3,447  | \$ 9,124      |

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, 2016

|  | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
|  | Original          | Final             |                   |                               |
| <b>REVENUES</b>  |                   |                   |                   |                               |
| Property Taxes   | \$ 439,879        | \$ 439,879        | \$ 441,488        | \$ 1,609                      |
| Licenses and Permits   | -                 | -                 | -                 | -                             |
| Intergovernmental Revenues                                   | 35,000            | 42,000            | 39,426            | (2,574)                       |
| Charges for Services   | 628,889           | 628,889           | 657,346           | 28,457                        |
| Fines and Forfeitures  | -                 | -                 | -                 | -                             |
| Miscellaneous  | 88,377            | 88,377            | 65,273            | (23,104)                      |
| Investment Earnings  | -                 | -                 | -                 | -                             |
| Contributions/Donations                                      | -                 | -                 | -                 | -                             |
| Total revenues   | <u>1,192,145</u>  | <u>1,199,145</u>  | <u>1,203,533</u>  | <u>4,388</u>                  |
| <b>EXPENDITURES</b>  |                   |                   |                   |                               |
| Current:   |                   |                   |                   |                               |
| General Government   | -                 | -                 | -                 | -                             |
| Public Safety  | -                 | -                 | -                 | -                             |
| Public Works   | -                 | -                 | -                 | -                             |
| Public Health  | -                 | -                 | -                 | -                             |
| Social and Economic Services                                 | -                 | -                 | -                 | -                             |
| Culture and Recreation                                       | 1,041,836         | 1,041,836         | 997,075           | 44,761                        |
| Housing And Community<br>Development                         | -                 | -                 | -                 | -                             |
| Conservation Of Natural Resources                            | -                 | -                 | -                 | -                             |
| Debt service:  |                   |                   |                   |                               |
| Principal  | 76,496            | 83,496            | 45,000            | 38,496                        |
| Interest   | -                 | -                 | 37,308            | (37,308)                      |
| Capital outlay   | 85,020            | 85,020            | 40,656            | 44,364                        |
| Total expenditures   | <u>1,203,352</u>  | <u>1,210,352</u>  | <u>1,120,039</u>  | <u>90,313</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(11,207)</u>   | <u>(11,207)</u>   | <u>83,494</u>     | <u>94,701</u>                 |
| <b>(USES)</b>  |                   |                   |                   |                               |
| Transfers Out  | -                 | -                 | (49,229)          | (49,229)                      |
| Sale of Fixed Assets   | -                 | -                 | 585               | 585                           |
| Transfers In   | 5,690             | 5,690             | 9,261             | 3,571                         |
| Bond Proceeds  | -                 | -                 | -                 | -                             |
| Total other financing source (uses)                          | 5,690             | 5,690             | (39,383)          | (45,073)                      |
| Net change in fund balances                                  | (5,517)           | (5,517)           | 44,111            | 49,628                        |
| Fund balances - beginning                                    | 171,843           | 171,843           | 171,843           | -                             |
| Fund balances - ending                                       | <u>\$ 166,326</u> | <u>\$ 166,326</u> | <u>\$ 215,954</u> | <u>\$ 49,628</u>              |

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, 2016

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>REVENUES</b>  |                  |                  |                   |                               |
| Property Taxes   | \$ 84,287        | \$ 84,287        | \$ 86,949         | \$ 2,662                      |
| Licenses and Permits   | -                | -                | -                 | -                             |
| Intergovernmental Revenues                                   | 5,000            | 5,000            | 9,305             | 4,305                         |
| Charges for Services   | -                | -                | -                 | -                             |
| Fines and Forfeitures  | -                | -                | -                 | -                             |
| Miscellaneous  | -                | -                | -                 | -                             |
| Investment Earnings  | 400              | 400              | 631               | 231                           |
| Contributions/Donations                                      | -                | -                | -                 | -                             |
| Total revenues   | <u>89,687</u>    | <u>89,687</u>    | <u>96,885</u>     | <u>7,198</u>                  |
| <b>EXPENDITURES</b>  |                  |                  |                   |                               |
| Current:   |                  |                  |                   |                               |
| General Government   | -                | -                | -                 | -                             |
| Public Safety  | -                | -                | -                 | -                             |
| Public Works   | -                | -                | -                 | -                             |
| Public Health  | 180,212          | 180,212          | 65,732            | 114,480                       |
| Social and Economic Services                                 | -                | -                | -                 | -                             |
| Culture and Recreation                                       | -                | -                | -                 | -                             |
| Housing And Community<br>Development                         | -                | -                | -                 | -                             |
| Conservation Of Natural Resources                            | -                | -                | -                 | -                             |
| Debt service:  |                  |                  |                   |                               |
| Principal  | -                | -                | -                 | -                             |
| Interest   | -                | -                | -                 | -                             |
| Capital outlay   | 45,600           | 45,600           | 9,899             | 35,701                        |
| Total expenditures   | <u>225,812</u>   | <u>225,812</u>   | <u>75,631</u>     | <u>150,181</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(136,125)</u> | <u>(136,125)</u> | <u>21,254</u>     | <u>157,379</u>                |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                  |                   |                               |
| Transfers Out  | -                | -                | -                 | -                             |
| Sale of Fixed Assets   | -                | -                | -                 | -                             |
| Transfers In   | -                | -                | -                 | -                             |
| Bond Proceeds  | -                | -                | -                 | -                             |
| Total other financing source (uses)                          | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>-</u>                      |
| Net change in fund balances                                  | (136,125)        | (136,125)        | 21,254            | 157,379                       |
| Fund balances - beginning                                    | <u>136,125</u>   | <u>136,125</u>   | <u>136,125</u>    | <u>-</u>                      |
| Fund balances - ending                                       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 157,379</u> | <u>\$ 157,379</u>             |

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, 2016

|  | Budgeted Amounts |            | Actual        | Variance with<br>Final Budget |
|--|------------------|------------|---------------|-------------------------------|
|  | Original         | Final      |               |                               |
| <b>REVENUES</b>  |                  |            |               |                               |
| Property Taxes   | \$ -             | \$ -       | \$ -          | \$ -                          |
| Licenses and Permits   | -                | -          | -             | -                             |
| Intergovernmental Revenues                                   | -                | -          | -             | -                             |
| Charges for Services   | -                | -          | -             | -                             |
| Fines and Forfeitures  | -                | -          | -             | -                             |
| Miscellaneous  | 11,000           | 11,000     | 33,571        | 22,571                        |
| Investment Earnings  | -                | -          | -             | -                             |
| Contributions/Donations                                      | -                | -          | 700           | 700                           |
| Total revenues   | 11,000           | 11,000     | 34,271        | 22,571                        |
| <b>EXPENDITURES</b>  |                  |            |               |                               |
| Current:   |                  |            |               |                               |
| General Government   | -                | -          | -             | -                             |
| Public Safety  | -                | -          | -             | -                             |
| Public Works   | -                | -          | -             | -                             |
| Public Health  | -                | -          | -             | -                             |
| Social and Economic Services                                 | -                | -          | -             | -                             |
| Culture and Recreation                                       | 53,248           | 53,248     | 46,822        | 6,426                         |
| Housing And Community<br>Development                         | -                | -          | -             | -                             |
| Conservation Of Natural Resources                            | -                | -          | -             | -                             |
| Debt service:  |                  |            |               |                               |
| Principal  | -                | -          | -             | -                             |
| Interest   | -                | -          | -             | -                             |
| Capital outlay   | 14,000           | 14,000     | -             | 14,000                        |
| Total expenditures   | 67,248           | 67,248     | 46,822        | 20,426                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (56,248)         | (56,248)   | (12,551)      | 42,997                        |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |            |               |                               |
| Transfers Out  | -                | -          | -             | -                             |
| Sale of Fixed Assets   | -                | -          | -             | -                             |
| Transfers In   | 42,598           | 42,598     | 47,500        | 4,902                         |
| Bond Proceeds  | -                | -          | -             | -                             |
| Total other financing source (uses)                          | 42,598           | 42,598     | 47,500        | 4,902                         |
| Net change in fund balances                                  | (13,650)         | (13,650)   | 34,949        | 47,899                        |
| Fund balances - beginning                                    | 13,644           | 13,644     | 13,644        | -                             |
| Fund balances - ending                                       | <u>(6)</u>       | <u>(6)</u> | <u>48,593</u> | <u>47,899</u>                 |

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, 2016

|  | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
|  | Original          | Final             |                   |                               |
| <b>REVENUES</b>  |                   |                   |                   |                               |
| Property Taxes   | \$ 908,877        | \$ 908,877        | \$ 911,177        | \$ 2,300                      |
| Licenses and Permits   | -                 | -                 | -                 | -                             |
| Intergovernmental Revenues                                   | 61,500            | 61,500            | 74,734            | 13,234                        |
| Charges for Services   | -                 | -                 | -                 | -                             |
| Fines and Forfeitures  | -                 | -                 | -                 | -                             |
| Miscellaneous  | -                 | -                 | -                 | -                             |
| Investment Earnings  | -                 | -                 | -                 | -                             |
| Contributions/Donations                                      | -                 | -                 | -                 | -                             |
| Total revenues   | <u>970,377</u>    | <u>970,377</u>    | <u>985,911</u>    | <u>15,534</u>                 |
| <b>EXPENDITURES</b>  |                   |                   |                   |                               |
| Current:   |                   |                   |                   |                               |
| General Government   | -                 | -                 | -                 | -                             |
| Public Safety  | -                 | -                 | -                 | -                             |
| Public Works   | -                 | -                 | -                 | -                             |
| Public Health  | -                 | -                 | -                 | -                             |
| Social and Economic Services                                 | -                 | -                 | -                 | -                             |
| Culture nad Recreation                                       | 907,495           | 910,995           | 910,995           | -                             |
| Housing And Community<br>Development                         | -                 | -                 | -                 | -                             |
| Conservation Of Natural Resources                            | -                 | -                 | -                 | -                             |
| Debt service:  |                   |                   |                   |                               |
| Principal  | -                 | -                 | -                 | -                             |
| Interest   | -                 | -                 | -                 | -                             |
| Capital outlay   | 157,664           | 154,164           | -                 | 154,164                       |
| Total expenditures   | <u>1,065,159</u>  | <u>1,065,159</u>  | <u>910,995</u>    | <u>154,164</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(94,782)</u>   | <u>(94,782)</u>   | <u>74,916</u>     | <u>169,698</u>                |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                   |                   |                   |                               |
| Transfers Out  | -                 | -                 | -                 | -                             |
| Sale of Fixed Assets   |                   |                   |                   |                               |
| Transfers In   |                   |                   |                   |                               |
| Bond Proceeds  |                   |                   |                   |                               |
| Total other financing source (uses)                          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                      |
| Net change in fund balances                                  | (94,782)          | (94,782)          | 74,916            | 169,698                       |
| Fund balances - beginning                                    | 374,590           | 374,590           | 374,590           | -                             |
| Fund balances - ending                                       | <u>\$ 279,808</u> | <u>\$ 279,808</u> | <u>\$ 449,506</u> | <u>\$ 169,698</u>             |

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, 2016

|  | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget |
|--|------------------|------------|------------|-------------------------------|
|  | Original         | Final      |            |                               |
| <b>REVENUES</b>  |                  |            |            |                               |
| Property Taxes   | \$ 158,132       | \$ 158,132 | \$ 165,640 | \$ 7,508                      |
| Licenses and Permits   | -                | -          | -          | -                             |
| Intergovernmental Revenues                                   | 10,500           | 10,500     | 15,814     | 5,314                         |
| Charges for Services   | -                | -          | -          | -                             |
| Fines and Forfeitures  | -                | -          | -          | -                             |
| Miscellaneous  | -                | -          | -          | -                             |
| Investment Earnings  | -                | -          | -          | -                             |
| Contributions/Donations                                      | -                | -          | -          | -                             |
| Total revenues   | 168,632          | 168,632    | 181,454    | 12,822                        |
| <b>EXPENDITURES</b>  |                  |            |            |                               |
| Current:   |                  |            |            |                               |
| General Government   | 228,290          | 228,290    | 15,962     | 212,328                       |
| Public Safety  | -                | -          | -          | -                             |
| Public Works   | -                | -          | -          | -                             |
| Public Health  | -                | -          | -          | -                             |
| Social and Economic Services                                 | -                | -          | -          | -                             |
| Culture and Recreation                                       | -                | -          | -          | -                             |
| Housing And Community<br>Development                         | -                | -          | -          | -                             |
| Conservation Of Natural Resources                            | -                | -          | -          | -                             |
| Debt service:  |                  |            |            |                               |
| Principal  | -                | -          | -          | -                             |
| Interest   | -                | -          | -          | -                             |
| Capital outlay   |                  |            |            | -                             |
| Total expenditures   | 228,290          | 228,290    | 15,962     | 212,328                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (59,658)         | (59,658)   | 165,492    | 225,150                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |            |            |                               |
| Transfers Out  | (162,800)        | (162,800)  | (162,800)  | -                             |
| Sale of Fixed Assets   | -                | -          | -          | -                             |
| Transfers In   | -                | -          | -          | -                             |
| Bond Proceeds  | -                | -          | -          | -                             |
| Total other financing source (uses)                          | (162,800)        | (162,800)  | (162,800)  | -                             |
| Net change in fund balances                                  | (222,458)        | (222,458)  | 2,692      | 225,150                       |
| Fund balances - beginning                                    | 259,012          | 259,012    | 259,012    | -                             |
| Fund balances - ending                                       | \$ 36,554        | \$ 36,554  | \$ 261,704 | \$ 225,150                    |

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, 2016

|   | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget |
|---|------------------|-----------|-----------|-------------------------------|
|   | Original         | Final     |           |                               |
| <b>REVENUES</b>   |                  |           |           |                               |
| Property Taxes  | \$ 43,861        | \$ 43,861 | \$ 44,189 | \$ 328                        |
| Licenses and Permits                                      |                  |           |           | -                             |
| Intergovernmental Revenues                                | -                | -         | 110       | 110                           |
| Charges for Services                                      | -                | -         | -         | -                             |
| Fines and Forfeitures                                     | -                | -         | -         | -                             |
| Miscellaneous   | -                | -         | 208       | 208                           |
| Investment Earnings                                       | -                | -         | -         | -                             |
| Contributions/Donations                                   | -                | -         | -         | -                             |
| Total revenues  | 43,861           | 43,861    | 44,507    | 646                           |
| <b>EXPENDITURES</b>                                       |                  |           |           |                               |
| Current:  |                  |           |           |                               |
| General Government  | 16,722           | 16,722    | 16,652    | 70                            |
| Public Safety   | -                | -         | -         | -                             |
| Public Works  | -                | -         | -         | -                             |
| Public Health   | -                | -         | -         | -                             |
| Social and Economic Services                              | -                | -         | -         | -                             |
| Culture and Recreation                                    | -                | -         | -         | -                             |
| Housing And Community Development                         | 27,672           | 27,672    | 27,656    | (16)                          |
| Conservation Of Natural Resources                         | -                | -         | -         | -                             |
| Debt service:   |                  |           |           |                               |
| Principal   | -                | -         | -         | -                             |
| Interest  | -                | -         | -         | -                             |
| Capital outlay  | -                | -         | -         | -                             |
| Total expenditures  | 44,394           | 44,394    | 44,308    | 54                            |
| Excess (deficiency) of revenues over (under) expenditures | (533)            | (533)     | 199       | 732                           |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |           |           |                               |
| Transfers Out   | -                | -         | -         | -                             |
| Sale of Fixed Assets                                      | -                | -         | -         | -                             |
| Transfers In  | -                | -         | -         | -                             |
| Bond Proceeds   | -                | -         | -         | -                             |
| Total other financing source (uses)                       | -                | -         | -         | -                             |
| Net change in fund balances                               | (533)            | (533)     | 199       | 700                           |
| Fund balances - beginning                                 | 614              | 614       | 614       | -                             |
| Fund balances - ending                                    | \$ 81            | \$ 81     | \$ 813    | \$ 700                        |

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, 2016

|  | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget |
|--|------------------|------------|------------|-------------------------------|
|  | Original         | Final      |            |                               |
| <b>REVENUES</b>  |                  |            |            |                               |
| Property Taxes   | \$ -             | \$ -       | \$ -       | -                             |
| Licenses and Permits   | 85,000           | 85,000     | 70,060     | (14,940)                      |
| Intergovernmental Revenues                                   | -                | -          | -          | -                             |
| Charges for Services   | -                | -          | -          | -                             |
| Fines and Forfeitures  | -                | -          | -          | -                             |
| Miscellaneous  | -                | -          | -          | -                             |
| Investment Earnings  | 3,000            | 3,000      | 3,999      | 999                           |
| Contributions/Donations                                      | -                | -          | -          | -                             |
| Total revenues   | 88,000           | 88,000     | 74,059     | (13,941)                      |
| <b>EXPENDITURES</b>  |                  |            |            |                               |
| Current:   |                  |            |            |                               |
| General Government   | -                | -          | -          | -                             |
| Public Safety  | -                | -          | -          | -                             |
| Public Works   | -                | -          | -          | -                             |
| Public Health  | -                | -          | -          | -                             |
| Social and Economic Services                                 | -                | -          | -          | -                             |
| Culture and Recreation                                       | -                | -          | -          | -                             |
| Housing And Community<br>Development                         | -                | -          | -          | -                             |
| Conservation of Natural Resource                             | 598,112          | 598,112    | 104,328    | 493,784                       |
| Debt service:  |                  |            |            |                               |
| Principal  | -                | -          | -          | -                             |
| Interest   | -                | -          | -          | -                             |
| Capital outlay   |                  |            |            | -                             |
| Total expenditures   | 598,112          | 598,112    | 104,328    | 493,784                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (510,112)        | (510,112)  | (30,269)   | 479,843                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |            |            |                               |
| Transfers Out  | -                | -          | (10,500)   | (10,500)                      |
| Sale of Fixed Assets   | -                | -          | -          | -                             |
| Transfers In   | -                | -          | -          | -                             |
| Bond Proceeds  | -                | -          | -          | -                             |
| Total other financing source (uses)                          | -                | -          | (10,500)   | (10,500)                      |
| Net change in fund balances                                  | (510,112)        | (510,112)  | (40,769)   | 469,343                       |
| Fund balances - beginning                                    | 501,106          | 501,106    | 501,106    | -                             |
| Fund balances - ending                                       | \$ (9,006)       | \$ (9,006) | \$ 460,337 | \$ 469,343                    |

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, 2016

|  | Budgeted Amounts |         | Actual   | Variance with<br>Final Budget |
|--|------------------|---------|----------|-------------------------------|
|  | Original         | Final   |          |                               |
| <b>REVENUES</b>  |                  |         |          |                               |
| Property Taxes   | \$ -             | \$ -    | \$ -     | \$ -                          |
| Licenses and Permits   | -                | -       | -        | -                             |
| Intergovernmental Revenues                                   | -                | -       | -        | -                             |
| Charges for Services   | -                | -       | -        | -                             |
| Fines and Forfeitures  | -                | -       | -        | -                             |
| Miscellaneous  | -                | -       | -        | -                             |
| Investment Earnings  | -                | -       | -        | -                             |
| Contributions/Donations                                      | -                | -       | -        | -                             |
| Total revenues   | -                | -       | -        | -                             |
| <b>EXPENDITURES</b>  |                  |         |          |                               |
| Current:   |                  |         |          |                               |
| General Government   | -                | -       | -        | -                             |
| Public Safety  | 6,325            | 6,325   | -        | 6,325                         |
| Public Works   | -                | -       | -        | -                             |
| Public Health  | -                | -       | -        | -                             |
| Social and Economic Services                                 | -                | -       | -        | -                             |
| Culture and Recreation                                       | -                | -       | -        | -                             |
| Housing And Community<br>Development                         | -                | -       | -        | -                             |
| Conservation Of Natural Resources                            | -                | -       | -        | -                             |
| Debt service:  |                  |         |          |                               |
| Principal  | -                | -       | -        | -                             |
| Interest   | -                | -       | -        | -                             |
| Capital outlay   | -                | -       | -        | -                             |
| Total expenditures   | 6,325            | 6,325   | -        | 6,325                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (6,325)          | (6,325) | -        | (6,325)                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |         |          |                               |
| Transfers Out  | -                | -       | -        | -                             |
| Sale of Fixed Assets   | -                | -       | -        | -                             |
| Transfers In   | -                | -       | -        | -                             |
| Bond Proceeds  | -                | -       | -        | -                             |
| Total other financing source (uses)                          | -                | -       | -        | -                             |
| Net change in fund balances                                  | (6,325)          | (6,325) | -        | (6,325)                       |
| Fund balances - beginning                                    | 6,347            | 6,347   | 6,347    | -                             |
| Fund balances - ending                                       | \$ 22            | \$ 22   | \$ 6,347 | (6,325)                       |

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, 2016

|   | Budgeted Amounts |              |              | Variance with |
|---|------------------|--------------|--------------|---------------|
|   | Original         | Final        | Actual       | Final Budget  |
| REVENUES  |                  |              |              |               |
| Property Taxes  | \$ 1,317,222     | \$ 1,317,222 | \$ 1,337,495 | \$ 20,273     |
| Licenses and Permits                                      | 180,000          | 180,000      | 227,158      | 47,158        |
| Intergovernmental Revenues                                | 217,969          | 217,969      | 137,883      | (80,086)      |
| Charges for Services                                      | 259,847          | 259,847      | 280,281      | 20,434        |
| Fines and Forfeitures                                     | -                | -            | -            | -             |
| Miscellaneous   | -                | -            | 81,742       | 81,742        |
| Investment Earnings                                       | -                | -            | -            | -             |
| Contributions/Donations                                   | -                | -            | -            | -             |
| Total revenues  | 1,975,038        | 1,975,038    | 2,064,559    | 89,521        |
| EXPENDITURES  |                  |              |              |               |
| Current:  |                  |              |              |               |
| General Government  | -                | -            | -            | -             |
| Public Safety   | -                | -            | -            | -             |
| Public Works  | -                | -            | -            | -             |
| Public Health   | 2,047,820        | 2,122,885    | 1,886,428    | 236,457       |
| Social and Economic Services                              | -                | -            | -            | -             |
| Culture and Recreation                                    | -                | -            | -            | -             |
| Housing And Community Development                         | -                | -            | -            | -             |
| Conservation Of Natural Resources                         | -                | -            | -            | -             |
| Debt service:   |                  |              |              |               |
| Principal   | 141,076          | 141,076      | 40,000       | 101,076       |
| Interest  | -                | -            | 28,688       | (28,688)      |
| Capital outlay  | 358,124          | 283,059      | 15,000       | 268,059       |
| Total expenditures  | 2,547,020        | 2,547,020    | 1,970,116    | 576,904       |
| Excess (deficiency) of revenues over (under) expenditures | (571,982)        | (571,982)    | 94,443       | 666,425       |
| OTHER FINANCING SOURCES (USES)                            |                  |              |              |               |
| Transfers Out   | (146,820)        | (146,820)    | (85,336)     | 61,484        |
| Sale of Fixed Assets                                      | -                | -            | -            | -             |
| Transfers In  | 17,883           | 17,883       | 34,943       | 17,060        |
| Bond Proceeds   | -                | -            | -            | -             |
| Total other financing source (uses)                       | (128,937)        | (128,937)    | (50,393)     | 78,544        |
| Net change in fund balances                               | (700,919)        | (700,919)    | 44,050       | 744,969       |
| Fund balances - beginning                                 | 1,048,606        | 1,048,606    | 1,048,606    | -             |
| Fund balances - ending                                    | \$ 347,687       | \$ 347,687   | \$ 1,092,656 | 744,969       |

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, 2016

|  | Budgeted Amounts |                | Actual          | Variance with<br>Final Budget |
|--|------------------|----------------|-----------------|-------------------------------|
|  | Original         | Final          |                 |                               |
| <b>REVENUES</b>  |                  |                |                 |                               |
| Property Taxes   | \$ -             | \$ -           | \$ -            | -                             |
| Licenses and Permits   | -                | -              | -               | -                             |
| Intergovernmental Revenues                                   | -                | -              | -               | -                             |
| Charges for Services   | 2,000            | 2,000          | 980             | (1,020)                       |
| Fines and Forfeitures  | -                | -              | -               | -                             |
| Miscellaneous  | 500              | 500            | 400             | (100)                         |
| Investment Earnings  | -                | -              | -               | -                             |
| Contributions/Donations                                      | -                | -              | -               | -                             |
| Total revenues   | <u>2,500</u>     | <u>2,500</u>   | <u>1,380</u>    | <u>(1,120)</u>                |
| <b>EXPENDITURES</b>  |                  |                |                 |                               |
| Current:   |                  |                |                 |                               |
| General Government   | -                | -              | -               | -                             |
| Public Safety  | -                | -              | -               | -                             |
| Public Works   | -                | -              | -               | -                             |
| Public Health  | -                | -              | -               | -                             |
| Social and Economic Services                                 | -                | -              | -               | -                             |
| Culture and Recreation                                       | 12,089           | 12,089         | 9,526           | 2,563                         |
| Housing And Community<br>Development                         | -                | -              | -               | -                             |
| Conservation Of Natural Resources                            | -                | -              | -               | -                             |
| Debt service:  |                  |                |                 |                               |
| Principal  | -                | -              | -               | -                             |
| Interest   | -                | -              | -               | -                             |
| Capital outlay   | -                | -              | -               | -                             |
| Total expenditures   | <u>12,089</u>    | <u>12,089</u>  | <u>9,526</u>    | <u>2,563</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(9,589)</u>   | <u>(9,589)</u> | <u>(8,146)</u>  | <u>1,443</u>                  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                |                 |                               |
| Transfers Out  |                  |                |                 |                               |
| Sale of Fixed Assets   |                  |                |                 |                               |
| Transfers In   | 6,000            | 6,000          | 6,000           | -                             |
| Bond Proceeds  |                  |                |                 |                               |
| Total other financing source (uses)                          | <u>6,000</u>     | <u>6,000</u>   | <u>6,000</u>    | <u>-</u>                      |
| Net change in fund balances                                  | (3,589)          | (3,589)        | (2,146)         | 1,443                         |
| Fund balances - beginning                                    | 3,588            | 3,588          | 3,588           | -                             |
| Fund balances - ending                                       | <u>\$ (1)</u>    | <u>\$ (1)</u>  | <u>\$ 1,442</u> | <u>1,443</u>                  |

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, 2016

|   | Budgeted Amounts   |                    |                    | Variance with  |
|---|--------------------|--------------------|--------------------|----------------|
|   | Original           | Final              | Actual             | Final Budget   |
| <b>REVENUES</b>   |                    |                    |                    |                |
| Property Taxes  | \$ 1,752,952       | \$ 1,752,952       | \$ 1,760,448       | 7,496          |
| Licenses and Permits                                      | -                  | -                  | -                  | -              |
| Intergovernmental Revenues                                | 10,000             | 10,000             | -                  | (10,000)       |
| Charges for Services                                      | -                  | -                  | -                  | -              |
| Fines and Forfeitures                                     | -                  | -                  | -                  | -              |
| Miscellaneous   | -                  | -                  | -                  | -              |
| Investment Earnings                                       | -                  | -                  | -                  | -              |
| Contributions/Donations                                   | -                  | -                  | -                  | -              |
| Total revenues  | <u>1,762,952</u>   | <u>1,762,952</u>   | <u>1,760,448</u>   | <u>(2,504)</u> |
| <b>EXPENDITURES</b>                                       |                    |                    |                    |                |
| Current:  |                    |                    |                    |                |
| General Government  | 9,184              | 9,184              | 9,184              | -              |
| Public Safety   | -                  | -                  | -                  | -              |
| Public Works  | -                  | -                  | -                  | -              |
| Public Health   | -                  | -                  | -                  | -              |
| Social and Economic Services                              | -                  | -                  | -                  | -              |
| Culture and Recreation                                    | -                  | -                  | -                  | -              |
| Housing And Community Development                         | -                  | -                  | -                  | -              |
| Conservation Of Natural Resources                         | -                  | -                  | -                  | -              |
| Debt service:   |                    |                    |                    |                |
| Principal   | -                  | -                  | -                  | -              |
| Interest  | -                  | -                  | -                  | -              |
| Capital outlay  | -                  | -                  | -                  | -              |
| Total expenditures  | <u>9,184</u>       | <u>9,184</u>       | <u>9,184</u>       | <u>-</u>       |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,753,768</u>   | <u>1,753,768</u>   | <u>1,751,264</u>   | <u>(2,504)</u> |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                    |                    |                    |                |
| Transfers Out   | (1,792,815)        | (1,792,815)        | (1,792,815)        | -              |
| Sale of Fixed Assets                                      | -                  | -                  | -                  | -              |
| Transfers In  | -                  | -                  | -                  | -              |
| Bond Proceeds   | -                  | -                  | -                  | -              |
| Total other financing source (uses)                       | <u>(1,792,815)</u> | <u>(1,792,815)</u> | <u>(1,792,815)</u> | <u>-</u>       |
| Net change in fund balances                               | (39,047)           | (39,047)           | (41,551)           | (2,504)        |
| Fund balances - beginning                                 | 113,946            | 113,946            | 113,946            | -              |
| Fund balances - ending                                    | <u>\$ 74,899</u>   | <u>\$ 74,899</u>   | <u>\$ 72,395</u>   | <u>(2,504)</u> |

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, 2016

|  | Budgeted Amounts |             | Actual   | Variance with<br>Final Budget |
|--|------------------|-------------|----------|-------------------------------|
|  | Original         | Final       |          |                               |
| <b>REVENUES</b>  |                  |             |          |                               |
| Property Taxes   | \$ -             | \$ -        | \$ -     | -                             |
| Licenses and Permits   | -                | -           | -        | -                             |
| Intergovernmental Revenues                                   | -                | -           | -        | -                             |
| Charges for Services   | -                | -           | -        | -                             |
| Fines and Forfeitures  | 10,000           | 10,000      | 12,997   | 2,997                         |
| Miscellaneous  | -                | -           | -        | -                             |
| Investment Earnings  | -                | -           | -        | -                             |
| Contributions/Donations                                      | -                | -           | -        | -                             |
| Total revenues   | 10,000           | 10,000      | 12,997   | 2,997                         |
| <b>EXPENDITURES</b>  |                  |             |          |                               |
| Current:   |                  |             |          |                               |
| General Government   | -                | -           | -        | -                             |
| Public Safety  | 725              | 725         | 595      | 130                           |
| Public Works   | -                | -           | -        | -                             |
| Public Health  | -                | -           | -        | -                             |
| Social and Economic Services                                 | -                | -           | -        | -                             |
| Culture and Recreation                                       | -                | -           | -        | -                             |
| Housing And Community<br>Development                         | -                | -           | -        | -                             |
| Conservation Of Natural Resources                            | -                | -           | -        | -                             |
| Debt service:  |                  |             |          |                               |
| Principal  | -                | -           | -        | -                             |
| Interest   | -                | -           | -        | -                             |
| Capital outlay   | -                | -           | -        | -                             |
| Total expenditures   | 725              | 725         | 595      | 130                           |
| Excess (deficiency) of revenues<br>over (under) expenditures | 9,275            | 9,275       | 12,402   | 3,127                         |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |             |          |                               |
| Transfers Out  | (23,322)         | (23,322)    | (16,143) | 7,179                         |
| Sale of Fixed Assets   | -                | -           | -        | -                             |
| Transfers In   | -                | -           | -        | -                             |
| Bond Proceeds  | -                | -           | -        | -                             |
| Total other financing source (uses)                          | (23,322)         | (23,322)    | (16,143) | 7,179                         |
| Net change in fund balances                                  | (14,047)         | (14,047)    | (3,741)  | 10,306                        |
| Fund balances - beginning                                    | 3,777            | 3,777       | 3,777    | -                             |
| Fund balances - ending                                       | \$ (10,270)      | \$ (10,270) | \$ 36    | 10,306                        |

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, 2016

|   | Budgeted Amounts         |                          |                          | Variance with         |
|---|--------------------------|--------------------------|--------------------------|-----------------------|
|   | Original                 | Final                    | Actual                   | Final Budget          |
| <b>REVENUES</b>   |                          |                          |                          |                       |
| Property Taxes  | \$ -                     | \$ -                     | \$ -                     | -                     |
| Licenses and Permits                                      | -                        | -                        | -                        | -                     |
| Intergovernmental Revenues                                | -                        | -                        | -                        | -                     |
| Charges for Services                                      | 130,000                  | 130,000                  | 161,934                  | 31,934                |
| Fines and Forfeitures                                     | -                        | -                        | -                        | -                     |
| Miscellaneous   | -                        | -                        | -                        | -                     |
| Investment Earnings                                       | -                        | -                        | -                        | -                     |
| Contributions/Donations                                   | -                        | -                        | -                        | -                     |
| Total revenues  | <u>130,000</u>           | <u>130,000</u>           | <u>161,934</u>           | <u>31,934</u>         |
| <b>EXPENDITURES</b>                                       |                          |                          |                          |                       |
| Current:  |                          |                          |                          |                       |
| General Government  | 169,595                  | 169,595                  | 118,274                  | 51,321                |
| Public Safety   | -                        | -                        | -                        | -                     |
| Public Works  | -                        | -                        | -                        | -                     |
| Public Health   | -                        | -                        | -                        | -                     |
| Social and Economic Services                              | -                        | -                        | -                        | -                     |
| Culture and Recreation                                    | -                        | -                        | -                        | -                     |
| Housing And Community Development                         | -                        | -                        | -                        | -                     |
| Conservation Of Natural Resources                         | -                        | -                        | -                        | -                     |
| Debt service:   |                          |                          |                          |                       |
| Principal   | -                        | -                        | -                        | -                     |
| Interest  | -                        | -                        | -                        | -                     |
| Capital outlay  | 60,400                   | 60,400                   | 20,158                   | 40,242                |
| Total expenditures  | <u>229,995</u>           | <u>229,995</u>           | <u>138,432</u>           | <u>91,563</u>         |
| Excess (deficiency) of revenues over (under) expenditures | <u>(99,995)</u>          | <u>(99,995)</u>          | <u>23,502</u>            | <u>123,497</u>        |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                          |                          |                          |                       |
| Transfers Out   | (12,262)                 | (12,262)                 | -                        | 12,262                |
| Sale of Fixed Assets                                      | -                        | -                        | -                        | -                     |
| Transfers In  | -                        | -                        | -                        | -                     |
| Bond Proceeds   | -                        | -                        | -                        | -                     |
| Total other financing source (uses)                       | <u>(12,262)</u>          | <u>(12,262)</u>          | <u>-</u>                 | <u>-</u>              |
| Net change in fund balances                               | (112,257)                | (112,257)                | 23,502                   | 123,497               |
| Fund balances - beginning                                 | 109,924                  | 109,924                  | 109,924                  | -                     |
| Fund balances - ending                                    | <u><u>\$ (2,333)</u></u> | <u><u>\$ (2,333)</u></u> | <u><u>\$ 133,426</u></u> | <u><u>123,497</u></u> |

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, 2016

|   | Budgeted Amounts |           | Actual     | Variance with<br>Final Budget |
|---|------------------|-----------|------------|-------------------------------|
|   | Original         | Final     |            |                               |
| <b>REVENUES</b>   |                  |           |            |                               |
| Property Taxes  | \$ -             | \$ -      | \$ -       | \$ -                          |
| Licenses and Permits                                      | -                | -         | -          | -                             |
| Intergovernmental Revenues                                | -                | -         | -          | -                             |
| Charges for Services                                      | -                | -         | -          | -                             |
| Fines and Forfeitures                                     | -                | -         | -          | -                             |
| Miscellaneous   | -                | -         | -          | -                             |
| Investment Earnings                                       | -                | -         | -          | -                             |
| Contributions/Donations                                   | -                | -         | -          | -                             |
| Total revenues  | -                | -         | -          | -                             |
| <b>EXPENDITURES</b>                                       |                  |           |            |                               |
| Current:  |                  |           |            |                               |
| General Government  | -                | -         | -          | -                             |
| Public Safety   | -                | -         | -          | -                             |
| Public Works  | -                | -         | -          | -                             |
| Public Health   | -                | -         | -          | -                             |
| Social and Economic Services                              | -                | -         | -          | -                             |
| Culture and Recreation                                    | -                | -         | -          | -                             |
| Housing And Community Development                         | 365,564          | 365,564   | 9          | 365,555                       |
| Conservation Of Natural Resources                         | -                | -         | -          | -                             |
| Debt service:   | -                | -         | -          | -                             |
| Principal   | -                | -         | -          | -                             |
| Interest  | -                | -         | -          | -                             |
| Capital outlay  | -                | -         | -          | -                             |
| Total expenditures  | 365,564          | 365,564   | 9          | 365,555                       |
| Excess (deficiency) of revenues over (under) expenditures | (365,564)        | (365,564) | (9)        | 365,555                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |           |            |                               |
| Transfers Out   |                  |           |            | -                             |
| Sale of Fixed Assets                                      |                  |           |            | -                             |
| Transfers In  |                  |           |            | -                             |
| Bond Proceeds   |                  |           |            | -                             |
| Total other financing source (uses)                       | -                | -         | -          | -                             |
| Net change in fund balances                               | (365,564)        | (365,564) | (9)        | 365,555                       |
| Fund balances - beginning                                 | 365,564          | 365,564   | 365,564    | -                             |
| Fund balances - ending                                    | \$ -             | \$ -      | \$ 365,555 | 365,555                       |

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, 2016

|  | Budgeted Amounts  |                   | Actual           | Variance with<br>Final Budget |
|--|-------------------|-------------------|------------------|-------------------------------|
|  | Original          | Final             |                  |                               |
| <b>REVENUES</b>  |                   |                   |                  |                               |
| Property Taxes   | \$ -              | \$ -              | \$ -             | \$ -                          |
| Licenses and Permits   | 15,000            | 15,000            | 26,543           | 11,543                        |
| Intergovernmental Revenues                                   | -                 | -                 | -                | -                             |
| Charges for Services   | -                 | -                 | -                | -                             |
| Fines and Forfeitures  | -                 | -                 | -                | -                             |
| Miscellaneous  | -                 | -                 | -                | -                             |
| Investment Earnings  | -                 | -                 | -                | -                             |
| Contributions/Donations                                      | -                 | -                 | -                | -                             |
| Total revenues   | 15,000            | 15,000            | 26,543           | 11,543                        |
| <b>EXPENDITURES</b>  |                   |                   |                  |                               |
| Current:   |                   |                   |                  |                               |
| General Government   | -                 | -                 | -                | -                             |
| Public Safety  | 54,548            | 54,548            | 14,566           | (39,982)                      |
| Public Works   | -                 | -                 | -                | -                             |
| Public Health  | -                 | -                 | -                | -                             |
| Social and Economic Services                                 | -                 | -                 | -                | -                             |
| Culture and Recreation                                       | -                 | -                 | -                | -                             |
| Housing And Community<br>Development                         | -                 | -                 | -                | -                             |
| Conservation Of Natural Resources                            | -                 | -                 | -                | -                             |
| Debt service:  |                   |                   |                  |                               |
| Principal  | -                 | -                 | -                | -                             |
| Interest   | -                 | -                 | -                | -                             |
| Capital outlay:  | -                 | -                 | -                | -                             |
| Total expenditures   | 54,548            | 54,548            | 14,566           | (39,982)                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | (39,548)          | (39,548)          | 11,977           | 51,525                        |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                   |                   |                  |                               |
| Transfers Out  | -                 | -                 | -                | -                             |
| Sale of Fixed Assets   | -                 | -                 | -                | -                             |
| Transfers In   | -                 | -                 | -                | -                             |
| Bond Proceeds  | -                 | -                 | -                | -                             |
| Total other financing source (uses)                          | -                 | -                 | -                | -                             |
| Net change in fund balances                                  | (39,548)          | (39,548)          | 11,977           | 51,525                        |
| Fund balances - beginning                                    | 38,316            | 38,316            | 38,316           | -                             |
| Fund balances - ending                                       | <u>\$ (1,232)</u> | <u>\$ (1,232)</u> | <u>\$ 50,293</u> | <u>51,525</u>                 |

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, 2016

|   | Budgeted Amounts |           |           | Variance with |
|---|------------------|-----------|-----------|---------------|
|   | Original         | Final     | Actual    | Final Budget  |
| <b>REVENUES</b>   |                  |           |           |               |
| Property Taxes  | \$ 19,655        | \$ 19,655 | \$ 19,571 | \$ (84)       |
| Licenses and Permits                                      | -                | -         | -         | -             |
| Intergovernmental Revenues                                | -                | -         | 6         | 6             |
| Charges for Services                                      | -                | -         | -         | -             |
| Fines and Forfeitures                                     | -                | -         | -         | -             |
| Miscellaneous   | -                | -         | -         | -             |
| Investment Earnings                                       | -                | -         | -         | -             |
| Contributions/Donations                                   | -                | -         | -         | -             |
| Total revenues  | 19,655           | 19,655    | 19,577    | (78)          |
| <b>EXPENDITURES</b>                                       |                  |           |           |               |
| Current:  |                  |           |           |               |
| General Government  | -                | -         | -         | -             |
| Public Safety   | -                | -         | -         | -             |
| Public Works  | 36,700           | 36,700    | 22,072    | 14,628        |
| Public Health   | -                | -         | -         | -             |
| Social and Economic Services                              | -                | -         | -         | -             |
| Culture and Recreation                                    | -                | -         | -         | -             |
| Housing And Community Development                         | -                | -         | -         | -             |
| Conservation Of Natural Resources                         | -                | -         | -         | -             |
| Debt service:   |                  |           |           |               |
| Principal   | -                | -         | -         | -             |
| Interest  | -                | -         | -         | -             |
| Capital outlay  | -                | -         | -         | -             |
| Total expenditures  | 36,700           | 36,700    | 22,072    | 14,628        |
| Excess (deficiency) of revenues over (under) expenditures | (17,045)         | (17,045)  | (2,495)   | 14,550        |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |           |           |               |
| Transfers Out   | -                | -         | -         | -             |
| Sale of Fixed Assets                                      | -                | -         | -         | -             |
| Transfers In  | -                | -         | -         | -             |
| Bond Proceeds   | -                | -         | -         | -             |
| Total other financing source (uses)                       | -                | -         | -         | -             |
| Net change in fund balances                               | (17,045)         | (17,045)  | (2,495)   | 14,550        |
| Fund balances - beginning                                 | 27,592           | 27,592    | 27,592    | -             |
| Fund balances - ending                                    | \$ 10,547        | \$ 10,547 | \$ 25,097 | 14,550        |

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, 2016

|  | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget |
|--|------------------|------------|------------|-------------------------------|
|  | Original         | Final      |            |                               |
| <b>REVENUES</b>  |                  |            |            |                               |
| Property Taxes   | \$ 249,176       | \$ 249,176 | \$ 262,959 | \$ 13,783                     |
| Licenses and Permits   | -                | -          | -          | -                             |
| Intergovernmental Revenues                                   | -                | 8,500      | 7,405      | (1,095)                       |
| Charges for Services   | 60,965           | 60,965     | 58,340     | (2,625)                       |
| Fines and Forfeitures  | -                | -          | -          | -                             |
| Miscellaneous  | 150              | 150        | 1,109      | 959                           |
| Investment Earnings  | 400              | 400        | 2,598      | 2,198                         |
| Contributions/Donations                                      | -                | -          | -          | -                             |
| Total revenues   | 310,691          | 319,191    | 332,411    | 13,220                        |
| <b>EXPENDITURES</b>  |                  |            |            |                               |
| Current:   |                  |            |            | -                             |
| General Government   | -                | -          | -          | -                             |
| Public Safety  | -                | -          | -          | -                             |
| Public Works   | -                | -          | -          | -                             |
| Public Health  | 316,526          | 321,526    | 261,119    | 60,407                        |
| Social and Economic Services                                 | -                | -          | -          | -                             |
| Culture and Recreation                                       | -                | -          | -          | -                             |
| Housing And Community<br>Development                         | -                | -          | -          | -                             |
| Conservation Of Natural Resources                            | -                | -          | -          | -                             |
| Debt service:  |                  |            |            |                               |
| Principal  | -                | -          | -          | -                             |
| Interest   | -                | -          | -          | -                             |
| Capital outlay   | 118,575          | 122,075    | 2,082      | (119,993)                     |
| Total expenditures   | 435,101          | 443,601    | 263,201    | (59,586)                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | (124,410)        | (124,410)  | 69,210     | 193,620                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |            |            |                               |
| Transfers Out  | -                | -          | -          | -                             |
| Sale of Fixed Assets   | -                | -          | -          | -                             |
| Transfers In   | -                | -          | -          | -                             |
| Bond Proceeds  | -                | -          | -          | -                             |
| Total other financing source (uses)                          | -                | -          | -          | -                             |
| Net change in fund balances                                  | (124,410)        | (124,410)  | 69,210     | 193,620                       |
| Fund balances - beginning                                    | 255,497          | 255,497    | 255,498    | 1                             |
| Fund balances - ending                                       | \$ 131,087       | \$ 131,087 | \$ 324,708 | \$ 193,621                    |

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, 2016

|   | Budgeted Amounts |         |         | Variance with |
|---|------------------|---------|---------|---------------|
|   | Original         | Final   | Actual  | Final Budget  |
| <b>REVENUES</b>   |                  |         |         |               |
| Property Taxes  | \$ -             | \$ -    | \$ -    | \$ -          |
| Licenses and Permits                                      | -                | -       | -       | -             |
| Intergovernmental Revenues                                | 125,000          | 189,127 | 189,127 | -             |
| Charges for Services                                      | -                | -       | -       | -             |
| Fines and Forfeitures                                     | -                | -       | -       | -             |
| Miscellaneous   | -                | -       | -       | -             |
| Investment Earnings                                       | -                | -       | -       | -             |
| Contributions/Donations                                   | -                | -       | -       | -             |
| Total revenues  | 125,000          | 189,127 | 189,127 | -             |
| <b>EXPENDITURES</b>                                       |                  |         |         |               |
| Current:  |                  |         |         |               |
| General Government  | -                | -       | -       | -             |
| Public Safety   | -                | -       | -       | -             |
| Public Works  | -                | -       | -       | -             |
| Public Health   | 125,000          | 189,127 | 189,127 | -             |
| Social and Economic Services                              | -                | -       | -       | -             |
| Culture and Recreation                                    | -                | -       | -       | -             |
| Housing And Community Development                         | -                | -       | -       | -             |
| Conservation Of Natural Resources                         | -                | -       | -       | -             |
| Debt service:   |                  |         |         |               |
| Principal   | -                | -       | -       | -             |
| Interest  | -                | -       | -       | -             |
| Capital outlay  | -                | -       | -       | -             |
| Total expenditures  | 125,000          | 189,127 | 189,127 | -             |
| Excess (deficiency) of revenues over (under) expenditures | -                | -       | -       | -             |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |         |         |               |
| Transfers Out   | -                | -       | -       | -             |
| Sale of Fixed Assets                                      | -                | -       | -       | -             |
| Transfers In  | -                | -       | -       | -             |
| Bond Proceeds   | -                | -       | -       | -             |
| 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  
2801 STATE GRANTS FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

|  | Budgeted Amounts |         | Actual | Variance with<br>Final Budget |
|--|------------------|---------|--------|-------------------------------|
|  | Original         | Final   |        |                               |
| <b>REVENUES</b>  |                  |         |        |                               |
| Property Taxes   | \$ -             | \$ -    | \$ -   | \$ -                          |
| Licenses and Permits   | -                | -       | -      | -                             |
| Intergovernmental Revenues                                   | -                | 202,500 | 82,500 | (120,000)                     |
| Charges for Services   | -                | -       | -      | -                             |
| Fines and Forfeitures  | -                | -       | -      | -                             |
| Miscellaneous  | -                | -       | -      | -                             |
| Investment Earnings  | -                | -       | -      | -                             |
| Contributions/Donations                                      | -                | -       | -      | -                             |
| Total revenues   | -                | 202,500 | 82,500 | (120,000)                     |
| <b>EXPENDITURES</b>  |                  |         |        |                               |
| Current:   |                  |         |        |                               |
| General Government   | -                | -       | -      | -                             |
| Public Safety  | -                | -       | -      | -                             |
| Public Works   | -                | -       | -      | -                             |
| Public Health  | -                | -       | -      | -                             |
| Social and Economic Services                                 | -                | -       | -      | -                             |
| Culture and Recreation                                       | -                | -       | -      | -                             |
| Housing And Community  | -                | -       | -      | -                             |
| Development  | -                | 202,500 | 82,500 | 120,000                       |
| Conservation Of Natural Resources                            | -                | -       | -      | -                             |
| Debt service:  |                  |         |        |                               |
| Principal  | -                | -       | -      | -                             |
| Interest   | -                | -       | -      | -                             |
| Capital outlay   | -                | -       | -      | -                             |
| Total expenditures   | -                | 202,500 | 82,500 | 120,000                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -       | -      | -                             |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |         |        |                               |
| Transfers Out  | -                | -       | -      | -                             |
| Sale of Fixed Assets   | -                | -       | -      | -                             |
| Transfers In   | -                | -       | -      | -                             |
| Bond Proceeds  | -                | -       | -      | -                             |
| Total other financing source (uses)                          | -                | -       | -      | -                             |
| Net change in fund balances                                  | -                | -       | -      | -                             |
| Fund balances - beginning                                    | -                | -       | -      | -                             |
| Fund balances - ending                                       | \$ -             | \$ -    | \$ -   | \$ -                          |

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, 2016

|  | Budgeted Amounts  |                   |                   |                               |
|--|-------------------|-------------------|-------------------|-------------------------------|
|  | Original          | Final             | Actual            | Variance with<br>Final Budget |
| <b>REVENUES</b>                                      |                   |                   |                   |                               |
| Property Taxes                                       | \$ -              | \$ -              | \$ -              | -                             |
| Licenses and Permits                                 | -                 | -                 | -                 | -                             |
| Intergovernmental Revenues                           | 315,600           | 315,600           | 316,919           | 1,319                         |
| Charges for Services                                 | -                 | -                 | -                 | -                             |
| Fines and Forfeitures                                | -                 | -                 | -                 | -                             |
| Miscellaneous  | -                 | -                 | -                 | -                             |
| Investment Earnings                                  | -                 | -                 | -                 | -                             |
| Contributions/Donations                              | -                 | -                 | -                 | -                             |
| Total revenues                                       | <u>315,600</u>    | <u>315,600</u>    | <u>316,919</u>    | <u>1,319</u>                  |
| <b>EXPENDITURES</b>                                  |                   |                   |                   |                               |
| Current:   |                   |                   |                   |                               |
| General Government                                   | -                 | -                 | -                 | -                             |
| Public Safety  | -                 | -                 | -                 | -                             |
| Public Works   | 905,551           | 905,551           | 71,193            | 834,358                       |
| Public Health  | -                 | -                 | -                 | -                             |
| Social and Economic Services                         | -                 | -                 | -                 | -                             |
| Culture and Recreation                               | -                 | -                 | -                 | -                             |
| Housing And Community<br>Development                 | -                 | -                 | -                 | -                             |
| Conservation Of Natural Resources                    | -                 | -                 | -                 | -                             |
| Debt service:  |                   |                   |                   |                               |
| Principal  | -                 | -                 | -                 | -                             |
| Interest   | -                 | -                 | -                 | -                             |
| Capital outlay                                       | -                 | -                 | -                 | -                             |
| Total expenditures                                   | <u>905,551</u>    | <u>905,551</u>    | <u>71,193</u>     | <u>834,358</u>                |
| Excess (deficiency) of revenues<br>over expenditures | <u>(589,951)</u>  | <u>(589,951)</u>  | <u>245,726</u>    | <u>835,677</u>                |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                   |                   |                   |                               |
| Transfers Out  | -                 | -                 | -                 | -                             |
| Sale of Fixed Assets                                 | -                 | -                 | -                 | -                             |
| Transfers In   | -                 | -                 | -                 | -                             |
| Bond Proceeds  | -                 | -                 | -                 | -                             |
| Total other financing source<br>(uses)               | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                      |
| Net change in fund balances                          | (589,951)         | (589,951)         | 245,726           | 835,677                       |
| Fund balances - beginning                            | 583,514           | 583,514           | 583,514           | -                             |
| Fund balances - ending                               | <u>\$ (6,437)</u> | <u>\$ (6,437)</u> | <u>\$ 829,240</u> | <u>\$ 835,677</u>             |

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, 2016

|   | Budgeted Amounts |          |           | Variance with |
|---|------------------|----------|-----------|---------------|
|   | Original         | Final    | Actual    | Final Budget  |
| <b>REVENUES</b>                                   |                  |          |           |               |
| Property Taxes                                    | \$ -             | \$ -     | \$ -      | -             |
| Licenses and Permits                              | -                | -        | -         | -             |
| Intergovernmental Revenues                        | 24,228           | 24,228   | 57,014    | 32,786        |
| Charges for Services                              | -                | -        | -         | -             |
| Fines and Forfeitures                             | -                | -        | -         | -             |
| Miscellaneous                                     | -                | -        | -         | -             |
| Investment Earnings                               | -                | -        | -         | -             |
| Contributions/Donations                           | -                | -        | -         | -             |
| Total revenues                                    | 24,228           | 24,228   | 57,014    | 32,786        |
| <b>EXPENDITURES</b>                               |                  |          |           |               |
| Current:  |                  |          |           |               |
| General Government                                | -                | -        | -         | -             |
| Public Safety                                     | -                | -        | -         | -             |
| Public Works                                      | 69,093           | 69,093   | 54,652    | 14,441        |
| Public Health                                     | -                | -        | -         | -             |
| Social and Economic Services                      | -                | -        | -         | -             |
| Culture and Recreation                            | -                | -        | -         | -             |
| Housing And Community Development                 | -                | -        | -         | -             |
| Conservation Of Natural Resources                 | -                | -        | -         | -             |
| Debt service:                                     |                  |          |           |               |
| Principal   | -                | -        | -         | -             |
| Interest  | -                | -        | -         | -             |
| Capital outlay                                    | -                | -        | -         | -             |
| Total expenditures                                | 69,093           | 69,093   | 54,652    | 14,441        |
| Excess (deficiency) of revenues over expenditures | (44,865)         | (44,865) | 2,362     | 47,227        |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |          |           |               |
| Transfers Out                                     | (51,795)         | (51,795) | -         | 51,795        |
| Sale of Fixed Assets                              | -                | -        | -         | -             |
| Transfers In                                      | -                | -        | -         | -             |
| Bond Proceeds                                     | -                | -        | -         | -             |
| Total other financing source (uses)               | (51,795)         | (51,795) | -         | 51,795        |
| Net change in fund balances                       | (96,660)         | (96,660) | 2,362     | 99,022        |
| Fund balances - beginning                         | 96,109           | 96,109   | 96,109    | -             |
| Fund balances - ending                            | \$ (551)         | \$ (551) | \$ 98,471 | \$ 99,022     |

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, 2016

|  | Budgeted Amounts |                | Actual           | Variance with<br>Final Budget |
|--|------------------|----------------|------------------|-------------------------------|
|  | Original         | Final          |                  |                               |
| <b>REVENUES</b>  |                  |                |                  |                               |
| Property Taxes   | \$ -             | \$ -           | \$ -             | \$ -                          |
| Licenses and Permits   | -                | -              | -                | -                             |
| Intergovernmental Revenues                                   | 113,769          | 113,769        | 119,513          | 5,744                         |
| Charges for Services   | -                | -              | -                | -                             |
| Fines and Forfeitures  | -                | -              | -                | -                             |
| Miscellaneous  | -                | -              | -                | -                             |
| Investment Earnings  | -                | -              | -                | -                             |
| Contributions/Donations                                      | -                | -              | -                | -                             |
| Total revenues   | <u>113,769</u>   | <u>113,769</u> | <u>119,513</u>   | <u>5,744</u>                  |
| <b>EXPENDITURES</b>  |                  |                |                  |                               |
| Current:   |                  |                |                  |                               |
| General Government   | -                | -              | -                | -                             |
| Public Safety  | -                | -              | -                | -                             |
| Public Works   | -                | -              | -                | -                             |
| Public Health  | 113,069          | 113,069        | 106,626          | 6,443                         |
| Social and Economic Services                                 | -                | -              | -                | -                             |
| Culture and Recreation                                       | -                | -              | -                | -                             |
| Housing And Community<br>Development                         | -                | -              | -                | -                             |
| Conservation Of Natural Resources                            | -                | -              | -                | -                             |
| Debt service:  |                  |                |                  | -                             |
| Principal  | -                | -              | -                | -                             |
| Interest   | -                | -              | -                | -                             |
| Capital outlay   | -                | -              | -                | -                             |
| Total expenditures   | <u>113,069</u>   | <u>113,069</u> | <u>106,626</u>   | <u>6,443</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>700</u>       | <u>700</u>     | <u>12,887</u>    | <u>12,187</u>                 |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                |                  |                               |
| Transfers Out  | -                | -              | -                | -                             |
| Sale of Fixed Assets   | -                | -              | -                | -                             |
| Transfers In   | -                | -              | -                | -                             |
| Bond Proceeds  | -                | -              | -                | -                             |
| Total other financing source (uses)                          | <u>-</u>         | <u>-</u>       | <u>-</u>         | <u>-</u>                      |
| Net change in fund balances                                  | 700              | 700            | 12,887           | 12,187                        |
| Fund balances - beginning                                    | (710)            | (710)          | (710)            | -                             |
| Fund balances - ending                                       | <u>\$ (10)</u>   | <u>\$ (10)</u> | <u>\$ 12,177</u> | <u>\$ 12,187</u>              |

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, 2016

|  | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|--|------------------|-----------------|-----------------|-------------------------------|
|  | Original         | Final           |                 |                               |
| <b>REVENUES</b>  |                  |                 |                 |                               |
| Property Taxes   | \$ -             | \$ -            | \$ -            | \$ -                          |
| Licenses and Permits   | -                | -               | -               | -                             |
| Intergovernmental Revenues                                   | 7,500            | 7,500           | 7,500           | -                             |
| Charges for Services   | -                | -               | -               | -                             |
| Fines and Forfeitures  | -                | -               | -               | -                             |
| Miscellaneous  | -                | -               | -               | -                             |
| Investment Earnings  | -                | -               | -               | -                             |
| Contributions/Donations                                      | -                | -               | -               | -                             |
| Total revenues   | <u>7,500</u>     | <u>7,500</u>    | <u>7,500</u>    | <u>-</u>                      |
| <b>EXPENDITURES</b>  |                  |                 |                 |                               |
| Current:   |                  |                 |                 |                               |
| General Government   | -                | -               | -               | -                             |
| Public Safety  | -                | -               | -               | -                             |
| Public Works   | 2,833            | 4,413           | 639             | 3,774                         |
| Public Health  | -                | -               | -               | -                             |
| Social and Economic Services                                 | -                | -               | -               | -                             |
| Culture and Recreation                                       | -                | -               | -               | -                             |
| Housing And Community<br>Development                         | -                | -               | -               | -                             |
| Conservation Of Natural Resources                            | -                | -               | -               | -                             |
| Debt service:  |                  |                 |                 |                               |
| Principal  | -                | -               | -               | -                             |
| Interest   | -                | -               | -               | -                             |
| Capital outlay   | 13,000           | 14,420          | 14,427          | (7)                           |
| Total expenditures   | <u>15,833</u>    | <u>18,833</u>   | <u>15,066</u>   | <u>3,767</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(8,333)</u>   | <u>(11,333)</u> | <u>(7,566)</u>  | <u>3,767</u>                  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                 |                 |                               |
| Transfers Out  | -                | -               | -               | -                             |
| Sale of Fixed Assets   | -                | -               | -               | -                             |
| Transfers In   | -                | 3,000           | 3,000           | -                             |
| Bond Proceeds  | -                | -               | -               | -                             |
| Total other financing source (uses)                          | <u>-</u>         | <u>3,000</u>    | <u>3,000</u>    | <u>-</u>                      |
| Net change in fund balances                                  | (8,333)          | (8,333)         | (4,566)         | 3,767                         |
| Fund balances - beginning                                    | 8,332            | 8,332           | 8,332           | -                             |
| Fund balances - ending                                       | <u>\$ (1)</u>    | <u>\$ (1)</u>   | <u>\$ 3,766</u> | <u>\$ 3,767</u>               |

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, 2016

|  | Budgeted Amounts   |                    | Actual            | Variance with<br>Final Budget |
|--|--------------------|--------------------|-------------------|-------------------------------|
|  | Original           | Final              |                   |                               |
| <b>REVENUES</b>  |                    |                    |                   |                               |
| Property Taxes   | \$ -               | \$ -               | \$ -              | \$ -                          |
| Licenses and Permits   | -                  | -                  | -                 | -                             |
| Intergovernmental Revenues                                   | 650,000            | 650,000            | 675,766           | 25,766                        |
| Charges for Services   | -                  | -                  | -                 | -                             |
| Fines and Forfeitures  | -                  | -                  | -                 | -                             |
| Miscellaneous  | -                  | -                  | -                 | -                             |
| Investment Earnings  | -                  | -                  | 8,240             | 8,240                         |
| Contributions/Donations                                      | -                  | -                  | -                 | -                             |
| Total revenues   | <u>650,000</u>     | <u>650,000</u>     | <u>684,006</u>    | <u>34,006</u>                 |
| <b>EXPENDITURES</b>  |                    |                    |                   |                               |
| Current:   |                    |                    |                   |                               |
| General Government   | -                  | -                  | -                 | -                             |
| Public Safety  | 774,613            | 774,613            | 722,135           | 52,478                        |
| Public Works   | -                  | -                  | -                 | -                             |
| Public Health  | -                  | -                  | -                 | -                             |
| Social and Economic Services                                 | -                  | -                  | -                 | -                             |
| Culture and Recreation                                       | -                  | -                  | -                 | -                             |
| Housing And Community<br>Development                         | -                  | -                  | -                 | -                             |
| Conservation Of Natural Resources                            | -                  | -                  | -                 | -                             |
| Debt service:  |                    |                    |                   | -                             |
| Principal  | -                  | -                  | -                 | -                             |
| Interest   | -                  | -                  | -                 | -                             |
| Capital outlay   | 937,219            | 937,219            | 107,585           | 829,634                       |
| Total expenditures   | <u>1,711,832</u>   | <u>1,711,832</u>   | <u>829,720</u>    | <u>882,112</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,061,832)</u> | <u>(1,061,832)</u> | <u>(145,714)</u>  | <u>916,118</u>                |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                    |                    |                   |                               |
| Transfers Out  | -                  | -                  | -                 | -                             |
| Sale of Fixed Assets   | -                  | -                  | -                 | -                             |
| Transfers In   | -                  | -                  | -                 | -                             |
| Bond Proceeds  | -                  | -                  | -                 | -                             |
| Total other financing source (uses)                          | <u>-</u>           | <u>-</u>           | <u>-</u>          | <u>-</u>                      |
| Net change in fund balances                                  | (1,061,832)        | (1,061,832)        | (145,714)         | 916,118                       |
| Fund balances - beginning                                    | 1,050,667          | 1,050,667          | 1,050,667         | -                             |
| Fund balances - ending                                       | <u>\$ (11,165)</u> | <u>\$ (11,165)</u> | <u>\$ 904,953</u> | <u>\$ 916,118</u>             |

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, 2016

|                                     | Budgeted Amounts |                 |                  | Variance with    |
|-------------------------------------|------------------|-----------------|------------------|------------------|
|                                     | Original         | Final           | Actual           | Final Budget     |
| <b>REVENUES</b>                     |                  |                 |                  |                  |
| Property Taxes                      | \$ -             | \$ -            | \$ -             | \$ -             |
| Licenses and Permits                | -                | -               | -                | -                |
| Intergovernmental Revenues          | -                | -               | -                | -                |
| Charges for Services                | 25,000           | 25,000          | 34,920           | 9,920            |
| Fines and Forfeitures               | -                | -               | -                | -                |
| Miscellaneous                       | -                | -               | -                | -                |
| Investment Earnings                 | -                | -               | 201              | 201              |
| Contributions/Donations             | -                | -               | -                | -                |
| Total revenues                      | <u>25,000</u>    | <u>25,000</u>   | <u>35,121</u>    | <u>10,121</u>    |
| <b>EXPENDITURES</b>                 |                  |                 |                  |                  |
| Current:                            |                  |                 |                  |                  |
| General Government                  | 8,858            | 8,858           | 1,480            | 7,378            |
| Public Safety                       | -                | -               | -                | -                |
| Public Works                        | -                | -               | -                | -                |
| Public Health                       | -                | -               | -                | -                |
| Social and Economic Services        | -                | -               | -                | -                |
| Culture and Recreation              | -                | -               | -                | -                |
| Housing And Community               |                  |                 |                  |                  |
| Development                         | -                | -               | -                | -                |
| Conservation Of Natural Resources   | -                | -               | -                | -                |
| Debt service:                       |                  |                 |                  | -                |
| Principal                           | -                | -               | -                | -                |
| Interest                            | -                | -               | -                | -                |
| Capital outlay                      | -                | -               | -                | -                |
| Total expenditures                  | <u>8,858</u>     | <u>8,858</u>    | <u>1,480</u>     | <u>7,378</u>     |
| Excess (deficiency) of revenues     |                  |                 |                  |                  |
| over (under) expenditures           | <u>16,142</u>    | <u>16,142</u>   | <u>33,641</u>    | <u>17,499</u>    |
| <b>OTHER FINANCING SOURCES</b>      |                  |                 |                  |                  |
| <b>(USES)</b>                       |                  |                 |                  |                  |
| Transfers Out                       | (30,000)         | (30,000)        | (30,000)         | -                |
| Sale of Fixed Assets                | -                | -               | -                | -                |
| Transfers In                        | -                | -               | -                | -                |
| Bond Proceeds                       | -                | -               | -                | -                |
| Total other financing source (uses) | <u>(30,000)</u>  | <u>(30,000)</u> | <u>(30,000)</u>  | <u>-</u>         |
| Net change in fund balances         | (13,858)         | (13,858)        | 3,641            | 17,499           |
| Fund balances - beginning           | 13,182           | 13,182          | 13,182           | -                |
| Fund balances - ending              | <u>\$ (676)</u>  | <u>\$ (676)</u> | <u>\$ 16,823</u> | <u>\$ 17,499</u> |

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, 2016

|  | Budgeted Amounts |       | Actual | Variance with<br>Final Budget |
|--|------------------|-------|--------|-------------------------------|
|  | Original         | Final |        |                               |
| <b>REVENUES</b>  |                  |       |        |                               |
| Property Taxes   | \$ -             | \$ -  | \$ -   | \$ -                          |
| Licenses and Permits   | -                | -     | -      | -                             |
| Intergovernmental Revenues                                   | -                | -     | -      | -                             |
| Charges for Services   | -                | -     | -      | -                             |
| Fines and Forfeitures  | -                | -     | -      | -                             |
| Miscellaneous  | -                | -     | -      | -                             |
| Investment Earnings  | -                | -     | -      | -                             |
| Contributions/Donations                                      | -                | -     | -      | -                             |
| Total revenues   | -                | -     | -      | -                             |
| <b>EXPENDITURES</b>  |                  |       |        |                               |
| Current:   |                  |       |        |                               |
| General Government   | -                | -     | -      | -                             |
| Public Safety  | -                | -     | -      | -                             |
| Public Works   | -                | -     | -      | -                             |
| Public Health  | -                | -     | -      | -                             |
| Social and Economic Services                                 | -                | -     | -      | -                             |
| Culture and Recreation                                       | -                | -     | -      | -                             |
| Housing And Community<br>Development                         | -                | -     | -      | -                             |
| Conservation Of Natural Resources                            | -                | -     | -      | -                             |
| Debt service:  |                  |       |        | -                             |
| Principal  | -                | -     | -      | -                             |
| Interest   | -                | -     | -      | -                             |
| Capital outlay   | -                | -     | -      | -                             |
| Total expenditures   | -                | -     | -      | -                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -     | -      | -                             |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |       |        |                               |
| Transfers Out  | -                | -     | -      | -                             |
| Sale of Fixed Assets   | -                | -     | -      | -                             |
| Transfers In   | -                | -     | -      | -                             |
| Bond Proceeds  | -                | -     | -      | -                             |
| Total other financing source (uses)                          | -                | -     | -      | -                             |
| Net change in fund balances                                  | -                | -     | -      | -                             |
| Fund balances - beginning                                    | 70               | 70    | 70     | -                             |
| Fund balances - ending                                       | \$ 70            | \$ 70 | \$ 70  | \$ -                          |

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, 2016

|  | Budgeted Amounts   |                | Actual         | Variance with<br>Final Budget |
|--|--------------------|----------------|----------------|-------------------------------|
|  | Original           | Final          |                |                               |
| <b>REVENUES</b>  |                    |                |                |                               |
| Property Taxes   | \$ -               | \$ -           | \$ -           | \$ -                          |
| Licenses and Permits   | -                  | -              | -              | -                             |
| Intergovernmental Revenues                                   | 43,377             | 156,452        | 132,762        | (23,690)                      |
| Charges for Services   | -                  | -              | 1,712          | 1,712                         |
| Fines and Forfeitures  | -                  | -              | -              | -                             |
| Miscellaneous  | -                  | -              | -              | -                             |
| Investment Earnings  | -                  | -              | -              | -                             |
| Contributions/Donations                                      | -                  | -              | -              | -                             |
| Total revenues   | <u>43,377</u>      | <u>156,452</u> | <u>134,474</u> | <u>(21,978)</u>               |
| <b>EXPENDITURES</b>  |                    |                |                |                               |
| Current:   |                    |                |                |                               |
| General Government   | -                  | -              | -              | -                             |
| Public Safety  | 89,272             | 164,909        | 126,529        | 38,380                        |
| Public Works   | -                  | -              | -              | -                             |
| Public Health  | -                  | -              | -              | -                             |
| Social and Economic Services                                 | -                  | -              | -              | -                             |
| Culture and Recreation                                       | -                  | -              | -              | -                             |
| Housing And Community<br>Development                         | -                  | -              | -              | -                             |
| Conservation Of Natural Resources                            | -                  | -              | -              | -                             |
| Debt service:  |                    |                |                |                               |
| Principal  | -                  | -              | -              | -                             |
| Interest   | -                  | -              | -              | -                             |
| Capital outlay   | -                  | -              | 8,488          | (8,488)                       |
| Total expenditures   | <u>89,272</u>      | <u>164,909</u> | <u>135,017</u> | <u>29,892</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>-</u>           | <u>(8,457)</u> | <u>(543)</u>   | <u>7,914</u>                  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                    |                |                |                               |
| Transfers Out  | -                  | -              | -              | -                             |
| Sale of Fixed Assets   | -                  | -              | -              | -                             |
| Transfers In   | -                  | 8,457          | 544            | (7,913)                       |
| Bond Proceeds  | -                  | -              | -              | -                             |
| Total other financing source (uses)                          | <u>-</u>           | <u>8,457</u>   | <u>544</u>     | <u>(7,913)</u>                |
| Net change in fund balances                                  | (45,895)           | -              | 1              | 1                             |
| Fund balances - beginning                                    | -                  | -              | -              | -                             |
| Fund balances - ending                                       | <u>\$ (45,895)</u> | <u>\$ -</u>    | <u>\$ 1</u>    | <u>\$ 1</u>                   |

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, 2016

|  | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|--|------------------|-----------------|-----------------|-------------------------------|
|  | Original         | Final           |                 |                               |
| <b>REVENUES</b>  |                  |                 |                 |                               |
| Property Taxes   | \$ -             | \$ -            | \$ -            | \$ -                          |
| Licenses and Permits   | -                | -               | -               | -                             |
| Intergovernmental Revenues                                   | 161,112          | 161,112         | 161,112         | -                             |
| Charges for Services   | 8,823            | 8,823           | 5,763           | (3,060)                       |
| Fines and Forfeitures  | -                | -               | -               | -                             |
| Miscellaneous  | -                | -               | -               | -                             |
| Investment Earnings  | -                | -               | -               | -                             |
| Contributions/Donations                                      | -                | -               | -               | -                             |
| Total revenues   | <u>169,935</u>   | <u>169,935</u>  | <u>166,875</u>  | <u>(3,060)</u>                |
| <b>EXPENDITURES</b>  |                  |                 |                 |                               |
| Current:   |                  |                 |                 |                               |
| General Government   | -                | -               | -               | -                             |
| Public Safety  | 256,064          | 256,064         | 229,557         | 26,507                        |
| Public Works   | -                | -               | -               | -                             |
| Public Health  | -                | -               | -               | -                             |
| Social and Economic Services                                 | -                | -               | -               | -                             |
| Culture and Recreation                                       | -                | -               | -               | -                             |
| Housing And Community<br>Development                         | -                | -               | -               | -                             |
| Conservation Of Natural Resources                            | -                | -               | -               | -                             |
| Debt service:  |                  |                 |                 |                               |
| Principal  | -                | -               | -               | -                             |
| Interest   | -                | -               | -               | -                             |
| Capital outlay   | -                | -               | -               | -                             |
| Total expenditures   | <u>256,064</u>   | <u>256,064</u>  | <u>229,557</u>  | <u>26,507</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(86,129)</u>  | <u>(86,129)</u> | <u>(62,682)</u> | <u>23,447</u>                 |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                 |                 |                               |
| Transfers Out  | -                | -               | -               | -                             |
| Sale of Fixed Assets   | -                | -               | -               | -                             |
| Transfers In   | 89,126           | 89,126          | 62,686          | (26,440)                      |
| Bond Proceeds  | -                | -               | -               | -                             |
| Total other financing source (uses)                          | <u>89,126</u>    | <u>89,126</u>   | <u>62,686</u>   | <u>(26,440)</u>               |
| Net change in fund balances                                  | 2,997            | 2,997           | 4               | (2,993)                       |
| Fund balances - beginning                                    | 4,192            | 4,192           | 4,192           | -                             |
| Fund balances - ending                                       | <u>\$ 7,189</u>  | <u>\$ 7,189</u> | <u>\$ 4,196</u> | <u>\$ (2,993)</u>             |

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, 2016

|  | Budgeted Amounts   |                    | Actual              | Variance with<br>Final Budget |
|--|--------------------|--------------------|---------------------|-------------------------------|
|  | Original           | Final              |                     |                               |
| <b>REVENUES</b>  |                    |                    |                     |                               |
| Property Taxes   | \$ -               | \$ -               | \$ -                | \$ -                          |
| Licenses and Permits   | -                  | -                  | -                   | -                             |
| Intergovernmental Revenues                                   | -                  | -                  | 1,765,457           | 1,765,457                     |
| Charges for Services   | 100                | 100                | -                   | (100)                         |
| Fines and Forfeitures  | -                  | -                  | -                   | -                             |
| Miscellaneous  | -                  | -                  | -                   | -                             |
| Investment Earnings  | -                  | -                  | -                   | -                             |
| Contributions/Donations                                      | -                  | -                  | -                   | -                             |
| Total revenues   | <u>100</u>         | <u>100</u>         | <u>1,765,457</u>    | <u>1,765,357</u>              |
| <b>EXPENDITURES</b>  |                    |                    |                     |                               |
| Current:   |                    |                    |                     |                               |
| General Government   | 1,148,485          | 1,280,461          | 584,430             | 696,031                       |
| Public Safety  | 113,000            | 113,000            | 69,577              | 43,423                        |
| Public Works   | 10,000             | 10,000             | -                   | 10,000                        |
| Public Health  | -                  | -                  | -                   | -                             |
| Social and Economic Services                                 | 95,000             | 95,000             | 57,281              | 37,719                        |
| Culture and Recreation                                       | -                  | -                  | -                   | -                             |
| Housing And Community<br>Development                         | -                  | -                  | -                   | -                             |
| Conservation Of Natural Resources                            | -                  | -                  | -                   | -                             |
| Debt service:  |                    |                    |                     | -                             |
| Principal  | 654,211            | 654,211            | 145,366             | 508,845                       |
| Interest   | 23,000             | 23,000             | 6,585               | 16,415                        |
| Capital outlay   | 549,474            | 417,498            | 96,760              | 320,738                       |
| Total expenditures   | <u>2,593,170</u>   | <u>2,593,170</u>   | <u>959,999</u>      | <u>1,633,171</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(2,593,070)</u> | <u>(2,593,070)</u> | <u>805,458</u>      | <u>3,398,528</u>              |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                    |                    |                     |                               |
| Transfers Out  | (339,404)          | (339,404)          | (149,683)           | 189,721                       |
| Sale of Fixed Assets   | -                  | -                  | -                   | -                             |
| Transfers In   | -                  | -                  | 61,138              | 61,138                        |
| Bond Proceeds  | -                  | -                  | -                   | -                             |
| Total other financing source (uses)                          | <u>(339,404)</u>   | <u>(339,404)</u>   | <u>(88,545)</u>     | <u>250,859</u>                |
| Net change in fund balances                                  | (2,932,474)        | (2,932,474)        | 716,913             | 3,649,387                     |
| Fund balances - beginning                                    | 3,388,363          | 3,388,363          | 3,388,363           | -                             |
| Fund balances - ending                                       | <u>\$ 455,889</u>  | <u>\$ 455,889</u>  | <u>\$ 4,105,276</u> | <u>\$ 3,649,387</u>           |

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, 2016

|  | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|--|------------------|----------|----------|-------------------------------|
|  | Original         | Final    |          |                               |
| <b>REVENUES</b>  |                  |          |          |                               |
| Property Taxes   | \$ -             | \$ -     | \$ -     | \$ -                          |
| Licenses and Permits   | -                | -        | -        | -                             |
| Intergovernmental Revenues                                   | -                | -        | -        | -                             |
| Charges for Services   | -                | -        | -        | -                             |
| Fines and Forfeitures  | -                | -        | -        | -                             |
| Miscellaneous  | -                | -        | -        | -                             |
| Investment Earnings  | -                | -        | -        | -                             |
| Contributions/Donations                                      | -                | -        | -        | -                             |
| Total revenues   | -                | -        | -        | -                             |
| <b>EXPENDITURES</b>  |                  |          |          |                               |
| Current:   |                  |          |          |                               |
| General Government   | -                | -        | -        | -                             |
| Public Safety  | 1,620            | 1,620    | -        | 1,620                         |
| Public Works   | -                | -        | -        | -                             |
| Public Health  | -                | -        | -        | -                             |
| Social and Economic Services                                 | -                | -        | -        | -                             |
| Culture and Recreation                                       | -                | -        | -        | -                             |
| Housing And Community<br>Development                         | -                | -        | -        | -                             |
| Conservation Of Natural Resources                            | -                | -        | -        | -                             |
| Debt service:  |                  |          |          | -                             |
| Principal  | -                | -        | -        | -                             |
| Interest   | -                | -        | -        | -                             |
| Capital outlay   | -                | -        | -        | -                             |
| Total expenditures   | 1,620            | 1,620    | -        | 1,620                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,620)          | (1,620)  | -        | 1,620                         |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |          |          |                               |
| Transfers Out  | -                | -        | -        | -                             |
| Sale of Fixed Assets   | -                | -        | -        | -                             |
| Transfers In   | -                | -        | -        | -                             |
| Bond Proceeds  | -                | -        | -        | -                             |
| Total other financing source (uses)                          | -                | -        | -        | -                             |
| Net change in fund balances                                  | (1,620)          | (1,620)  | -        | 1,620                         |
| Fund balances - beginning                                    | \$ 1,620         | \$ 1,620 | \$ 1,620 | -                             |
| Fund balances - ending                                       | \$ -             | \$ -     | \$ 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, 2016

|  | Budgeted Amounts  |                   | Actual          | Variance with<br>Final Budget |
|--|-------------------|-------------------|-----------------|-------------------------------|
|  | Original          | Final             |                 |                               |
| <b>REVENUES</b>  |                   |                   |                 |                               |
| Property Taxes   | \$ -              | \$ -              | \$ -            | \$ -                          |
| Licenses and Permits   | -                 | -                 | -               | -                             |
| Intergovernmental Revenues                                   | 51,000            | 51,000            | 50,061          | (939)                         |
| Charges for Services   | -                 | -                 | -               | -                             |
| Fines and Forfeitures  | -                 | -                 | -               | -                             |
| Miscellaneous  | -                 | -                 | -               | -                             |
| Investment Earnings  | -                 | -                 | -               | -                             |
| Contributions/Donations                                      | -                 | -                 | -               | -                             |
| Total revenues   | <u>51,000</u>     | <u>51,000</u>     | <u>50,061</u>   | <u>(939)</u>                  |
| <b>EXPENDITURES</b>  |                   |                   |                 |                               |
| Current:   |                   |                   |                 |                               |
| General Government   | -                 | -                 | -               | -                             |
| Public Safety  | 96,797            | 98,378            | 98,035          | 343                           |
| Public Works   | -                 | -                 | -               | -                             |
| Public Health  | -                 | -                 | -               | -                             |
| Social and Economic Services                                 | -                 | -                 | -               | -                             |
| Culture and Recreation                                       | -                 | -                 | -               | -                             |
| Housing And Community<br>Development                         | -                 | -                 | -               | -                             |
| Conservation Of Natural Resources                            | -                 | -                 | -               | -                             |
| Debt service:  |                   |                   |                 | -                             |
| Principal  | -                 | -                 | -               | -                             |
| Interest   | -                 | -                 | -               | -                             |
| Capital outlay   | -                 | -                 | -               | -                             |
| Total expenditures   | <u>96,797</u>     | <u>98,378</u>     | <u>98,035</u>   | <u>343</u>                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(45,797)</u>   | <u>(47,378)</u>   | <u>(47,974)</u> | <u>(596)</u>                  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                   |                   |                 |                               |
| Transfers Out  | -                 | -                 | -               | -                             |
| Sale of Fixed Assets   | -                 | -                 | -               | -                             |
| Transfers In   | 37,811            | 39,392            | 47,975          | 8,583                         |
| Bond Proceeds  | -                 | -                 | -               | -                             |
| Total other financing source (uses)                          | <u>37,811</u>     | <u>39,392</u>     | <u>47,975</u>   | <u>8,583</u>                  |
| Net change in fund balances                                  | (7,986)           | (7,986)           | 1               | 7,987                         |
| Fund balances - beginning                                    | -                 | -                 | -               | -                             |
| Fund balances - ending                                       | <u>\$ (7,986)</u> | <u>\$ (7,986)</u> | <u>\$ 1</u>     | <u>\$ 7,987</u>               |

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, 2016

|  | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget |
|--|------------------|----------|----------|-------------------------------|
|  | Original         | Final    |          |                               |
| <b>REVENUES</b>  |                  |          |          |                               |
| Property Taxes   | \$ -             | \$ -     | \$ -     | \$ -                          |
| Licenses and Permits   | -                | -        | -        | -                             |
| Intergovernmental Revenues                                   | -                | 71,179   | 71,203   | 24                            |
| Charges for Services   | -                | -        | -        | -                             |
| Fines and Forfeitures  | -                | -        | -        | -                             |
| Miscellaneous  | -                | -        | -        | -                             |
| Investment Earnings  | -                | -        | -        | -                             |
| Contributions/Donations                                      | -                | -        | -        | -                             |
| Total revenues   | -                | 71,179   | 71,203   | 24                            |
| <b>EXPENDITURES</b>  |                  |          |          |                               |
| Current:   |                  |          |          |                               |
| General Government   | -                | -        | -        | -                             |
| Public Safety  | -                | 100,055  | 100,054  | 1                             |
| Public Works   | -                | -        | -        | -                             |
| Public Health  | -                | -        | -        | -                             |
| Social and Economic Services                                 | -                | -        | -        | -                             |
| Culture and Recreation                                       | -                | -        | -        | -                             |
| Housing And Community<br>Development                         | -                | -        | -        | -                             |
| Conservation Of Natural Resources                            | -                | -        | -        | -                             |
| Debt service:  |                  |          |          | -                             |
| Principal  | -                | -        | -        | -                             |
| Interest   | -                | -        | -        | -                             |
| Capital outlay   | -                | -        | -        | -                             |
| Total expenditures   | -                | 100,055  | 100,054  | 1                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | (28,876) | (28,851) | 25                            |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |          |          |                               |
| Transfers Out  | -                | -        | -        | -                             |
| Sale of Fixed Assets   | -                | -        | -        | -                             |
| Transfers In   | -                | 28,876   | 28,851   | (25)                          |
| Bond Proceeds  | -                | -        | -        | -                             |
| Total other financing source (uses)                          | -                | 28,876   | 28,851   | (25)                          |
| Net change in fund balances                                  | -                | -        | -        | -                             |
| Fund balances - beginning                                    | 14               | 14       | 14       | -                             |
| Fund balances - ending                                       | \$ 14            | \$ 14    | \$ 14    | \$ -                          |

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, 2016

|  | Budgeted Amounts |                  | Actual          | Variance with<br>Final Budget |
|--|------------------|------------------|-----------------|-------------------------------|
|  | Original         | Final            |                 |                               |
| <b>REVENUES</b>  |                  |                  |                 |                               |
| Property Taxes   | \$ -             | \$ -             | \$ -            | \$ -                          |
| Licenses and Permits   | -                | -                | -               | -                             |
| Intergovernmental Revenues                                   | 123,467          | 129,370          | 148,447         | 19,077                        |
| Charges for Services   | -                | -                | -               | -                             |
| Fines and Forfeitures  | 45,000           | 45,000           | 57,682          | 12,682                        |
| Miscellaneous  | -                | -                | -               | -                             |
| Investment Earnings  | -                | -                | -               | -                             |
| Contributions/Donations                                      | -                | -                | -               | -                             |
| Total revenues   | <u>168,467</u>   | <u>174,370</u>   | <u>206,129</u>  | <u>31,759</u>                 |
| <b>EXPENDITURES</b>  |                  |                  |                 |                               |
| Current:   |                  |                  |                 |                               |
| General Government   | 277,390          | 288,793          | 288,492         | 301                           |
| Public Safety  | -                | -                | -               | -                             |
| Public Works   | -                | -                | -               | -                             |
| Public Health  | -                | -                | -               | -                             |
| Social and Economic Services                                 | -                | -                | -               | -                             |
| Culture and Recreation                                       | -                | -                | -               | -                             |
| Housing And Community<br>Development                         | -                | -                | -               | -                             |
| Conservation Of Natural Resources                            | -                | -                | -               | -                             |
| Debt service:  |                  |                  |                 | -                             |
| Principal  | -                | -                | -               | -                             |
| Interest   | -                | -                | -               | -                             |
| Capital outlay   | 4,000            | 4,000            | -               | 4,000                         |
| Total expenditures   | <u>281,390</u>   | <u>292,793</u>   | <u>288,492</u>  | <u>4,301</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(112,923)</u> | <u>(118,423)</u> | <u>(82,363)</u> | <u>36,060</u>                 |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                  |                 |                               |
| Transfers Out  | -                | -                | -               | -                             |
| Sale of Fixed Assets   | -                | -                | -               | -                             |
| Transfers In   | 113,433          | 118,933          | 82,363          | (36,570)                      |
| Bond Proceeds  | -                | -                | -               | -                             |
| Total other financing source (uses)                          | <u>113,433</u>   | <u>118,933</u>   | <u>82,363</u>   | <u>(36,570)</u>               |
| Net change in fund balances                                  | 510              | 510              | -               | (510)                         |
| Fund balances - beginning                                    | -                | -                | -               | -                             |
| Fund balances - ending                                       | <u>\$ 510</u>    | <u>\$ 510</u>    | <u>\$ -</u>     | <u>\$ (510)</u>               |

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

Gallatin County, State of Montana  
2018 LAW ENFORCEMENT BLOCK GRANT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

|  | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>REVENUES</b>  |                  |                |                |                               |
| Property Taxes   | \$ -             | \$ -           | \$ -           | \$ -                          |
| Licenses and Permits   | -                | -              | -              | -                             |
| Intergovernmental Revenues                                   | 7,000            | 7,000          | 4,075          | (2,925)                       |
| Charges for Services   | -                | -              | -              | -                             |
| Fines and Forfeitures  | -                | -              | -              | -                             |
| Miscellaneous  | -                | -              | -              | -                             |
| Investment Earnings  | -                | -              | -              | -                             |
| Contributions/Donations                                      | -                | -              | -              | -                             |
| Total revenues   | <u>7,000</u>     | <u>7,000</u>   | <u>4,075</u>   | <u>(2,925)</u>                |
| <b>EXPENDITURES</b>  |                  |                |                |                               |
| Current:   |                  |                |                |                               |
| General Government   | -                | -              | -              | -                             |
| Public Safety  | 10,768           | 10,768         | 8,590          | 2,178                         |
| Public Works   | -                | -              | -              | -                             |
| Public Health  | -                | -              | -              | -                             |
| Social and Economic Services                                 | -                | -              | -              | -                             |
| Culture and Recreation                                       | -                | -              | -              | -                             |
| Housing And Community<br>Development                         | -                | -              | -              | -                             |
| Conservation Of Natural Resources                            | -                | -              | -              | -                             |
| Debt service:  |                  |                |                |                               |
| Principal  | -                | -              | -              | -                             |
| Interest   | -                | -              | -              | -                             |
| Capital outlay   | -                | -              | -              | -                             |
| Total expenditures   | <u>10,768</u>    | <u>10,768</u>  | <u>8,590</u>   | <u>2,178</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(3,768)</u>   | <u>(3,768)</u> | <u>(4,515)</u> | <u>(747)</u>                  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                |                |                               |
| Transfers Out  | (5,108)          | (5,108)        | -              | 5,108                         |
| Sale of Fixed Assets   | -                | -              | -              | -                             |
| Transfers In   | 8,876            | 8,876          | 4,515          | (4,361)                       |
| Bond Proceeds  | -                | -              | -              | -                             |
| Total other financing source (uses)                          | <u>3,768</u>     | <u>3,768</u>   | <u>4,515</u>   | <u>747</u>                    |
| Net change in fund balances                                  | -                | -              | -              | -                             |
| Fund balances - beginning                                    | -                | -              | -              | -                             |
| Fund balances - ending                                       | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</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, 2016

|  | Budgeted Amounts  |                |                | Variance with    |
|--|-------------------|----------------|----------------|------------------|
|  | Original          | Final          | Actual         | Final Budget     |
| <b>REVENUES</b>  |                   |                |                |                  |
| Property Taxes   | \$ -              | \$ -           | \$ -           | \$ -             |
| Licenses and Permits   | -                 | -              | -              | -                |
| Intergovernmental Revenues                                   | 129,000           | 203,709        | 75,537         | (128,172)        |
| Charges for Services   | -                 | -              | -              | -                |
| Fines and Forfeitures  | -                 | -              | -              | -                |
| Miscellaneous  | -                 | -              | -              | -                |
| Investment Earnings  | -                 | -              | -              | -                |
| Contributions/Donations                                      | -                 | -              | -              | -                |
| Total revenues   | <u>129,000</u>    | <u>203,709</u> | <u>75,537</u>  | <u>(128,172)</u> |
| <b>EXPENDITURES</b>  |                   |                |                |                  |
| Current:   |                   |                |                |                  |
| General Government   | -                 | -              | -              | -                |
| Public Safety  | 37,807            | 95,545         | 61,783         | 33,762           |
| Public Works   | -                 | -              | -              | -                |
| Public Health  | -                 | -              | -              | -                |
| Social and Economic Services                                 | -                 | -              | -              | -                |
| Culture and Recreation                                       | -                 | -              | -              | -                |
| Housing And Community  |                   |                |                |                  |
| Development  | -                 | -              | -              | -                |
| Conservation Of Natural Resources                            | -                 | -              | -              | -                |
| Debt service:  |                   |                |                | -                |
| Principal  | -                 | -              | -              | -                |
| Interest   | -                 | -              | -              | -                |
| Capital outlay   | 94,610            | 111,160        | 15,435         | 95,725           |
| Total expenditures   | <u>132,417</u>    | <u>206,705</u> | <u>77,218</u>  | <u>129,487</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(3,417)</u>    | <u>(2,996)</u> | <u>(1,681)</u> | <u>1,315</u>     |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                   |                |                |                  |
| Transfers Out  | -                 | -              | -              | -                |
| Sale of Fixed Assets   | -                 | -              | -              | -                |
| Transfers In   | 701               | 2,996          | 1,681          | (1,315)          |
| Bond Proceeds  | -                 | -              | -              | -                |
| Total other financing source (uses)                          | <u>701</u>        | <u>2,996</u>   | <u>1,681</u>   | <u>(1,315)</u>   |
| Net change in fund balances                                  | (2,716)           | -              | -              | -                |
| Fund balances - beginning                                    | -                 | -              | -              | -                |
| Fund balances - ending                                       | <u>\$ (2,716)</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>      |

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, 2016

|  | Budgeted Amounts   |                    | Actual        | Variance with<br>Final Budget |
|--|--------------------|--------------------|---------------|-------------------------------|
|  | Original           | Final              |               |                               |
| <b>REVENUES</b>  |                    |                    |               |                               |
| Property Taxes   | \$ -               | \$ -               | \$ -          | \$ -                          |
| Licenses and Permits   | -                  | -                  | -             | -                             |
| Intergovernmental Revenues                                   | 30,441             | 30,441             | 19,002        | (11,439)                      |
| Charges for Services   | -                  | -                  | -             | -                             |
| Fines and Forfeitures  | -                  | -                  | -             | -                             |
| Miscellaneous  | 6,076              | 6,076              | -             | (6,076)                       |
| Investment Earnings  | -                  | -                  | -             | -                             |
| Contributions/Donations                                      | -                  | -                  | -             | -                             |
| Total revenues   | <u>36,517</u>      | <u>36,517</u>      | <u>19,002</u> | <u>(17,515)</u>               |
| <b>EXPENDITURES</b>  |                    |                    |               |                               |
| Current:   |                    |                    |               |                               |
| General Government   | 60,348             | 60,348             | 19,002        | 41,346                        |
| Public Safety  | -                  | -                  | -             | -                             |
| Public Works   | -                  | -                  | -             | -                             |
| Public Health  | -                  | -                  | -             | -                             |
| Social and Economic Services                                 | -                  | -                  | -             | -                             |
| Culture and Recreation                                       | -                  | -                  | -             | -                             |
| Housing And Community<br>Development                         | -                  | -                  | -             | -                             |
| Conservation Of Natural Resources                            | -                  | -                  | -             | -                             |
| Debt service:  |                    |                    |               | -                             |
| Principal  | -                  | -                  | -             | -                             |
| Interest   | -                  | -                  | -             | -                             |
| Capital outlay   | -                  | -                  | -             | -                             |
| Total expenditures   | <u>60,348</u>      | <u>60,348</u>      | <u>19,002</u> | <u>41,346</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(23,831)</u>    | <u>(23,831)</u>    | <u>-</u>      | <u>23,831</u>                 |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                    |                    |               |                               |
| Transfers Out  | -                  | -                  | -             | -                             |
| Sale of Fixed Assets   | -                  | -                  | -             | -                             |
| Transfers In   | -                  | -                  | -             | -                             |
| Bond Proceeds  | -                  | -                  | -             | -                             |
| Total other financing source (uses)                          | <u>-</u>           | <u>-</u>           | <u>-</u>      | <u>-</u>                      |
| Net change in fund balances                                  | (23,831)           | (23,831)           | -             | 23,831                        |
| Fund balances - beginning                                    | 247                | 247                | 247           | -                             |
| Fund balances - ending                                       | <u>\$ (23,584)</u> | <u>\$ (23,584)</u> | <u>\$ 247</u> | <u>\$ 23,831</u>              |

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, 2016

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>REVENUES</b>  |                  |                  |                   |                               |
| Property Taxes   | \$ -             | \$ -             | \$ -              | \$ -                          |
| Licenses and Permits   | -                | -                | -                 | -                             |
| Intergovernmental Revenues                                   | 73,000           | 63,151           | 37,400            | (25,751)                      |
| Charges for Services   | -                | -                | -                 | -                             |
| Fines and Forfeitures  | -                | -                | -                 | -                             |
| Miscellaneous  | -                | 2,852            | 43,875            | 41,023                        |
| Investment Earnings  | -                | -                | -                 | -                             |
| Contributions/Donations                                      | -                | -                | -                 | -                             |
| Total revenues   | <u>73,000</u>    | <u>66,003</u>    | <u>81,275</u>     | <u>15,272</u>                 |
| <b>EXPENDITURES</b>  |                  |                  |                   |                               |
| Current:   |                  |                  |                   |                               |
| General Government   | -                | -                | -                 | -                             |
| Public Safety  | 73,425           | 66,428           | 52,090            | 14,338                        |
| Public Works   | -                | -                | -                 | -                             |
| Public Health  | -                | -                | -                 | -                             |
| Social and Economic Services                                 | -                | -                | -                 | -                             |
| Culture and Recreation                                       | -                | -                | -                 | -                             |
| Housing And Community<br>Development                         | -                | -                | -                 | -                             |
| Conservation Of Natural Resources                            | -                | -                | -                 | -                             |
| Debt service:  |                  |                  |                   |                               |
| Principal  | -                | -                | -                 | -                             |
| Interest   | -                | -                | -                 | -                             |
| Capital outlay   | 73,114           | 73,114           | -                 | 73,114                        |
| Total expenditures   | <u>146,539</u>   | <u>139,542</u>   | <u>52,090</u>     | <u>87,452</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(73,539)</u>  | <u>(73,539)</u>  | <u>29,185</u>     | <u>102,724</u>                |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                  |                   |                               |
| Transfers Out  | -                | -                | -                 | -                             |
| Sale of Fixed Assets   | -                | -                | -                 | -                             |
| Transfers In   | -                | -                | -                 | -                             |
| Bond Proceeds  | -                | -                | -                 | -                             |
| Total other financing source (uses)                          | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>-</u>                      |
| Net change in fund balances                                  | (73,539)         | (73,539)         | 29,185            | 102,724                       |
| Fund balances - beginning                                    | 116,539          | 116,539          | 116,539           | -                             |
| Fund balances - ending                                       | <u>\$ 43,000</u> | <u>\$ 43,000</u> | <u>\$ 145,724</u> | <u>\$ 102,724</u>             |

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, 2016

|                                     | Budgeted Amounts |                  |                   | Variance with     |
|-------------------------------------|------------------|------------------|-------------------|-------------------|
|                                     | Original         | Final            | Actual            | Final Budget      |
| <b>REVENUES</b>                     |                  |                  |                   |                   |
| Property Taxes                      | \$ -             | \$ -             | \$ -              | \$ -              |
| Licenses and Permits                | -                | -                | -                 | -                 |
| Intergovernmental Revenues          | 147,200          | 147,200          | 193,148           | 45,948            |
| Charges for Services                | -                | -                | -                 | -                 |
| Fines and Forfeitures               | -                | -                | -                 | -                 |
| Miscellaneous                       | -                | -                | -                 | -                 |
| Investment Earnings                 | -                | -                | -                 | -                 |
| Contributions/Donations             | -                | -                | -                 | -                 |
| Total revenues                      | <u>147,200</u>   | <u>147,200</u>   | <u>193,148</u>    | <u>45,948</u>     |
| <b>EXPENDITURES</b>                 |                  |                  |                   |                   |
| Current:                            |                  |                  |                   |                   |
| General Government                  | -                | -                | -                 | -                 |
| Public Safety                       | -                | -                | -                 | -                 |
| Public Works                        | -                | -                | -                 | -                 |
| Public Health                       | 144,668          | 144,668          | 118,334           | 26,334            |
| Social and Economic Services        | -                | -                | -                 | -                 |
| Culture and Recreation              | -                | -                | -                 | -                 |
| Housing And Community               |                  |                  |                   |                   |
| Development                         | -                | -                | -                 | -                 |
| Conservation Of Natural Resources   | -                | -                | -                 | -                 |
| Debt service:                       |                  |                  |                   |                   |
| Principal                           | -                | -                | -                 | -                 |
| Interest                            | -                | -                | -                 | -                 |
| Capital outlay                      | <u>214,716</u>   | <u>214,716</u>   | <u>3,300</u>      | <u>211,416</u>    |
| Total expenditures                  | <u>359,384</u>   | <u>359,384</u>   | <u>121,634</u>    | <u>237,750</u>    |
| Excess (deficiency) of revenues     |                  |                  |                   |                   |
| over (under) expenditures           | <u>(212,184)</u> | <u>(212,184)</u> | <u>71,514</u>     | <u>283,698</u>    |
| <b>OTHER FINANCING SOURCES</b>      |                  |                  |                   |                   |
| <b>(USES)</b>                       |                  |                  |                   |                   |
| Transfers Out                       | -                | -                | -                 | -                 |
| Sale of Fixed Assets                | -                | -                | -                 | -                 |
| Transfers In                        | -                | -                | -                 | -                 |
| Bond Proceeds                       | -                | -                | -                 | -                 |
| Total other financing source (uses) | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>-</u>          |
| Net change in fund balances         | (212,184)        | (212,184)        | 71,514            | 283,698           |
| Fund balances - beginning           | <u>285,119</u>   | <u>285,119</u>   | <u>285,119</u>    | <u>-</u>          |
| Fund balances - ending              | <u>\$ 72,935</u> | <u>\$ 72,935</u> | <u>\$ 356,633</u> | <u>\$ 283,698</u> |

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, 2016

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>REVENUES</b>  |                  |                  |                   |                               |
| Property Taxes   | \$ -             | \$ -             | \$ -              | \$ -                          |
| Licenses and Permits   | -                | -                | -                 | -                             |
| Intergovernmental Revenues                                   | 114,458          | 114,458          | 114,454           | (4)                           |
| Charges for Services   | -                | -                | -                 | -                             |
| Fines and Forfeitures  | -                | -                | -                 | -                             |
| Miscellaneous  | -                | -                | -                 | -                             |
| Investment Earnings  | -                | -                | -                 | -                             |
| Contributions/Donations                                      | -                | -                | -                 | -                             |
| Total revenues   | <u>114,458</u>   | <u>114,458</u>   | <u>114,454</u>    | <u>(4)</u>                    |
| <b>EXPENDITURES</b>  |                  |                  |                   |                               |
| Current:   |                  |                  |                   |                               |
| General Government   | -                | -                | -                 | -                             |
| Public Safety  | -                | -                | -                 | -                             |
| Public Works   | -                | -                | -                 | -                             |
| Public Health  | 257,848          | 257,848          | 101,523           | 156,325                       |
| Social and Economic Services                                 | -                | -                | -                 | -                             |
| Culture and Recreation                                       | -                | -                | -                 | -                             |
| Housing And Community<br>Development                         | -                | -                | -                 | -                             |
| Conservation Of Natural Resources                            | -                | -                | -                 | -                             |
| Debt service:  |                  |                  |                   | -                             |
| Principal  | -                | -                | -                 | -                             |
| Interest   | -                | -                | -                 | -                             |
| Capital outlay   | -                | -                | -                 | -                             |
| Total expenditures   | <u>257,848</u>   | <u>257,848</u>   | <u>101,523</u>    | <u>156,325</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(143,390)</u> | <u>(143,390)</u> | <u>12,931</u>     | <u>156,321</u>                |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                  |                   |                               |
| Transfers Out  | -                | -                | -                 | -                             |
| Sale of Fixed Assets   | -                | -                | -                 | -                             |
| Transfers In   | -                | -                | -                 | -                             |
| Bond Proceeds  | -                | -                | -                 | -                             |
| Total other financing source (uses)                          | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>-</u>                      |
| Net change in fund balances                                  | (143,390)        | (143,390)        | 12,931            | 156,321                       |
| Fund balances - beginning                                    | 216,409          | 216,409          | 216,409           | -                             |
| Fund balances - ending                                       | <u>\$ 73,019</u> | <u>\$ 73,019</u> | <u>\$ 229,340</u> | <u>\$ 156,321</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, 2016

|  | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|--|------------------|-----------------|-----------------|-------------------------------|
|  | Original         | Final           |                 |                               |
| <b>REVENUES</b>  |                  |                 |                 |                               |
| Property Taxes   | \$ -             | \$ -            | \$ -            | \$ -                          |
| Licenses and Permits   | -                | -               | -               | -                             |
| Intergovernmental Revenues                                   | 258,870          | 270,388         | 344,662         | 74,274                        |
| Charges for Services   | -                | -               | -               | -                             |
| Fines and Forfeitures  | -                | -               | -               | -                             |
| Miscellaneous  | -                | -               | 600             | 600                           |
| Investment Earnings  | -                | -               | -               | -                             |
| Contributions/Donations                                      | -                | -               | -               | -                             |
| Total revenues   | <u>258,870</u>   | <u>270,388</u>  | <u>345,262</u>  | <u>74,874</u>                 |
| <b>EXPENDITURES</b>  |                  |                 |                 |                               |
| Current:   |                  |                 |                 |                               |
| General Government   | -                | -               | -               | -                             |
| Public Safety  | -                | -               | -               | -                             |
| Public Works   | -                | -               | -               | -                             |
| Public Health  | 354,583          | 363,933         | 360,834         | 3,099                         |
| Social and Economic Services                                 | -                | -               | -               | -                             |
| Culture and Recreation                                       | -                | -               | -               | -                             |
| Housing And Community<br>Development                         | -                | -               | -               | -                             |
| Conservation Of Natural Resources                            | -                | -               | -               | -                             |
| Debt service:  |                  |                 |                 | -                             |
| Principal  | -                | -               | -               | -                             |
| Interest   | -                | -               | -               | -                             |
| Capital outlay   | 3,000            | 5,168           | 5,168           | -                             |
| Total expenditures   | <u>357,583</u>   | <u>369,101</u>  | <u>366,002</u>  | <u>3,099</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(98,713)</u>  | <u>(98,713)</u> | <u>(20,740)</u> | <u>77,973</u>                 |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                 |                 |                               |
| Transfers Out  | -                | -               | -               | -                             |
| Sale of Fixed Assets   | -                | -               | -               | -                             |
| Transfers In   | 100,284          | 100,284         | 16,022          | (84,262)                      |
| Bond Proceeds  | -                | -               | -               | -                             |
| Total other financing source (uses)                          | <u>100,284</u>   | <u>100,284</u>  | <u>16,022</u>   | <u>(84,262)</u>               |
| Net change in fund balances                                  | 1,571            | 1,571           | (4,718)         | (6,289)                       |
| Fund balances - beginning                                    | 4,719            | 4,719           | 4,719           | -                             |
| Fund balances - ending                                       | <u>\$ 6,290</u>  | <u>\$ 6,290</u> | <u>\$ 1</u>     | <u>\$ (6,289)</u>             |

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, 2016

|  | Budgeted Amounts |                 | Actual           | Variance with<br>Final Budget |
|--|------------------|-----------------|------------------|-------------------------------|
|  | Original         | Final           |                  |                               |
| <b>REVENUES</b>  |                  |                 |                  |                               |
| Property Taxes   | \$ -             | \$ -            | \$ -             | \$ -                          |
| Licenses and Permits   | -                | -               | -                | -                             |
| Intergovernmental Revenues                                   | 368,500          | 368,500         | 322,209          | (46,291)                      |
| Charges for Services   | 11,000           | 11,000          | 47,458           | 36,458                        |
| Fines and Forfeitures  | -                | -               | -                | -                             |
| Miscellaneous  | -                | -               | 18               | 18                            |
| Investment Earnings  | -                | -               | -                | -                             |
| Contributions/Donations                                      | -                | -               | -                | -                             |
| Total revenues   | <u>379,500</u>   | <u>379,500</u>  | <u>369,685</u>   | <u>(9,815)</u>                |
| <b>EXPENDITURES</b>  |                  |                 |                  |                               |
| Current:   |                  |                 |                  |                               |
| General Government   | -                | -               | -                | -                             |
| Public Safety  | -                | -               | -                | -                             |
| Public Works   | -                | -               | -                | -                             |
| Public Health  | 449,427          | 446,298         | 385,505          | 60,793                        |
| Social and Economic Services                                 | -                | -               | -                | -                             |
| Culture and Recreation                                       | -                | -               | -                | -                             |
| Housing And Community<br>Development                         | -                | -               | -                | -                             |
| Conservation Of Natural Resources                            | -                | -               | -                | -                             |
| Debt service:  |                  |                 |                  |                               |
| Principal  | -                | -               | -                | -                             |
| Interest   | -                | -               | -                | -                             |
| Capital outlay   | -                | 3,129           | 3,128            | 1                             |
| Total expenditures   | <u>449,427</u>   | <u>449,427</u>  | <u>388,633</u>   | <u>60,794</u>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(69,927)</u>  | <u>(69,927)</u> | <u>(18,948)</u>  | <u>50,979</u>                 |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                 |                  |                               |
| Transfers Out  | -                | -               | -                | -                             |
| Sale of Fixed Assets   | -                | -               | -                | -                             |
| Transfers In   | 46,536           | 46,536          | 279              | (46,257)                      |
| Bond Proceeds  | -                | -               | -                | -                             |
| Total other financing source (uses)                          | <u>46,536</u>    | <u>46,536</u>   | <u>279</u>       | <u>(46,257)</u>               |
| Net change in fund balances                                  | (23,391)         | (23,391)        | (18,669)         | 4,722                         |
| Fund balances - beginning                                    | 30,988           | 30,988          | 30,988           | -                             |
| Fund balances - ending                                       | <u>\$ 7,597</u>  | <u>\$ 7,597</u> | <u>\$ 12,319</u> | <u>\$ 4,722</u>               |

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, 2016

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>REVENUES</b>  |                  |                  |                   |                               |
| Property Taxes   | \$ -             | \$ -             | \$ -              | \$ -                          |
| Licenses and Permits   | -                | -                | -                 | -                             |
| Intergovernmental Revenues                                   | 42,963           | 51,064           | 56,136            | 5,072                         |
| Charges for Services   | 506,675          | 671,675          | 675,664           | 3,989                         |
| Fines and Forfeitures  | -                | -                | -                 | -                             |
| Miscellaneous  | -                | -                | 1,000             | 1,000                         |
| Investment Earnings  | -                | -                | -                 | -                             |
| Contributions/Donations                                      | -                | -                | -                 | -                             |
| Total revenues   | <u>549,638</u>   | <u>722,739</u>   | <u>732,800</u>    | <u>10,061</u>                 |
| <b>EXPENDITURES</b>  |                  |                  |                   |                               |
| Current:   |                  |                  |                   |                               |
| General Government   | -                | -                | -                 | -                             |
| Public Safety  | -                | -                | -                 | -                             |
| Public Works   | -                | -                | -                 | -                             |
| Public Health  | 538,116          | 711,217          | 715,392           | (4,175)                       |
| Social and Economic Services                                 | -                | -                | -                 | -                             |
| Culture and Recreation                                       | -                | -                | -                 | -                             |
| Housing And Community<br>Development                         | -                | -                | -                 | -                             |
| Conservation Of Natural Resources                            | -                | -                | -                 | -                             |
| Debt service:  |                  |                  |                   | -                             |
| Principal  | -                | -                | -                 | -                             |
| Interest   | -                | -                | -                 | -                             |
| Capital outlay   | 200,263          | 200,263          | -                 | 200,263                       |
| Total expenditures   | <u>738,379</u>   | <u>911,480</u>   | <u>715,392</u>    | <u>196,088</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(188,741)</u> | <u>(188,741)</u> | <u>17,408</u>     | <u>206,149</u>                |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                  |                   |                               |
| Transfers Out  | (12,542)         | (12,542)         | -                 | 12,542                        |
| Sale of Fixed Assets   | -                | -                | -                 | -                             |
| Transfers In   | -                | -                | -                 | -                             |
| Bond Proceeds  | -                | -                | -                 | -                             |
| Total other financing source (uses)                          | <u>(12,542)</u>  | <u>(12,542)</u>  | <u>-</u>          | <u>12,542</u>                 |
| Net change in fund balances                                  | (201,283)        | (201,283)        | 17,408            | 218,691                       |
| Fund balances - beginning                                    | 238,114          | 238,114          | 238,114           | -                             |
| Fund balances - ending                                       | <u>\$ 36,831</u> | <u>\$ 36,831</u> | <u>\$ 255,522</u> | <u>\$ 218,691</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, 2016

|   | Budgeted Amounts |                  |                 | Variance with      |
|---|------------------|------------------|-----------------|--------------------|
|   | Original         | Final            | Actual          | Final Budget       |
| <b>REVENUES</b>   |                  |                  |                 |                    |
| Property Taxes  | \$ -             | \$ -             | \$ -            | \$ -               |
| Licenses and Permits                                      | -                | -                | -               | -                  |
| Intergovernmental Revenues                                | 539,597          | 554,597          | 337,064         | (217,533)          |
| Charges for Services                                      | -                | -                | -               | -                  |
| Fines and Forfeitures                                     | -                | -                | -               | -                  |
| Miscellaneous   | -                | -                | -               | -                  |
| Investment Earnings                                       | -                | -                | -               | -                  |
| Contributions/Donations                                   | -                | -                | -               | -                  |
| Total revenues  | <u>539,597</u>   | <u>554,597</u>   | <u>337,064</u>  | <u>(217,533)</u>   |
| <b>EXPENDITURES</b>                                       |                  |                  |                 |                    |
| Current:  |                  |                  |                 |                    |
| General Government  | -                | -                | -               | -                  |
| Public Safety   | -                | -                | -               | -                  |
| Public Works  | -                | -                | -               | -                  |
| Public Health   | 515,429          | 530,429          | 334,719         | 195,710            |
| Social and Economic Services                              | -                | -                | -               | -                  |
| Culture and Recreation                                    | -                | -                | -               | -                  |
| Housing And Community Development                         | -                | -                | -               | -                  |
| Conservation Of Natural Resources                         | -                | -                | -               | -                  |
| Debt service:   |                  |                  |                 |                    |
| Principal   | -                | -                | -               | -                  |
| Interest  | -                | -                | -               | -                  |
| Capital outlay  | 2,500            | 2,500            | -               | 2,500              |
| Total expenditures  | <u>517,929</u>   | <u>532,929</u>   | <u>334,719</u>  | <u>198,210</u>     |
| Excess (deficiency) of revenues over (under) expenditures | <u>21,668</u>    | <u>21,668</u>    | <u>2,345</u>    | <u>(19,323)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |                  |                 |                    |
| Transfers Out   | -                | -                | -               | -                  |
| Sale of Fixed Assets                                      | -                | -                | -               | -                  |
| Transfers In  | -                | -                | -               | -                  |
| Bond Proceeds   | -                | -                | -               | -                  |
| Total other financing source (uses)                       | <u>-</u>         | <u>-</u>         | <u>-</u>        | <u>-</u>           |
| Net change in fund balances                               | 21,668           | 21,668           | 2,345           | (19,323)           |
| Fund balances - beginning                                 | -                | -                | -               | -                  |
| Fund balances - ending                                    | <u>\$ 21,668</u> | <u>\$ 21,668</u> | <u>\$ 2,345</u> | <u>\$ (19,323)</u> |

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, 2016

|   | Budgeted Amounts |             |            | Variance with |
|---|------------------|-------------|------------|---------------|
|   | Original         | Final       | Actual     | Final Budget  |
| <b>REVENUES</b>   |                  |             |            |               |
| Property Taxes  | \$ -             | \$ -        | \$ -       | \$ -          |
| Licenses and Permits                                      | -                | -           | -          | -             |
| Intergovernmental Revenues                                | -                | 1,272,925   | 217,852    | (1,055,073)   |
| Charges for Services                                      | -                | -           | -          | -             |
| Fines and Forfeitures                                     | -                | -           | -          | -             |
| Miscellaneous   | -                | -           | -          | -             |
| Investment Earnings                                       | -                | -           | 2,264      | 2,264         |
| Contributions/Donations                                   | -                | -           | -          | -             |
| Total revenues  | -                | 1,272,925   | 220,116    | (1,052,809)   |
| <b>EXPENDITURES</b>                                       |                  |             |            |               |
| Current:  |                  |             |            |               |
| General Government  | -                | -           | -          | -             |
| Public Safety   | -                | -           | -          | -             |
| Public Works  | 308,044          | 308,044     | 12,863     | 295,181       |
| Public Health   | -                | -           | -          | -             |
| Social and Economic Services                              | -                | -           | -          | -             |
| Culture and Recreation                                    | -                | -           | -          | -             |
| Housing And Community Development                         | -                | 1,272,925   | 217,852    | 1,055,073     |
| Conservation Of Natural Resources                         | -                | -           | -          | -             |
| Debt service:   |                  |             |            |               |
| Principal   | -                | -           | -          | -             |
| Interest  | -                | -           | -          | -             |
| Capital outlay  | -                | -           | -          | -             |
| Total expenditures  | 308,044          | 1,580,969   | 230,715    | 1,350,254     |
| Excess (deficiency) of revenues over (under) expenditures | (308,044)        | (308,044)   | (10,599)   | 297,445       |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |             |            |               |
| Transfers Out   | -                | -           | -          | -             |
| Sale of Fixed Assets                                      | -                | -           | -          | -             |
| Transfers In  | -                | -           | -          | -             |
| Bond Proceeds   | -                | -           | -          | -             |
| Total other financing source (uses)                       | -                | -           | -          | -             |
| Net change in fund balances                               | (308,044)        | (308,044)   | (10,599)   | 297,445       |
| Fund balances - beginning                                 | 295,743          | 295,743     | 295,743    | -             |
| Fund balances - ending                                    | \$ (12,301)      | \$ (12,301) | \$ 285,144 | \$ 297,445    |

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, 2016

|  | Budgeted Amounts  |                   |                  | Variance with   |
|--|-------------------|-------------------|------------------|-----------------|
|  | Original          | Final             | Actual           | Final Budget    |
| <b>REVENUES</b>  |                   |                   |                  |                 |
| Property Taxes   | \$ -              | \$ -              | \$ -             | \$ -            |
| Licenses and Permits   | -                 | -                 | -                | -               |
| Intergovernmental Revenues                                   | 234,164           | 234,164           | 234,164          | -               |
| Charges for Services   | -                 | -                 | -                | -               |
| Fines and Forfeitures  | 12,626            | 12,626            | 27,626           | 15,000          |
| Miscellaneous  | -                 | -                 | -                | -               |
| Investment Earnings  | -                 | -                 | -                | -               |
| Contributions/Donations                                      | -                 | -                 | -                | -               |
| Total revenues   | <u>246,790</u>    | <u>246,790</u>    | <u>261,790</u>   | <u>15,000</u>   |
| <b>EXPENDITURES</b>  |                   |                   |                  |                 |
| Current:   |                   |                   |                  |                 |
| General Government   | -                 | -                 | -                | -               |
| Public Safety  | 394,987           | 394,987           | 389,215          | 5,772           |
| Public Works   | -                 | -                 | -                | -               |
| Public Health  | -                 | -                 | -                | -               |
| Social and Economic Services                                 | -                 | -                 | -                | -               |
| Culture and Recreation                                       | -                 | -                 | -                | -               |
| Housing And Community  | -                 | -                 | -                | -               |
| Development  | -                 | -                 | -                | -               |
| Conservation Of Natural Resources                            | -                 | -                 | -                | -               |
| Debt service:  |                   |                   |                  |                 |
| Principal  | -                 | -                 | -                | -               |
| Interest   | -                 | -                 | -                | -               |
| Capital outlay   | 15,000            | 15,000            | 15,000           | -               |
| Total expenditures   | <u>409,987</u>    | <u>409,987</u>    | <u>404,215</u>   | <u>5,772</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(163,197)</u>  | <u>(163,197)</u>  | <u>(142,425)</u> | <u>20,772</u>   |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                   |                   |                  |                 |
| Transfers Out  | -                 | -                 | -                | -               |
| Sale of Fixed Assets   | -                 | -                 | -                | -               |
| Transfers In   | 161,425           | 161,425           | 140,910          | (20,515)        |
| Bond Proceeds  | -                 | -                 | -                | -               |
| Total other financing source (uses)                          | <u>161,425</u>    | <u>161,425</u>    | <u>140,910</u>   | <u>(20,515)</u> |
| Net change in fund balances                                  | (1,772)           | (1,772)           | (1,515)          | 257             |
| Fund balances - beginning                                    | -                 | -                 | 1,515            | 1,515           |
| Fund balances - ending                                       | <u>\$ (1,772)</u> | <u>\$ (1,772)</u> | <u>\$ -</u>      | <u>\$ 1,772</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, 2016

|  | 3040<br>OPEN SPACE BOND | 3050<br>DETENTION CENTER<br>BOND | 3205<br>INTERCAP LOAN<br>FUND | 3400<br>RURAL REVOLVING | Total Nonmajor Debt<br>service funds |
|--|-------------------------|----------------------------------|-------------------------------|-------------------------|--------------------------------------|
| <b>ASSETS</b>                                  |                         |                                  |                               |                         |                                      |
| Cash & Investments                             | \$ 57,583               | \$ 220,260                       | \$ 20                         | \$ 1,086,318            | \$ 1,364,181                         |
| Real Estate Taxes Receivable                   | 31,547                  | 57,812                           | -                             | 88                      | 89,447                               |
| Personal Taxes Receivable                      | 6,570                   | 10,794                           | -                             | 1                       | 17,365                               |
| Protested Taxes Receivable                     | 53                      | 3,662                            | -                             | -                       | 3,715                                |
| Accounts Receivable-Net                        | -                       | -                                | -                             | 1,698                   | 1,698                                |
| Due from Advance to Other fund                 | -                       | -                                | -                             | -                       | -                                    |
| Total assets                                   | <u>\$ 95,753</u>        | <u>\$ 292,528</u>                | <u>\$ 20</u>                  | <u>\$ 1,088,105</u>     | <u>\$ 1,476,406</u>                  |
| <b>LIABILITIES</b>                             |                         |                                  |                               |                         |                                      |
| Other Accrued Payables                         | -                       | -                                | 1,920                         | -                       | 1,920                                |
| <b>Total liabilities</b>                       |                         |                                  |                               |                         |                                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                         |                                  |                               |                         |                                      |
| Unavailable Revenue, Property Taxes            | 38,170                  | 72,268                           | -                             | 89                      | 110,527                              |
| <b>Total Deferred Inflows of Resources</b>     | <u>38,170</u>           | <u>72,268</u>                    | <u>1,920</u>                  | <u>89</u>               | <u>112,447</u>                       |
| <b>Fund Balances:</b>                          | \$ 57,583               | \$ 220,260                       | \$ (1,900)                    | \$ 1,088,016            | \$ 1,363,959                         |
| <b>Nonspendable:</b>                           |                         |                                  |                               |                         |                                      |
| Inventories                                    | -                       | -                                | -                             | -                       | -                                    |
| Restricted for:                                |                         |                                  |                               |                         |                                      |
| Grants   | -                       | -                                | -                             | -                       | -                                    |
| Debt Service Obligations                       | 57,583                  | 220,260                          | (1,900)                       | 1,088,016               | 1,363,959                            |
| RID Debt Services                              | -                       | -                                | -                             | -                       | -                                    |
| Construction Projects                          | -                       | -                                | -                             | -                       | -                                    |
| 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>57,583</u>           | <u>220,260</u>                   | <u>(1,900)</u>                | <u>1,088,016</u>        | <u>1,363,959</u>                     |
| Total liabilities and fund balances (deficits) | <u>\$ 95,753</u>        | <u>\$ 292,528</u>                | <u>\$ 20</u>                  | <u>\$ 1,088,105</u>     | <u>\$ 1,363,959</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, 2016

|   | Budgeted Amounts  |                   |                  | Variance with      |
|---|-------------------|-------------------|------------------|--------------------|
|   | Original          | Final             | Actual           | Final Budget       |
| <b>REVENUES</b>   |                   |                   |                  |                    |
| Property Taxes  | \$ 1,186,193      | \$ 1,186,193      | \$ 1,202,341     | \$ 16,148          |
| Licenses and Permits                                      | -                 | -                 | -                | -                  |
| Intergovernmental Revenues                                | 10,000            | 10,000            | -                | (10,000)           |
| Charges for Services                                      | -                 | -                 | -                | -                  |
| Fines and Forfeitures                                     | -                 | -                 | -                | -                  |
| Miscellaneous   | -                 | -                 | -                | -                  |
| Investment Earnings                                       | -                 | -                 | 6,836            | 6,836              |
| Contributions/Donations                                   | -                 | -                 | -                | -                  |
| Total revenues  | <u>1,196,193</u>  | <u>1,196,193</u>  | <u>1,209,177</u> | <u>12,984</u>      |
| <b>EXPENDITURES</b>                                       |                   |                   |                  |                    |
| Current:  |                   |                   |                  |                    |
| General Government  | 1,400             | 1,400             | 2,900            | (1,500)            |
| Public Safety   | -                 | -                 | -                | -                  |
| Public Works  | -                 | -                 | -                | -                  |
| Public Health   | -                 | -                 | -                | -                  |
| Social and Economic Services                              | -                 | -                 | -                | -                  |
| Culture and Recreation                                    | -                 | -                 | -                | -                  |
| Housing And Community Development                         | -                 | -                 | -                | -                  |
| Conservation Of Natural Resources                         | -                 | -                 | -                | -                  |
| Debt service:   |                   |                   |                  |                    |
| Principal   | 950,000           | 950,000           | 1,000,000        | (50,000)           |
| Interest  | 293,474           | 293,474           | 297,375          | (3,901)            |
| Capital outlay  | -                 | -                 | -                | -                  |
| Total expenditures  | <u>1,244,874</u>  | <u>1,244,874</u>  | <u>1,300,275</u> | <u>(55,401)</u>    |
| Excess (deficiency) of revenues over (under) expenditures | <u>(48,681)</u>   | <u>(48,681)</u>   | <u>(91,098)</u>  | <u>(42,417)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                   |                   |                  |                    |
| Transfers Out   | -                 | -                 | -                | -                  |
| Sale of Fixed Assets                                      | -                 | -                 | -                | -                  |
| Transfers In  | -                 | -                 | -                | -                  |
| Bond Proceeds   | -                 | -                 | -                | -                  |
| Total other financing source (uses)                       | <u>-</u>          | <u>-</u>          | <u>-</u>         | <u>-</u>           |
| Net change in fund balances                               | (48,681)          | (48,681)          | (91,098)         | (42,417)           |
| Fund balances - beginning                                 | <u>148,681</u>    | <u>148,681</u>    | <u>148,681</u>   | <u>-</u>           |
| Fund balances - ending                                    | <u>\$ 100,000</u> | <u>\$ 100,000</u> | <u>\$ 57,583</u> | <u>\$ (42,417)</u> |

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, 2016

|   | Budgeted Amounts  |                   |                   | Variance with    |
|---|-------------------|-------------------|-------------------|------------------|
|   | Original          | Final             | Actual            | Final Budget     |
| <b>REVENUES</b>   |                   |                   |                   |                  |
| Property Taxes  | \$ 2,292,712      | \$ 2,292,712      | \$ 2,320,190      | \$ 27,478        |
| Licenses and Permits                                      | -                 | -                 | -                 | -                |
| Intergovernmental Revenues                                | 15,000            | 15,000            | -                 | (15,000)         |
| Charges for Services                                      | -                 | -                 | -                 | -                |
| Fines and Forfeitures                                     | -                 | -                 | -                 | -                |
| Miscellaneous   | -                 | -                 | -                 | -                |
| Investment Earnings                                       | -                 | -                 | 7,782             | 7,782            |
| Contributions/Donations                                   | -                 | -                 | -                 | -                |
| Total revenues  | <u>2,307,712</u>  | <u>2,307,712</u>  | <u>2,327,972</u>  | <u>20,260</u>    |
| <b>EXPENDITURES</b>                                       |                   |                   |                   |                  |
| Current:  |                   |                   |                   |                  |
| General Government  | 350               | 350               | 350               | -                |
| Public Safety   | -                 | -                 | -                 | -                |
| Public Works  | -                 | -                 | -                 | -                |
| Public Health   | -                 | -                 | -                 | -                |
| Social and Economic Services                              | -                 | -                 | -                 | -                |
| Culture and Recreation                                    | -                 | -                 | -                 | -                |
| Housing And Community Development                         | -                 | -                 | -                 | -                |
| Conservation Of Natural Resources                         | -                 | -                 | -                 | -                |
| Debt service:   |                   |                   |                   |                  |
| Principal   | 1,325,000         | 1,325,000         | 1,325,000         | -                |
| Interest  | 1,073,796         | 1,073,796         | 1,073,796         | -                |
| Capital outlay  | -                 | -                 | -                 | -                |
| Total expenditures  | <u>2,399,146</u>  | <u>2,399,146</u>  | <u>2,399,146</u>  | <u>-</u>         |
| Excess (deficiency) of revenues over (under) expenditures | <u>(91,434)</u>   | <u>(91,434)</u>   | <u>(71,174)</u>   | <u>20,260</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                   |                   |                   |                  |
| Transfers Out   | -                 | -                 | -                 | -                |
| Sale of Fixed Assets                                      | -                 | -                 | -                 | -                |
| Transfers In  | -                 | -                 | -                 | -                |
| Bond Proceeds   | -                 | -                 | -                 | -                |
| Total other financing source (uses)                       | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>         |
| Net change in fund balances                               | (91,434)          | (91,434)          | (71,174)          | 20,260           |
| Fund balances - beginning                                 | <u>291,434</u>    | <u>291,434</u>    | <u>291,434</u>    | <u>-</u>         |
| Fund balances - ending                                    | <u>\$ 200,000</u> | <u>\$ 200,000</u> | <u>\$ 220,260</u> | <u>\$ 20,260</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, 2016

|   | Budgeted Amounts |           |            | Variance with |
|---|------------------|-----------|------------|---------------|
|   | Original         | Final     | Actual     | Final Budget  |
| <b>REVENUES</b>   |                  |           |            |               |
| Property Taxes  | \$ -             | \$ -      | \$ -       | \$ -          |
| Licenses and Permits                                      | -                | -         | -          | -             |
| Intergovernmental Revenues                                | -                | -         | -          | -             |
| Charges for Services                                      | -                | -         | -          | -             |
| Fines and Forfeitures                                     | -                | -         | -          | -             |
| Miscellaneous   | -                | -         | -          | -             |
| Investment Earnings                                       | -                | -         | -          | -             |
| Contributions/Donations                                   | -                | -         | -          | -             |
| Total revenues  | -                | -         | -          | -             |
| <b>EXPENDITURES</b>                                       |                  |           |            |               |
| Current:  |                  |           |            |               |
| General Government  | -                | -         | -          | -             |
| Public Safety   | -                | -         | -          | -             |
| Public Works  | -                | -         | -          | -             |
| Public Health   | -                | -         | -          | -             |
| Social and Economic Services                              | -                | -         | -          | -             |
| Culture and Recreation                                    | -                | -         | -          | -             |
| Housing And Community Development                         | -                | -         | -          | -             |
| Conservation Of Natural Resources                         | -                | -         | -          | -             |
| Debt service:   |                  |           |            |               |
| Principal   | 512,285          | 512,285   | 316,616    | 195,669       |
| Interest  | -                | -         | 7,252      | (7,252)       |
| Capital outlay  | -                | -         | -          | -             |
| Total expenditures  | 512,285          | 512,285   | 323,868    | 188,417       |
| Excess (deficiency) of revenues over (under) expenditures | (512,285)        | (512,285) | (323,868)  | 188,417       |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |           |            |               |
| Transfers Out   | -                | -         | (53,437)   | (53,437)      |
| Sale of Fixed Assets                                      | -                | -         | -          | -             |
| Transfers In  | 512,285          | 512,285   | 324,899    | (187,386)     |
| Bond Proceeds   | -                | -         | -          | -             |
| Total other financing source (uses)                       | 512,285          | 512,285   | 271,462    | (240,823)     |
| Net change in fund balances                               | -                | -         | (52,406)   | (52,406)      |
| Fund balances - beginning                                 | 50,506           | 50,506    | 50,506     | -             |
| Fund balances - ending                                    | \$ 50,506        | \$ 50,506 | \$ (1,900) | \$ (52,406)   |

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, 2016

|   | Budgeted Amounts   |                    |                     | Variance with       |
|---|--------------------|--------------------|---------------------|---------------------|
|   | Original           | Final              | Actual              | Final Budget        |
| <b>REVENUES</b>   |                    |                    |                     |                     |
| Property Taxes  | \$ -               | \$ -               | \$ -                | \$ -                |
| Licenses and Permits                                      | -                  | -                  | -                   | -                   |
| Intergovernmental Revenues                                | -                  | -                  | -                   | -                   |
| Charges for Services                                      | -                  | -                  | -                   | -                   |
| Fines and Forfeitures                                     | -                  | -                  | -                   | -                   |
| Miscellaneous   | -                  | -                  | -                   | -                   |
| Investment Earnings                                       | 15,000             | 15,000             | 9,701               | (5,299)             |
| Contributions/Donations                                   | -                  | -                  | -                   | -                   |
| Total revenues  | <u>15,000</u>      | <u>15,000</u>      | <u>9,701</u>        | <u>(5,299)</u>      |
| <b>EXPENDITURES</b>                                       |                    |                    |                     |                     |
| Current:  |                    |                    |                     |                     |
| General Government  | 26,345             | 26,345             | 26,345              | -                   |
| Public Safety   | -                  | -                  | -                   | -                   |
| Public Works  | -                  | -                  | -                   | -                   |
| Public Health   | -                  | -                  | -                   | -                   |
| Social and Economic Services                              | -                  | -                  | -                   | -                   |
| Culture and Recreation                                    | -                  | -                  | -                   | -                   |
| Housing And Community Development                         | -                  | -                  | -                   | -                   |
| Conservation Of Natural Resources                         | -                  | -                  | -                   | -                   |
| Debt service:   |                    |                    |                     |                     |
| Principal   | -                  | -                  | -                   | -                   |
| Interest  | -                  | -                  | -                   | -                   |
| Capital outlay  | -                  | -                  | -                   | -                   |
| Total expenditures  | <u>26,345</u>      | <u>26,345</u>      | <u>26,345</u>       | <u>-</u>            |
| Excess (deficiency) of revenues over (under) expenditures | <u>(11,345)</u>    | <u>(11,345)</u>    | <u>(16,644)</u>     | <u>(5,299)</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                    |                    |                     |                     |
| Transfers Out   | (1,019,414)        | (1,019,414)        | -                   | 1,019,414           |
| Sale of Fixed Assets                                      | -                  | -                  | -                   | -                   |
| Transfers In  | -                  | -                  | -                   | -                   |
| Bond Proceeds   | -                  | -                  | 5,350               | 5,350               |
| Total other financing source (uses)                       | <u>(1,019,414)</u> | <u>(1,019,414)</u> | <u>5,350</u>        | <u>1,024,764</u>    |
| Net change in fund balances                               | (1,030,759)        | (1,030,759)        | (11,294)            | 1,019,465           |
| Fund balances - beginning                                 | 1,099,310          | 1,099,310          | 1,099,310           | -                   |
| Fund balances - ending                                    | <u>\$ 68,551</u>   | <u>\$ 68,551</u>   | <u>\$ 1,088,016</u> | <u>\$ 1,019,465</u> |

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, 2016

|  | 4140<br>OPEN SPACE BOND<br>PROGRAM FUND | 4200<br>CP - RID FUNDS | 4310<br>CTEP PROJECTS | 4320<br>INFRASTRUCTURE<br>LOAN PROGRAM FN |
|--|---|------------------------|-----------------------|---|
| <b>ASSETS</b>                                  |   |                        |                       |   |
| Cash & Investments                             | \$ 4,453,791                            | \$ 291,876             | \$ -                  | \$ -                                      |
| Accounts Receivable-Net                        | 54,831                                  | -                      | 85,583                | -   |
| Total assets                                   | <u>4,508,622</u>                        | <u>291,876</u>         | <u>85,583</u>         | <u>-</u>                                  |
| <b>LIABILITIES</b>                             |   |                        |                       |   |
| Accounts Payable                               | 83,232                                  | -                      | 46,077                | -   |
| Due To Other Funds                             | -                                       | -                      | 37,270                | -   |
| Total liabilities                              | <u>83,232</u>                           | <u>-</u>               | <u>83,347</u>         | <u>-</u>                                  |
| <b>Fund Balances:</b>                          | 4,425,390                               | 291,876                | 2,236                 | -   |
| <b>Nonspendable:</b>                           |   |                        |                       |   |
| Inventories                                    | -                                       | -                      | -                     | -   |
| Restricted for:                                |   |                        |                       |   |
| Grants   | -                                       | -                      | -                     | -   |
| Debt Service Obligations                       | -                                       | -                      | -                     | -   |
| RID Debt Services                              | -                                       | -                      | -                     | -   |
| Construction Projects                          | 4,425,390                               | 291,876                | 2,236                 | -   |
| 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>4,425,390</u>                        | <u>291,876</u>         | <u>2,236</u>          | <u>-</u>                                  |
| Total liabilities and fund balances (deficits) | <u>\$ 4,508,622</u>                     | <u>\$ 291,876</u>      | <u>\$ 85,583</u>      | <u>\$ -</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, 2016

|  | 4331<br>JUNK VEHICLE-<br>CAPITAL<br>IMPROVEMT | 4350<br>TSEP -<br>CONSTRUCTION<br>FUND | 4430<br>CDBG - GRANTS | 4990<br>STIMULUS<br>ACTIVITIES | Total Nonmajor Capital<br>projects funds |
|--|---|--|-----------------------|--------------------------------|--|
| <b>ASSETS</b>                                  |   |  |                       |                                |  |
| Cash & Investments                             | \$ 107,626                                    | \$ -                                   | \$ 9,292              | \$ -                           | #REF!                                    |
| Accounts Receivable-Net                        | -   | -                                      | -                     | -                              | #REF!                                    |
| Total assets                                   | <u>107,626</u>                                | <u>-</u>                               | <u>9,292</u>          | <u>-</u>                       | <u>#REF!</u>                             |
| <b>LIABILITIES</b>                             |   |  |                       |                                |  |
| Accounts Payable                               | 25  | -                                      | -                     | -                              | #REF!                                    |
| Due To Other Funds                             | -   | -                                      | -                     | -                              | #REF!                                    |
| Total liabilities                              | <u>25</u>                                     | <u>-</u>                               | <u>-</u>              | <u>-</u>                       | <u>#REF!</u>                             |
| <b>Fund Balances:</b>                          | 107,601                                       | -                                      | 9,292                 | -                              | #REF!                                    |
| <b>Nonspendable:</b>                           |   |  |                       |                                |  |
| Inventories                                    | -   | -                                      | -                     | -                              | -  |
| Restricted for:                                |   |  |                       |                                |  |
| Grants   | -   | -                                      | -                     | -                              | -  |
| Debt Service Obligations                       | -   | -                                      | -                     | -                              | -  |
| RID Debt Services                              | -   | -                                      | -                     | -                              | -  |
| Construction Projects                          | 107,601                                       | -                                      | 9,292                 | -                              | 116,893                                  |
| 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>107,601</u>                                | <u>-</u>                               | <u>9,292</u>          | <u>-</u>                       | <u>116,893</u>                           |
| Total liabilities and fund balances (deficits) | <u>\$ 107,626</u>                             | <u>\$ -</u>                            | <u>\$ 9,292</u>       | <u>\$ -</u>                    | <u>#REF!</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, 2016

|   | Budgeted Amounts   |                    |                     | Variance with       |
|---|--------------------|--------------------|---------------------|---------------------|
|   | Original           | Final              | Actual              | Final Budget        |
| <b>REVENUES</b>   |                    |                    |                     |                     |
| Property Taxes  | \$ -               | \$ -               | \$ -                | \$ -                |
| Licenses and Permits                                      | -                  | -                  | -                   | -                   |
| Intergovernmental Revenues                                | 68,000             | 68,000             | 47,870              | (20,130)            |
| Charges for Services                                      | -                  | -                  | -                   | -                   |
| Fines and Forfeitures                                     | -                  | -                  | -                   | -                   |
| Miscellaneous   | -                  | -                  | -                   | -                   |
| Investment Earnings                                       | 7,500              | 7,500              | 31,032              | 23,532              |
| Contributions/Donations                                   | -                  | -                  | -                   | -                   |
| Total revenues  | <u>75,500</u>      | <u>75,500</u>      | <u>78,902</u>       | <u>3,402</u>        |
| <b>EXPENDITURES</b>                                       |                    |                    |                     |                     |
| Current:  |                    |                    |                     |                     |
| General Government  | -                  | -                  | -                   | -                   |
| Public Safety   | -                  | -                  | -                   | -                   |
| Public Works  | -                  | -                  | -                   | -                   |
| Public Health   | -                  | -                  | -                   | -                   |
| Social and Economic Services                              | -                  | -                  | -                   | -                   |
| Culture and Recreation                                    | 138,648            | 138,648            | 11,298              | 127,350             |
| Housing And Community Development                         | -                  | -                  | -                   | -                   |
| Conservation Of Natural Resources                         | -                  | -                  | 29,444              | (29,444)            |
| Debt service:   |                    |                    |                     | -                   |
| Principal   | -                  | 2,809,359          | -                   | 2,809,359           |
| Interest  | -                  | -                  | 234,359             | (234,359)           |
| Capital outlay  | 1,265,030          | 1,265,030          | 460,831             | 804,199             |
| Total expenditures  | <u>1,403,678</u>   | <u>4,213,037</u>   | <u>735,932</u>      | <u>3,477,105</u>    |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,328,178)</u> | <u>(4,137,537)</u> | <u>(657,030)</u>    | <u>3,480,507</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                    |                    |                     |                     |
| Transfers Out   | -                  | -                  | -                   | -                   |
| Sale of Fixed Assets                                      | -                  | -                  | -                   | -                   |
| Transfers In  | -                  | -                  | -                   | -                   |
| Bond Proceeds   | -                  | 2,809,359          | 3,200,000           | 390,641             |
| Advance Refunding Bonds Issued                            |                    |                    | 2,630,000           | 2,630,000           |
| Payments to Refunded Bonds Escrow Agent                   |                    |                    | (2,575,000)         | (2,575,000)         |
| Bond Issuance Costs                                       |                    |                    | (40,810)            | (40,810)            |
| Bond Premium  |                    |                    | 538,785             | 538,785             |
| Total other financing source (uses)                       | <u>-</u>           | <u>2,809,359</u>   | <u>3,752,975</u>    | <u>390,641</u>      |
| Net change in fund balances                               | (1,328,178)        | (1,328,178)        | 3,095,945           | 3,871,148           |
| Fund balances - beginning                                 | 1,329,445          | 1,329,445          | 1,329,445           | -                   |
| Fund balances - ending                                    | <u>\$ 1,267</u>    | <u>\$ 1,267</u>    | <u>\$ 4,425,390</u> | <u>\$ 3,871,148</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, 2016

|  | Budgeted Amounts |           | Actual     | Variance with<br>Final Budget |
|--|------------------|-----------|------------|-------------------------------|
|  | Original         | Final     |            |                               |
| <b>REVENUES</b>  |                  |           |            |                               |
| Property Taxes   | \$ -             | \$ -      | \$ -       | \$ -                          |
| Licenses and Permits   | -                | -         | -          | -                             |
| Intergovernmental Revenues                                   | -                | -         | -          | -                             |
| Charges for Services   | -                | -         | -          | -                             |
| Fines and Forfeitures  | -                | -         | -          | -                             |
| Miscellaneous  | -                | -         | -          | -                             |
| Investment Earnings  | -                | -         | 191        | 191                           |
| Contributions/Donations                                      | -                | -         | -          | -                             |
| Total revenues   | -                | -         | 191        | 191                           |
| <b>EXPENDITURES</b>  |                  |           |            |                               |
| Current:   |                  |           |            |                               |
| General Government   | -                | -         | -          | -                             |
| Public Safety  | -                | -         | -          | -                             |
| Public Works   | 902,848          | 902,848   | 730,504    | 172,344                       |
| Public Health  | -                | -         | -          | -                             |
| Social and Economic Services                                 | -                | -         | -          | -                             |
| Culture and Recreation                                       | -                | -         | -          | -                             |
| Housing And Community<br>Development                         | -                | -         | -          | -                             |
| Conservation Of Natural Resources                            | -                | -         | -          | -                             |
| Debt service:  |                  |           |            |                               |
| Principal  | -                | -         | -          | -                             |
| Interest   | -                | -         | -          | -                             |
| Capital outlay   | 4,191            | 4,191     | -          | 4,191                         |
| Total expenditures   | 907,039          | 907,039   | 730,504    | 176,535                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (907,039)        | (907,039) | (730,313)  | 176,726                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |           |            |                               |
| Transfers Out  | -                | -         | -          | -                             |
| Sale of Fixed Assets   | -                | -         | -          | -                             |
| Transfers In   | -                | -         | -          | -                             |
| Bond Proceeds  | -                | -         | 101,650    | 101,650                       |
| Bond Premium   | -                | -         | -          | -                             |
| Total other financing source (uses)                          | -                | -         | 101,650    | 101,650                       |
| Net change in fund balances                                  | (907,039)        | (907,039) | (628,663)  | 278,376                       |
| Fund balances - beginning                                    | 920,539          | 920,539   | 920,539    | -                             |
| Fund balances - ending                                       | \$ 13,500        | \$ 13,500 | \$ 291,876 | \$ 278,376                    |

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, 2016

|  | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget |
|--|------------------|-----------------|-----------------|-------------------------------|
|  | Original         | Final           |                 |                               |
| <b>REVENUES</b>  |                  |                 |                 |                               |
| Property Taxes   | \$ -             | \$ -            | \$ -            | \$ -                          |
| Licenses and Permits   | -                | -               | -               | -                             |
| Intergovernmental Revenues                                   | 343,269          | 343,269         | 211,906         | (131,363)                     |
| Charges for Services   | -                | -               | -               | -                             |
| Fines and Forfeitures  | -                | -               | -               | -                             |
| Miscellaneous  | -                | -               | -               | -                             |
| Investment Earnings  | -                | -               | -               | -                             |
| Contributions/Donations                                      | 53,207           | 53,207          | 32,846          | (20,361)                      |
| Total revenues   | <u>396,476</u>   | <u>396,476</u>  | <u>244,752</u>  | <u>(151,724)</u>              |
| <b>EXPENDITURES</b>  |                  |                 |                 |                               |
| Current:   |                  |                 |                 |                               |
| General Government   | -                | -               | -               | -                             |
| Public Safety  | -                | -               | -               | -                             |
| Public Works   | -                | -               | -               | -                             |
| Public Health  | -                | -               | -               | -                             |
| Social and Economic Services                                 | -                | -               | -               | -                             |
| Culture and Recreation                                       | -                | -               | -               | -                             |
| Housing And Community<br>Development                         | 225,272          | 225,272         | 244,752         | (19,480)                      |
| Conservation Of Natural Resources                            | -                | -               | -               | -                             |
| Debt service:  |                  |                 |                 |                               |
| Principal  | -                | -               | -               | -                             |
| Interest   | -                | -               | -               | -                             |
| Capital outlay   | 171,204          | 171,204         | -               | 171,204                       |
| Total expenditures   | <u>396,476</u>   | <u>396,476</u>  | <u>244,752</u>  | <u>151,724</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>-</u>         | <u>-</u>        | <u>-</u>        | <u>-</u>                      |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |                 |                 |                               |
| Transfers Out  | -                | -               | -               | -                             |
| Sale of Fixed Assets   | -                | -               | -               | -                             |
| Transfers In   | -                | -               | -               | -                             |
| Bond Proceeds  | -                | -               | -               | -                             |
| Bond Premium   | -                | -               | -               | -                             |
| Total other financing source (uses)                          | <u>-</u>         | <u>-</u>        | <u>-</u>        | <u>-</u>                      |
| Net change in fund balances                                  | -                | -               | -               | -                             |
| Fund balances - beginning                                    | 2,236            | 2,236           | 2,236           | -                             |
| Fund balances - ending                                       | <u>\$ 2,236</u>  | <u>\$ 2,236</u> | <u>\$ 2,236</u> | <u>\$ -</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, 2016

|  | Budgeted Amounts |       | Actual | Variance with<br>Final Budget |
|--|------------------|-------|--------|-------------------------------|
|  | Original         | Final |        |                               |
| <b>REVENUES</b>  |                  |       |        |                               |
| Property Taxes   | \$ -             | \$ -  | \$ -   | \$ -                          |
| Licenses and Permits   | -                | -     | -      | -                             |
| Intergovernmental Revenues                                   | -                | -     | -      | -                             |
| Charges for Services   | -                | -     | -      | -                             |
| Fines and Forfeitures  | -                | -     | -      | -                             |
| Miscellaneous  | -                | -     | -      | -                             |
| Investment Earnings  | -                | -     | -      | -                             |
| Contributions/Donations                                      | -                | -     | -      | -                             |
| Total revenues   | -                | -     | -      | -                             |
| <b>EXPENDITURES</b>  |                  |       |        |                               |
| Current:   |                  |       |        |                               |
| General Government   | -                | -     | -      | -                             |
| Public Safety  | -                | -     | -      | -                             |
| Public Works   | -                | -     | -      | -                             |
| Public Health  | -                | -     | -      | -                             |
| Social and Economic Services                                 | -                | -     | -      | -                             |
| Culture and Recreation                                       | -                | -     | -      | -                             |
| Housing And Community<br>Development                         | -                | -     | -      | -                             |
| Conservation Of Natural Resources                            | -                | -     | -      | -                             |
| Debt service:  |                  |       |        | -                             |
| Principal  | -                | -     | -      | -                             |
| Interest   | -                | -     | -      | -                             |
| Capital outlay   | 24               | 24    | -      | 24                            |
| Total expenditures   | 24               | 24    | -      | 24                            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (24)             | (24)  | -      | 24                            |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |       |        |                               |
| Transfers Out  | -                | -     | (24)   | (24)                          |
| Sale of Fixed Assets   | -                | -     | -      | -                             |
| Transfers In   | -                | -     | -      | -                             |
| Bond Proceeds  | -                | -     | -      | -                             |
| Bond Premium   |                  |       |        |                               |
| Total other financing source (uses)                          | -                | -     | (24)   | (24)                          |
| Net change in fund balances                                  | (24)             | (24)  | (24)   | -                             |
| Fund balances - beginning                                    | \$ 24            | \$ 24 | \$ 24  | -                             |
| Fund balances - ending                                       | \$ -             | \$ -  | \$ -   | -                             |

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, 2016

|  | Budgeted Amounts |           | Actual     | Variance with<br>Final Budget |
|--|------------------|-----------|------------|-------------------------------|
|  | Original         | Final     |            |                               |
| <b>REVENUES</b>  |                  |           |            |                               |
| Property Taxes   | \$ -             | \$ -      | \$ -       | \$ -                          |
| Licenses and Permits   | -                | -         | -          | -                             |
| Intergovernmental Revenues                                   | -                | -         | -          | -                             |
| Charges for Services   | -                | -         | -          | -                             |
| Fines and Forfeitures  | -                | -         | -          | -                             |
| Miscellaneous  | -                | -         | -          | -                             |
| Investment Earnings  | -                | -         | 1,109      | 1,109                         |
| Contributions/Donations                                      | -                | -         | -          | -                             |
| Total revenues   | -                | -         | 1,109      | 1,109                         |
| <b>EXPENDITURES</b>  |                  |           |            |                               |
| Current:   |                  |           |            |                               |
| General Government   | -                | -         | -          | -                             |
| Public Safety  | -                | -         | -          | -                             |
| Public Works   | -                | -         | -          | -                             |
| Public Health  | -                | -         | -          | -                             |
| Social and Economic Services                                 | -                | -         | -          | -                             |
| Culture and Recreation                                       | -                | -         | -          | -                             |
| Housing And Community<br>Development                         | -                | -         | -          | -                             |
| Conservation Of Natural Resources                            | -                | -         | -          | -                             |
| Debt service:  |                  |           |            |                               |
| Principal  | -                | -         | -          | -                             |
| Interest   | -                | -         | -          | -                             |
| Capital outlay   | 135,206          | 135,206   | 28,714     | 106,492                       |
| Total expenditures   | 135,206          | 135,206   | 28,714     | 106,492                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (135,206)        | (135,206) | (27,605)   | 107,601                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |           |            |                               |
| Transfers Out  | -                | -         | -          | -                             |
| Sale of Fixed Assets   | -                | -         | -          | -                             |
| Transfers In   | -                | -         | -          | -                             |
| Bond Proceeds  | -                | -         | -          | -                             |
| Bond Premium   | -                | -         | -          | -                             |
| Total other financing source (uses)                          | -                | -         | -          | -                             |
| Net change in fund balances                                  | (135,206)        | (135,206) | (27,605)   | 107,601                       |
| Fund balances - beginning                                    | 135,206          | 135,206   | 135,206    | -                             |
| Fund balances - ending                                       | \$ -             | \$ -      | \$ 107,601 | \$ 107,601                    |

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, 2016

|   | Budgeted Amounts |          |          | Variance with |
|---|------------------|----------|----------|---------------|
|   | Original         | Final    | Actual   | Final Budget  |
| <b>REVENUES</b>   |                  |          |          |               |
| Property Taxes  | \$ -             | \$ -     | \$ -     | \$ -          |
| Licenses and Permits                                      | -                | -        | -        | -             |
| Intergovernmental Revenues                                | -                | 15,000   | 14,973   | (27)          |
| Charges for Services                                      | -                | -        | -        | -             |
| Fines and Forfeitures                                     | -                | -        | -        | -             |
| Miscellaneous   | -                | -        | -        | -             |
| Investment Earnings                                       | -                | -        | -        | -             |
| Contributions/Donations                                   | -                | -        | -        | -             |
| Total revenues  | -                | 15,000   | 14,973   | (27)          |
| <b>EXPENDITURES</b>                                       |                  |          |          |               |
| Current:  |                  |          |          |               |
| General Government  | -                | -        | -        | -             |
| Public Safety   | -                | -        | -        | -             |
| Public Works  | -                | 37,801   | 1,614    | 36,187        |
| Public Health   | -                | -        | -        | -             |
| Social and Economic Services                              | -                | -        | -        | -             |
| Culture and Recreation                                    | -                | -        | -        | -             |
| Housing And Community Development                         | -                | -        | -        | -             |
| Conservation Of Natural Resources                         | -                | -        | -        | -             |
| Debt service:   |                  |          |          |               |
| Principal   | -                | -        | -        | -             |
| Interest  | -                | -        | -        | -             |
| Capital outlay  | -                | -        | 36,186   | (36,186)      |
| Total expenditures  | -                | 37,801   | 37,800   | 1             |
| Excess (deficiency) of revenues over (under) expenditures | -                | (22,801) | (22,827) | (26)          |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |          |          |               |
| Transfers Out   | -                | -        | -        | -             |
| Sale of Fixed Assets                                      | -                | -        | -        | -             |
| Transfers In  | -                | 22,801   | 22,827   | 26            |
| Bond Proceeds   | -                | -        | -        | -             |
| Bond Premium  | -                | -        | -        | -             |
| Total other financing source (uses)                       | -                | 22,801   | 22,827   | 26            |
| 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, 2016

|  | Budgeted Amounts |         | Actual   | Variance with<br>Final Budget |
|--|------------------|---------|----------|-------------------------------|
|  | Original         | Final   |          |                               |
| <b>REVENUES</b>  |                  |         |          |                               |
| Property Taxes   | \$ -             | \$ -    | \$ -     | \$ -                          |
| Licenses and Permits   | -                | -       | -        | -                             |
| Intergovernmental Revenues                                   | 440,708          | 440,708 | -        | (440,708)                     |
| Charges for Services   | -                | -       | -        | -                             |
| Fines and Forfeitures  | -                | -       | -        | -                             |
| Miscellaneous  | -                | -       | -        | -                             |
| Investment Earnings  | -                | -       | -        | -                             |
| Contributions/Donations                                      | -                | -       | -        | -                             |
| Total revenues   | 440,708          | 440,708 | -        | (440,708)                     |
| <b>EXPENDITURES</b>  |                  |         |          |                               |
| Current:   |                  |         |          |                               |
| General Government   | -                | -       | -        | -                             |
| Public Safety  | -                | -       | -        | -                             |
| Public Works   | -                | -       | -        | -                             |
| Public Health  | -                | -       | -        | -                             |
| Social and Economic Services                                 | -                | -       | -        | -                             |
| Culture and Recreation                                       | -                | -       | -        | -                             |
| Housing And Community<br>Development                         | 450,000          | 450,000 | -        | 450,000                       |
| Conservation Of Natural Resources                            | -                | -       | -        | -                             |
| Debt service:  |                  |         |          |                               |
| Principal  | -                | -       | -        | -                             |
| Interest   | -                | -       | -        | -                             |
| Capital outlay   | -                | -       | -        | -                             |
| Total expenditures   | 450,000          | 450,000 | -        | 450,000                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (9,292)          | (9,292) | -        | 9,292                         |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |         |          |                               |
| Transfers Out  | -                | -       | -        | -                             |
| Sale of Fixed Assets   | -                | -       | -        | -                             |
| Transfers In   | -                | -       | -        | -                             |
| Bond Proceeds  | -                | -       | -        | -                             |
| Bond Premium   | -                | -       | -        | -                             |
| Total other financing source (uses)                          | -                | -       | -        | -                             |
| Net change in fund balances                                  | (9,292)          | (9,292) | -        | 9,292                         |
| Fund balances - beginning                                    | 9,292            | 9,292   | 9,292    | -                             |
| Fund balances - ending                                       | \$ -             | \$ -    | \$ 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, 2016

|  | Budgeted Amounts |        | Actual | Variance with<br>Final Budget |
|--|------------------|--------|--------|-------------------------------|
|  | Original         | Final  |        |                               |
| <b>REVENUES</b>  |                  |        |        |                               |
| Property Taxes   | \$ -             | \$ -   | \$ -   | \$ -                          |
| Licenses and Permits   | -                | -      | -      | -                             |
| Intergovernmental Revenues                                   | -                | -      | -      | -                             |
| Charges for Services   | -                | -      | -      | -                             |
| Fines and Forfeitures  | -                | -      | -      | -                             |
| Miscellaneous  | -                | -      | -      | -                             |
| Investment Earnings  | -                | -      | -      | -                             |
| Contributions/Donations                                      | -                | -      | -      | -                             |
| Total revenues   | -                | -      | -      | -                             |
| <b>EXPENDITURES</b>  |                  |        |        |                               |
| Current:   |                  |        |        |                               |
| General Government   | -                | -      | -      | -                             |
| Public Safety  | -                | -      | -      | -                             |
| Public Works   | -                | -      | -      | -                             |
| Public Health  | -                | -      | -      | -                             |
| Social and Economic Services                                 | -                | -      | -      | -                             |
| Culture and Recreation                                       | -                | -      | -      | -                             |
| Housing And Community<br>Development                         | -                | -      | -      | -                             |
| Conservation Of Natural Resources                            | -                | -      | -      | -                             |
| Debt service:  |                  |        |        | -                             |
| Principal  | -                | -      | -      | -                             |
| Interest   | -                | -      | -      | -                             |
| Capital outlay   | -                | -      | -      | -                             |
| Total expenditures   | -                | -      | -      | -                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | -      | -      | -                             |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                  |        |        |                               |
| Transfers Out  | -                | -      | (748)  | (748)                         |
| Sale of Fixed Assets   | -                | -      | -      | -                             |
| Transfers In   | -                | -      | -      | -                             |
| Bond Proceeds  | -                | -      | -      | -                             |
| Bond Premium   | -                | -      | -      | -                             |
| Total other financing source (uses)                          | -                | -      | (748)  | (748)                         |
| Net change in fund balances                                  | -                | -      | (748)  | (748)                         |
| Fund balances - beginning                                    | 748              | 748    | 748    | -                             |
| Fund balances - ending                                       | \$ 748           | \$ 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, 2016

|                                    | 6010             | 6050                         | 6070                   | 6090                             | 6110                   | 6120                        | Total Nonmajor         |
|------------------------------------|------------------|------------------------------|------------------------|----------------------------------|------------------------|-----------------------------|------------------------|
|                                    | MOTOR POOL       | EMPLOYEE<br>HEALTH INS. FUND | CENTRAL<br>MAINTENANCE | COMMUNICATIONS<br>(PHONE SYSTEM) | COPIER RESERVE<br>FUND | LIABILITY<br>INSURANCE FUND | Internal service funds |
| <b>ASSETS</b>                      |                  |                              |                        |                                  |                        |                             |                        |
| Current assets:                    |                  |                              |                        |                                  |                        |                             |                        |
| Cash & Investments                 | \$ 63,893        | \$ 3,923,886                 | \$ 1,191,466           | \$ 594,789                       | \$ 199,740             | \$ 854,695                  | \$ 6,828,469           |
| Accounts Receivable-Net            | -                | 20,422                       | 3,917                  | -                                | -                      | 1,335                       | 25,674                 |
| Capital Assets-Net of Accumulation | 33,948           | -                            | 5,394                  | 650,913                          | 49,543                 | -                           | 739,798                |
| Total current assets               | <u>97,841</u>    | <u>3,944,308</u>             | <u>1,200,777</u>       | <u>1,245,702</u>                 | <u>249,283</u>         | <u>856,030</u>              | <u>7,593,941</u>       |
| Total assets                       | <u>97,841</u>    | <u>3,944,308</u>             | <u>1,200,777</u>       | <u>1,245,702</u>                 | <u>249,283</u>         | <u>856,030</u>              | <u>7,593,941</u>       |
| <b>LIABILITIES</b>                 |                  |                              |                        |                                  |                        |                             |                        |
| Current liabilities:               |                  |                              |                        |                                  |                        |                             |                        |
| Accounts Payable                   | 1,064            | 6,627                        | 59,624                 | 11,826                           | 3,482                  | 10,310                      | 92,933                 |
| Other Accrued Payables             | 344              | 234,300                      | 19,472                 | 2,094                            | -                      | -                           | 256,210                |
| Compensated Absences               | -                | -                            | 42,186                 | -                                | -                      | -                           | 42,186                 |
| Total current liabilities          | <u>1,408</u>     | <u>240,927</u>               | <u>121,282</u>         | <u>13,920</u>                    | <u>3,482</u>           | <u>10,310</u>               | <u>391,329</u>         |
| Noncurrent liabilities:            |                  |                              |                        |                                  |                        |                             |                        |
| OPEB Obligation                    | -                | -                            | 23,168                 | -                                | -                      | -                           | 23,168                 |
| Total noncurrent liabilities       | <u>-</u>         | <u>-</u>                     | <u>23,168</u>          | <u>-</u>                         | <u>-</u>               | <u>-</u>                    | <u>23,168</u>          |
| Total liabilities                  | <u>1,408</u>     | <u>240,927</u>               | <u>144,450</u>         | <u>13,920</u>                    | <u>3,482</u>           | <u>10,310</u>               | <u>414,497</u>         |
| <b>NET POSITION</b>                |                  |                              |                        |                                  |                        |                             |                        |
| Restricted for:                    |                  |                              |                        |                                  |                        |                             |                        |
| Unrestricted                       | 96,433           | 3,703,381                    | 1,056,327              | 1,231,782                        | 245,801                | 845,720                     | 7,179,444              |
| Total net position                 | <u>\$ 96,433</u> | <u>\$ 3,703,381</u>          | <u>\$ 1,056,327</u>    | <u>\$ 1,231,782</u>              | <u>\$ 245,801</u>      | <u>\$ 845,720</u>           | <u>\$ 7,179,444</u>    |

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

Gallatin County, State of Montana  
Combining Statement of Revenues, Expenditures, and Changes in Net Position  
Internal service funds  
For the Year Ended June 30, 2016

|  | MOTOR POOL       | EMPLOYEE<br>HEALTH<br>INSURANCE | CENTRAL<br>MAINTENANCE | COMMUNICATIONS<br>(PHONE SYSTEM) | COPIER RESERVE<br>FUND | LIABILITY<br>INSURANCE FUND | Total Internal service<br>funds |
|--|------------------|---------------------------------|------------------------|----------------------------------|------------------------|-----------------------------|---------------------------------|
| <b>OPERATING REVENUES</b>                        |                  |                                 |                        |                                  |                        |                             |                                 |
| Charges for Services                             | \$ 38,647        | \$ -                            | \$ 136,840             | \$ 447,372                       | \$ -                   | \$ -                        | \$ 622,859                      |
| Miscellaneous                                    | -                | -                               | 902                    | -                                | -                      | -                           | 902                             |
| Internal Services                                | -                | 5,829,437                       | 1,401,388              | -                                | 69,558                 | 301,233                     | 7,601,616                       |
| Total operating revenues                         | <u>38,647</u>    | <u>5,829,437</u>                | <u>1,539,130</u>       | <u>447,372</u>                   | <u>69,558</u>          | <u>301,233</u>              | <u>8,225,377</u>                |
| <b>OPERATING EXPENSES</b>                        |                  |                                 |                        |                                  |                        |                             |                                 |
| Internal Service-Personnel                       | 2,626            | -                               | 466,939                | 58,404                           | -                      | -                           | 527,969                         |
| Internal Service-Supplies                        | 18,939           | 645                             | 102,687                | 6,332                            | 8,204                  | -                           | 136,807                         |
| Internal Service-Purchased Ser                   | -                | 119,898                         | 798,474                | 302,793                          | 27,035                 | -                           | 1,248,200                       |
| Internal Service-Fixed Charges                   | -                | 566,712                         | 59,902                 | 24,744                           | 2,278                  | 112,095                     | 765,731                         |
| Internal Service-Depreciation                    | 9,332            | -                               | 1,264                  | 90,833                           | 20,027                 | -                           | 121,456                         |
| Internal Serv-Benefit Payments                   | -                | 4,841,132                       | -                      | -                                | -                      | -                           | 4,841,132                       |
| Total operating expenses                         | <u>30,897</u>    | <u>5,528,387</u>                | <u>1,429,266</u>       | <u>483,106</u>                   | <u>57,544</u>          | <u>112,095</u>              | <u>7,641,295</u>                |
| Operating income (loss)                          | <u>7,750</u>     | <u>301,050</u>                  | <u>109,864</u>         | <u>(35,734)</u>                  | <u>12,014</u>          | <u>189,138</u>              | <u>584,082</u>                  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                  |                                 |                        |                                  |                        |                             |                                 |
| Investment Earnings                              | -                | 38,472                          | 12,801                 | 7,540                            | 2,003                  | 8,796                       | 69,612                          |
| Sale of Fixed Assets                             | -                | -                               | -                      | -                                | (187)                  | -                           | (187)                           |
| Transfers Out                                    | -                | -                               | -                      | (7,701)                          | -                      | -                           | (7,701)                         |
| Total nonoperating revenues (expenses)           | <u>-</u>         | <u>38,472</u>                   | <u>12,801</u>          | <u>(161)</u>                     | <u>1,816</u>           | <u>8,796</u>                | <u>61,724</u>                   |
| Income (loss) before contributions and transfers | 7,750            | 339,522                         | 122,665                | (35,895)                         | 13,830                 | 197,934                     | 645,806                         |
| Transfers In                                     | <u>-</u>         | <u>871,500</u>                  | <u>-</u>               | <u>84,200</u>                    | <u>-</u>               | <u>-</u>                    | <u>955,700</u>                  |
| Change in net position                           | <u>7,750</u>     | <u>1,211,022</u>                | <u>122,665</u>         | <u>48,305</u>                    | <u>13,830</u>          | <u>197,934</u>              | <u>1,601,506</u>                |
| Total net position - beginning                   | <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>                |
| Total net position - ending                      | <u>\$ 96,433</u> | <u>\$ 3,703,381</u>             | <u>\$ 1,056,327</u>    | <u>\$ 1,231,782</u>              | <u>\$ 245,801</u>      | <u>\$ 845,720</u>           | <u>\$ 7,179,444</u>             |

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



Gallatin County, State of Montana  
Comparative Statement of Cash Flows  
Internal service funds  
For the Year Ended June 30, 2016

|   | 6010<br>MOTOR<br>POOL | 6050<br>EMPLOYEE<br>HEALTH INS. FUND | 6070<br>CENTRAL<br>MAINTENANCE | 6090<br>COMMUNICATIONS<br>(PHONE SYSTEM) | 6110<br>COPIER RESERVE<br>FUND | 6120<br>LIABILITY<br>INSURANCE FUND | Total Internal<br>Service Funds |
|---|-----------------------|--------------------------------------|--------------------------------|--|--------------------------------|-------------------------------------|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                       |                                      |                                |  |                                |                                     |                                 |
| Cash from interfund   | \$ 38,648             | \$ 5,829,437                         | \$ 1,402,289                   | \$ 439,671                               | \$ 69,558                      | \$ 301,233                          | \$ 8,080,836                    |
| Cash receipts from customer   | -                     | 1,176                                | 129,438                        | -  | -                              | 12,128                              | 142,742                         |
| Payments to employees   | (2,409)               | -                                    | (461,639)                      | (59,095)                                 | -                              | (10,491)                            | (533,634)                       |
| Payments to interfund   | (1,223)               | -                                    | (33,084)                       | -  | -                              | -                                   | (34,307)                        |
| Payments to suppliers   | (17,951)              | (5,523,751)                          | (920,080)                      | (340,532)                                | (35,910)                       | (112,095)                           | (6,950,319)                     |
| Net cash provided (used) by operating activities  | <u>17,065</u>         | <u>306,862</u>                       | <u>116,924</u>                 | <u>40,044</u>                            | <u>33,648</u>                  | <u>190,775</u>                      | <u>705,318</u>                  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                       |                                      |                                |  |                                |                                     |                                 |
| Transfers from (to) Other Funds   | -                     | 871,500                              | -                              | 84,200                                   | -                              | -                                   | 955,700                         |
| Net cash provided (used) by noncapital financing activities   | <u>-</u>              | <u>871,500</u>                       | <u>-</u>                       | <u>84,200</u>                            | <u>-</u>                       | <u>-</u>                            | <u>955,700</u>                  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                       |                                      |                                |  |                                |                                     |                                 |
| Purchases/acquisition/const. of Capital Assets  | -                     | -                                    | -                              | (167,674)                                | -                              | -                                   | (167,674)                       |
| Gain (loss) on Sale of Assets   | -                     | -                                    | -                              | -  | -                              | -                                   | -                               |
| Net cash provided (used) by capital and related financing activities                                  | <u>-</u>              | <u>-</u>                             | <u>-</u>                       | <u>(167,674)</u>                         | <u>-</u>                       | <u>-</u>                            | <u>(167,674)</u>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                       |                                      |                                |  |                                |                                     |                                 |
| Interest Earnings   | -                     | 38,472                               | 12,801                         | 7,540                                    | 2,003                          | 8,795                               | 69,611                          |
| Net cash provided (used) by investing activities  | <u>-</u>              | <u>38,472</u>                        | <u>12,801</u>                  | <u>7,540</u>                             | <u>2,003</u>                   | <u>8,795</u>                        | <u>69,611</u>                   |
| Net increase (decrease) in cash and cash equivalents  | 17,065                | 1,216,834                            | 129,725                        | (35,890)                                 | 35,651                         | 199,570                             | 1,562,955                       |
| Balances - beginning of year  | 46,828                | 2,707,052                            | 1,061,741                      | 630,679                                  | 164,089                        | 655,125                             | 5,265,514                       |
| Balances - end of the year  | <u>\$ 63,893</u>      | <u>\$ 3,923,886</u>                  | <u>\$ 1,191,466</u>            | <u>\$ 594,789</u>                        | <u>\$ 199,740</u>              | <u>\$ 854,695</u>                   | <u>\$ 6,828,469</u>             |
|   |                       |                                      |                                |  | 199,740                        |                                     |                                 |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                       |                                      |                                |  |                                |                                     |                                 |
| Operating Income  | \$ 7,750              | \$ 301,050                           | \$ 109,864                     | \$ (35,734)                              | \$ 12,014                      | \$ 189,138                          | \$ 584,082                      |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                       |                                      |                                |  |                                |                                     |                                 |
| Depreciation Expense  | 9,332                 | -                                    | 1,264                          | 90,833                                   | 20,027                         | -                                   | 121,456                         |
| Changes in assets and liabilities:  |                       |                                      |                                |  |                                |                                     | -                               |
| Accounts Payable - Supplier   | (17)                  | 4,636                                | (3,146)                        | (14,365)                                 | 1,607                          | 12,128                              | 843                             |
| Compensated absences  | -                     | -                                    | 7,052                          | -  | -                              | -                                   | 7,052                           |
| Customer Receivables  | -                     | 1,176                                | (463)                          | -  | -                              | -                                   | 713                             |
| Salaries & Benefits Payable   | -                     | -                                    | 2,353                          | (690)                                    | -                              | (10,491)                            | (8,828)                         |
| Net cash provided (used) by operating activities  | <u>\$ 17,065</u>      | <u>\$ 306,862</u>                    | <u>\$ 116,924</u>              | <u>\$ 40,044</u>                         | <u>\$ 33,648</u>               | <u>\$ 190,775</u>                   | <u>\$ 705,318</u>               |

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

## **STATISTICAL SECTION**

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No.                                | Description             | Approved Budget   | Cash Reserved    | Res. %        | Total             | Cash              | Non-Tax Revenue              | Taxes             | Mill Value    | FY 2016 Mills | MAX MILLS     | FY 2015 Mills |
|---|-------------------------|-------------------|------------------|---------------|-------------------|-------------------|------------------------------|-------------------|---------------|---------------|---------------|---------------|
| <b>County-Wide Operating Funds</b>      |                         |                   |                  |               |                   |                   |                              |                   |               |               |               |               |
| 1000                                    | General                 | 13,351,030        | 1,737,042        | 13.01%        | 15,088,072        | 4,256,859         | 5,776,334                    | 5,054,879         | 237,836       | 21.25         |               | 21.03         |
| 2140                                    | Noxious Weed            | 377,482           | 92,442           | 24.49%        | 469,924           | 156,676           | 313,248                      | -                 | 237,836       | -             |               | -             |
| 2160                                    | Fair                    | 1,203,291         | 150,000          | 12.47%        | 1,353,291         | 155,456           | 763,256                      | 434,579           | 237,836       | 1.83          |               | 1.64          |
| 2270                                    | City/County Health      | 2,693,839         | 500,000          | 18.56%        | 3,193,839         | 1,200,917         | 680,699                      | 1,312,223         | 237,836       | 5.52          |               | 5.52          |
| 2300                                    | Public Safety           | 16,742,036        | 2,100,000        | 12.54%        | 18,842,036        | 4,843,849         | 4,034,634                    | 9,963,553         | 237,836       | 41.89         |               | 40.01         |
| 4010                                    | County Capital Projects | 9,171,234         | 920,000          | 10.03%        | 10,091,234        | 6,792,685         | 361,000                      | 2,937,549         | 237,836       | 12.35         |               | 6.15          |
| 5120                                    | Rest Home               | 7,067,478         | 2,200,000        | 31.13%        | 9,267,478         | 3,392,830         | 5,874,648                    | -                 | 237,836       | -             | -             | -             |
| <b>subtotal Operating Funds</b>         |                         | <b>50,606,390</b> | <b>7,699,484</b> | <b>15.21%</b> | <b>58,305,874</b> | <b>20,799,272</b> | <b>17,803,819</b>            | <b>19,702,783</b> | 70            | <b>82.84</b>  | <b>89.11</b>  | <b>74.35</b>  |
| <b>County Rural Operating Funds</b>     |                         |                   |                  |               |                   |                   |                              |                   |               |               |               |               |
| 2110                                    | Road                    | 5,947,849         | 900,000          | 15.13%        | 6,847,849         | 2,784,148         | 1,023,562                    | 3,040,139         | 131,332       | 23.15         |               | 20.15         |
| 2220                                    | Library                 | 1,059,943         | 285,000          | 26.89%        | 1,344,943         | 374,591           | 65,500                       | 904,852           | 131,332       | 6.89          |               | 6.14          |
| 2260                                    | County Emergency        | 6,325             | -                | 0.00%         | 6,325             | 6,325             | -                            | -                 | 131,332       | -             |               | -             |
| <b>subtotal Rural Operating Funds</b>   |                         | <b>7,014,117</b>  | <b>1,185,000</b> | <b>16.89%</b> | <b>8,199,117</b>  | <b>3,165,064</b>  | <b>1,089,062</b>             | <b>3,944,991</b>  |               | <b>30.04</b>  | <b>30.04</b>  | <b>26.29</b>  |
| <b>SUBTOTAL MILLED FUNDS</b>            |                         | <b>57,620,507</b> | <b>8,884,484</b> |               | <b>66,504,991</b> | <b>23,964,336</b> | <b>18,892,881</b>            | <b>23,647,774</b> |               | <b>112.88</b> | <b>119.15</b> | <b>100.64</b> |
| <b>Permissive / Bond - Exempt Funds</b> |                         |                   |                  |               |                   |                   |                              |                   |               |               |               |               |
| 2372                                    | Permissive Medical Levy | 1,801,899         | 75,000           | 4.16%         | 1,876,899         | 113,947           | 20,000                       | 1,742,952         | 237,836       | 7.33          | 10.90         | 6.06          |
| 3400                                    | Rural Revolving         | 1,045,759         | 80,000           | 7.65%         | 1,125,759         | 1,110,759         | 15,000                       | -                 | 237,836       | -             | -             | -             |
| 3040                                    | Open Space Bonds        | 1,244,874         | 100,000          | 8.03%         | 1,344,874         | 148,681           | 15,000                       | 1,181,193         | 234,986       | 5.03          | 5.03          | 4.95          |
| 3050                                    | Detention Center Bond   | 2,399,146         | 200,000          | 8.34%         | 2,599,146         | 291,434           | 25,000                       | 2,282,712         | 237,836       | 9.60          | 9.60          | 9.14          |
| <b>subtotal Exempt Funds</b>            |                         | <b>6,491,678</b>  | <b>455,000</b>   | <b>7.01%</b>  | <b>6,946,678</b>  | <b>1,664,821</b>  | <b>75,000</b>                | <b>5,206,857</b>  |               | <b>21.96</b>  | <b>25.53</b>  | <b>20.15</b>  |
| <b>SUBTOTAL TAX FUNDS</b>               |                         | <b>64,112,185</b> | <b>9,339,484</b> | <b>14.57%</b> | <b>73,451,669</b> | <b>25,629,157</b> | <b>18,967,881</b>            | <b>28,854,631</b> |               | <b>134.84</b> | <b>144.68</b> | <b>120.79</b> |
| FY 2015 BUDGET                          |                         | <u>59,077,328</u> | <u>8,484,704</u> | <u>14.36%</u> | <u>67,562,032</u> | <u>21,964,540</u> | <u>17,948,440</u>            | <u>27,649,052</u> |               | <u>120.79</u> |               |               |
| Change from FY 2015                     |                         | <b>5,034,857</b>  | <b>854,780</b>   |               | <b>5,889,637</b>  | <b>3,664,617</b>  | <b>1,019,441</b>             | <b>1,205,579</b>  | 4.36%         | <b>14.05</b>  |               |               |
|   |                         |                   |                  |               | 27,730,095        | 21,192,545        | County Taxable Valuation     | 237,836           | <b>-5.98%</b> |               |               | 252,964       |
|   |                         |                   |                  |               | (2,339,369.47)    | 3,945,139         | Rural Taxable Valuation      | 131,332           | <b>-8.23%</b> |               |               | 143,113       |
|   |                         |                   |                  |               |                   | 2,592,412         | Open Space Taxable Valuation | 234,986           | <b>-5.65%</b> |               |               | 249,047       |

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No.  | Description                | Approved Budget   | Cash Reserved    | Res. %       | Total             | Cash              | Non-Tax Revenue  | Taxes            | Mill Value | FY 2016 Mills | MAX MILLS | FY 2015 Mills |
|---|----------------------------|-------------------|------------------|--------------|-------------------|-------------------|------------------|------------------|------------|---------------|-----------|---------------|
| <b>Grant, Districts and Miscellaneous Funds</b> |                            |                   |                  |              |                   |                   |                  |                  |            |               |           |               |
| 2111  | Road Impact Fee            | 76,198            | 5,627            | 0.00%        | 81,825            | 66,675            | 15,150           | -                |            |               |           |               |
|   | Predatory Animal Control   | 15,436            | 1,000            | 0.00%        | 16,436            | (3,454)           | 6,593            | 13,297           |            |               |           |               |
|   | Mosquito Control Districts | 225,812           | -                | N/A          | 225,812           | 136,125           | 5,400            | 84,287           |            |               |           |               |
| 2210  | Parks                      | 67,248            | -                | N/A          | 67,248            | 13,650            | 53,598           | -                |            |               |           |               |
| 2250  | County Planning            | 391,090           | 100,000          | 25.57%       | 491,090           | 322,458           | 11,000           | 157,632          | 66,084     | 2.39          | 2.92      | 2.39          |
|   | Zoning Districts           | 44,394            | -                | N/A          | 44,394            | 533               | -                | 43,861           |            |               |           |               |
| 2255  | Open Space Operations      | 598,112           | -                | N/A          | 598,112           | 510,112           | 88,000           | -                |            |               |           |               |
| 2361  | Historic Preservation      | 12,089            | -                | N/A          | 12,089            | 3,589             | 8,500            | -                |            |               |           |               |
| 2390  | Drug Forfeiture            | 24,047            | -                | N/A          | 24,047            | 14,047            | 10,000           | -                |            |               |           |               |
| 2393  | Records Preservation       | 242,257           | -                | N/A          | 242,257           | 112,257           | 130,000          | -                |            |               |           |               |
| 2395  | Economic Development       | 365,564           | -                | N/A          | 365,564           | 365,564           | -                | -                |            |               |           |               |
| 2398  | County Fire Permit         | 54,548            | -                | N/A          | 54,548            | 39,548            | 15,000           | -                |            |               |           |               |
|   | Lighting Districts         | 36,700            | 10,890           | 29.67%       | 47,590            | 27,936            | -                | 19,654           |            |               |           |               |
|   | RID Maintenance            | 7,602,926         | -                | N/A          | 7,602,926         | 6,033,796         | -                | 1,569,131        |            |               |           |               |
| 2790  | Local Water Quality        | 435,101           | 134,863          | 31.00%       | 569,964           | 259,410           | 62,015           | 248,539          | 37,658     | \$ 6.60       |           | \$ 6.60       |
| 2800  | Alcohol Rehabilitation     | 125,000           | -                | N/A          | 125,000           | -                 | 125,000          | -                |            |               |           |               |
| 2820  | Gas Tax                    | 905,551           | -                | N/A          | 905,551           | 589,951           | 315,600          | -                |            |               |           |               |
| 2830  | Junk Vehicle               | 120,888           | -                | N/A          | 120,888           | 96,660            | 24,228           | -                |            |               |           |               |
| 2836  | MTUPP                      | 113,059           | -                | N/A          | 113,059           | (710)             | 113,769          | -                |            |               |           |               |
| 2840  | Noxious Weed Grants        | 15,833            | -                | N/A          | 15,833            | 8,333             | 7,500            | -                |            |               |           |               |
| 2850  | 9-1-1 Dispatch Grant       | 1,711,832         | -                | 0.00%        | 1,711,832         | 1,061,832         | 650,000          | -                |            |               |           |               |
| 2859  | Land Information           | 38,858            | -                | N/A          | 38,858            | 13,858            | 25,000           | -                |            |               |           |               |
| 2870  | Crime Control              | 89,272            | -                | 0.00%        | 89,272            | 45,935            | 43,337           | -                |            |               |           |               |
| 2871  | Youth Detention Grant      | 256,064           | -                | N/A          | 256,064           | 4,487             | 251,577          | -                |            |               |           |               |
| 2900  | P.I.L.T.                   | 2,929,574         | 500,000          | 17.07%       | 3,429,574         | 3,429,474         | 100              | -                |            |               |           |               |
| 2902  | Forest Receipts            | 1,620             | -                | 0.00%        | 1,620             | 1,620             | -                | -                |            |               |           |               |
| 2915  | Freedom From Fear Grant    | 96,796            | -                | N/A          | 96,796            | 7,985             | 88,811           | -                |            |               |           |               |
| 2917  | Victim Witness             | 281,390           | 22,664           | 8.05%        | 304,054           | 22,154            | 281,900          | -                |            |               |           |               |
| 2918  | Law Enforcement Blk Grnt   | 15,876            | -                | N/A          | 15,876            | -                 | 15,876           | -                |            |               |           |               |
| 2927  | Homeland Security          | 132,417           | -                | N/A          | 132,417           | 2,716             | 129,701          | -                |            |               |           |               |
| 2940  | CDBG - Grants              | 60,348            | -                | N/A          | 60,348            | 23,831            | 36,517           | -                |            |               |           |               |
| 2950  | D.U.I. Task Force          | 146,539           | 43,000           | 29.34%       | 189,539           | 116,539           | 73,000           | -                |            |               |           |               |
| 2968  | Cancer Prevention Grant    | 359,386           | 119,332          | 33.20%       | 478,718           | 331,518           | 147,200          | -                |            |               |           |               |
| 2969  | Health Preparedness Grant  | 257,848           | 76,841           | 29.80%       | 334,689           | 220,231           | 114,458          | -                |            |               |           |               |
| 2971  | W.I.C. Grant               | 357,584           | 44,196           | 12.36%       | 401,780           | 42,626            | 359,154          | -                |            |               |           |               |
| 2973  | Maternal Child Hlth Grant  | 449,425           | 69,267           | 15.41%       | 518,692           | 518,656           | 426,036          | -                |            |               |           |               |
| 2976  | Communicable Disease       | 750,921           | 114,509          | 15.25%       | 865,430           | 315,792           | 549,638          | -                |            |               |           |               |
| 2979  | Federal Health Grants      | 517,929           | 24,192           | 4.67%        | 542,121           | 2,524             | 539,597          | -                |            |               |           |               |
| 2987  | TIGER Grant                | 308,044           | -                | N/A          | 308,044           | 308,044           | -                | -                |            |               |           |               |
| 2990  | MRDTF Grant                | 410,440           | -                | N/A          | 410,440           | 1,772             | 408,668          | -                |            |               |           |               |
| <b>subtotal Grants, Districts, Misc.</b>        |                            | <b>20,644,016</b> | <b>1,266,381</b> | <b>6.13%</b> | <b>21,910,397</b> | <b>14,642,075</b> | <b>5,131,923</b> | <b>2,136,400</b> |            |               |           |               |

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No.   | Description                  | Approved Budget    | Cash Reserved     | Res. %        | Total              | Cash              | Non-Tax Revenue   | Taxes             | Mill Value | FY 2016 Mills | MAX MILLS | FY 2015 Mills |
|--|------------------------------|--------------------|-------------------|---------------|--------------------|-------------------|-------------------|-------------------|------------|---------------|-----------|---------------|
| <b>Capital Project Funds</b>   |                              |                    |                   |               |                    |                   |                   |                   |            |               |           |               |
| 3205   | InterCap Loan Revolving      | 512,285            | -                 | N/A           | 512,285            | -                 | 512,285           | -                 |            |               |           |               |
| 3500   | Summary RID Bonds            | 1,327,555          | -                 | N/A           | 1,327,555          | 344,094           | -                 | 983,461           |            |               |           |               |
| 4140   | Open Space Acquisition       | 1,403,678          | -                 | N/A           | 1,403,678          | 1,328,178         | 75,500            | -                 |            |               |           |               |
| 4200   | RID Construction             | 920,539            | -                 | N/A           | 920,539            | 920,539           | -                 | -                 |            |               |           |               |
| 4310   | CTEP Projects                | 396,476            | -                 | N/A           | 396,476            | -                 | 396,476           | -                 |            |               |           |               |
| 4320   | Infrastructure Grant         | 24                 | -                 | N/A           | 24                 | 24                | -                 | -                 |            |               |           |               |
| 4331   | Junk Vehicle Capital         | 135,206            | -                 | N/A           | 135,206            | 135,206           | -                 | -                 |            |               |           |               |
| 4430   | CDBG - Projects              | 450,000            | -                 | N/A           | 450,000            | 9,292             | 440,708           | -                 |            |               |           |               |
| 4990   | Stimulus Activity            | 748                | -                 | N/A           | 748                | 748               | -                 | -                 |            |               |           |               |
| <b>subtotal Capital Projects</b>   |                              | <b>5,146,511</b>   | -                 | <b>N/A</b>    | <b>5,146,511</b>   | <b>2,738,081</b>  | <b>1,424,969</b>  | <b>983,461</b>    |            |               |           |               |
| <b>Enterprise and Interdepartmental Funds</b>                                  |                              |                    |                   |               |                    |                   |                   |                   |            |               |           |               |
| 5411   | Solid Waste District         | 10,663,659         | 2,800,000         | 26.26%        | 13,463,659         | 9,603,828         | 3,859,831         | -                 |            |               |           |               |
| 5412   | West/Heben Refuse Dist.      | 2,461,398          | 400,000           | 16.25%        | 2,861,398          | 2,083,298         | 778,100           | -                 |            |               |           |               |
| 6010   | Motor Pool                   | 73,828             | 10,000            | 13.54%        | 83,828             | 46,828            | 37,000            | -                 |            |               |           |               |
| 6050   | Employee Health Insurance    | 6,261,088          | 1,813,994         | 28.97%        | 8,075,082          | 2,473,119         | 5,601,963         | -                 |            |               |           |               |
| 6070   | County Facilities            | 2,374,975          | 50,874            | 2.14%         | 2,425,849          | 1,004,507         | 1,421,342         | -                 |            |               |           |               |
| 6090   | Central Communications       | 1,011,379          | -                 | N/A           | 1,011,379          | 627,079           | 384,300           | -                 |            |               |           |               |
| 6110   | Copier Revolving Fund        | 179,850            | 38,835            | 21.59%        | 218,685            | 164,485           | 54,200            | -                 |            |               |           |               |
| 6120   | Liability Insurance Fund     | 588,596            | 125,000           | 21.24%        | 713,596            | 613,596           | 100,000           | -                 |            |               |           |               |
| <b>subtotal Ent/Interdepartmental</b>  |                              | <b>23,614,773</b>  | <b>5,238,703</b>  | <b>22.18%</b> | <b>28,853,476</b>  | <b>16,616,739</b> | <b>12,236,736</b> | -                 |            |               |           |               |
| <b>TOTAL COUNTY FUNDS</b>  |                              | <b>113,517,485</b> | <b>15,844,568</b> | <b>13.96%</b> | <b>129,362,053</b> | <b>59,626,052</b> | <b>37,761,509</b> | <b>31,974,492</b> |            |               |           |               |
| <b>Fire Districts &amp; Fire Service Area Funds - Trust &amp; Agency Funds</b> |                              |                    |                   |               |                    |                   |                   |                   |            |               |           |               |
| 7200   | Central Valley Fire          | 6,235,865          | 1,420,842         | 22.79%        | 7,656,707          | 4,530,345         | 627,943           | 2,498,419         | 41,559     | <b>60.12</b>  | 60.12     | 52.16         |
| 7202   | Rae Fire Service Area        | 1,080,340          | 125,000           | 11.57%        | 1,205,340          | 702,083           | -                 | 503,257           | 2,147      | \$ 234.36     |           | \$ 234.36     |
| 7204   | Fort Ellis Fire Service Area | 539,544            | -                 | N/A           | 539,544            | 2,594             | 350,835           | 186,115           | 1,258      | \$ 148.00     |           | \$ 148.00     |
| 7205   | Sourdough Fire               | 1,765,365          | -                 | 0.00%         | 1,765,365          | 1,062,324         | 839               | 702,202           | 10,241     | <b>68.57</b>  | 68.57     | 61.36         |
| 7206   | Manhattan Fire               | 772,856            | -                 | N/A           | 772,856            | 622,503           | 17,700            | 132,653           | 1,484      | 89.37         | 101.13    | 72.21         |
| 7207   | Sedan Fire                   | 10,823             | -                 | N/A           | 10,823             | 7,443             | -                 | 3,380             | 290        | 11.66         | 12.29     | 10.84         |
| 7208   | Three Forks Fire             | 264,895            | -                 | N/A           | 264,895            | 180,896           | 25,885            | 58,114            | 2,818      | <b>20.62</b>  | 20.62     | 16.91         |
| 7209   | Willow Creek Fire            | 128,043            | -                 | N/A           | 128,043            | 83,840            | 17,618            | 26,585            | 759        | 35.00         | 69.07     | 36.86         |
| 7210   | Story Mill Fire              | 26,000             | -                 | 0.00%         | 26,000             | 470               | -                 | 25,530            | 371        | <b>68.90</b>  | 68.90     | 49.01         |
| 7213   | Big Sky Fire                 | 3,092,896          | -                 | 0.00%         | 3,092,896          | 1,389,415         | 930,700           | 772,781           | 16,345     | <b>47.28</b>  | 47.28     | 32.10         |
| 7214   | Hebgen Basin Fire            | 1,977,821          | -                 | 0.00%         | 1,977,821          | 478,421           | 899,400           | 600,000           | 10,846     | 55.32         | 57.76     | 61.52         |
| 7215   | Gallatin Gateway Fire        | 757,711            | -                 | N/A           | 757,711            | 280,793           | 27,800            | 449,118           | 9,932      | 45.22         | 45.25     | 41.62         |
| 7216   | Bridger Fire                 | 499,978            | -                 | N/A           | 499,978            | 290,161           | 18,755            | 191,062           | 3,397      | <b>56.24</b>  | 56.24     | 41.56         |
| 7217   | Amsterdam Fire               | 678,883            | -                 | N/A           | 678,883            | 416,059           | 18,300            | 244,524           | 3,975      | <b>61.51</b>  | 61.51     | 57.60         |
| 7218   | Clarkston Fire Service Area  | 61,388             | -                 | 0.00%         | 61,388             | 2,807             | -                 | 58,581            | 321        | \$ 182.50     |           | \$ 182.50     |
| 7219   | Gallatin River Ranch Fire    | 115,734            | -                 | N/A           | 115,734            | (9,240)           | 28,000            | 96,974            | 676        | <b>143.50</b> | 143.50    | 130.03        |
| <b>subtotal Fire Activity</b>  |                              | <b>18,008,142</b>  | <b>1,545,842</b>  |               | <b>19,553,984</b>  | <b>10,040,915</b> | <b>2,963,775</b>  | <b>6,549,295</b>  |            |               |           |               |

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No.                             | Description                 | Approved Budget    | Cash Reserved             | Res. %        | Total              | Cash              | Non-Tax Revenue   | Taxes             | Mill Value   | FY 2016 Mills            | MAX MILLS    | FY 2015 Mills |
|--------------------------------------|-----------------------------|--------------------|---------------------------|---------------|--------------------|-------------------|-------------------|-------------------|--------------|--------------------------|--------------|---------------|
| <b>Other Trust and Agency Funds</b>  |                             |                    |                           |               |                    |                   |                   |                   |              |                          |              |               |
| 7250                                 | Madison Dyke                | 63,756             | -                         | N/A           | 63,756             | 47,954            | 1,150             | 14,652            | 270          | <b>54.21</b>             | <b>54.21</b> | 48.15         |
| 7251                                 | Three Forks Dyke            | 60,255             | -                         | N/A           | 60,255             | 50,857            | -                 | 9,398             | 1,750        | <b>5.37</b>              | <b>5.37</b>  | 4.61          |
| 7301                                 | Mount Green Cemetery        | 24,770             | -                         | N/A           | 24,770             | 15,359            | -                 | 9,411             | 1,009        | 9.33                     | <b>9.33</b>  | 12.10         |
| 7302                                 | Meadowview Cemetery         | 143,122            | -                         | N/A           | 143,122            | 107,151           | 2,500             | 33,471            | 9,093        | 3.68                     | <b>6.50</b>  | 3.68          |
| 7303                                 | Fairview Cemetery           | 108,678            | -                         | N/A           | 108,678            | 54,854            | 11,500            | 42,324            | 4,373        | <b>9.68</b>              | <b>9.68</b>  | 7.88          |
| 7350                                 | Park Co. Conservation Dist. | 252                | -                         | N/A           | 252                | 24                | -                 | 228               | -            | 1.50                     |              | 1.50          |
| 7351                                 | Conservation District       | 426,213            | -                         | N/A           | 426,213            | 216,045           | 19,000            | 191,168           | 182,561      | <b>1.05</b>              | <b>1.05</b>  | 0.95          |
| 7354                                 | Big Sky Transit             | 1,882,645          | -                         | 0.00%         | 1,882,645          | 20,883            | 1,861,762         | -                 | -            |                          |              |               |
| 7361                                 | Yellowstone/Holiday Sewer   | 57,924             | 7,780                     | 13.43%        | 65,704             | 25,774            | 3,930             | 36,000            | 1,275,001    | 0.028                    |              | 0.002         |
| 7362                                 | 4 Dot Meadows Sewer         | 1,058              | -                         | 0.00%         | 1,058              | 1,058             | -                 | -                 | Fees         |                          |              |               |
| 7363                                 | Big Sky Water/Sewer         | 1,354,110          | 12,772                    | 0.94%         | 1,366,882          | 12,772            | -                 | 1,354,110         | 7,783,313    |                          |              |               |
| 7364                                 | Four Corners Water/Sewer    | 770,870            | 19,678                    | 2.55%         | 790,548            | 19,678            | -                 | 770,870           | 1,141        |                          |              |               |
| 7390                                 | West Yellowstone TV         | 128,770            | -                         | N/A           | 128,770            | 109,345           | -                 | 19,425            | 3,885        | 5.00                     |              | \$ 5.00       |
| 7371                                 | River Rock Water & Sewer    | 261,825            | -                         | N/A           | 261,825            | -                 | -                 | 261,825           | 2,624        | 99.78                    |              |               |
| 7849                                 | Gallatin College            | 366,950            | -                         | N/A           | 366,950            | 10,196            | -                 | 356,754           | 237,836      | 1.50                     | 1.50         | 1.50          |
| 7855                                 | Manhattan(Rural) Planning   | 5,625              | -                         | N/A           | 5,625              | -                 | -                 | 5,625             | 2,234        | <b>2.52</b>              | 2.52         | -             |
| 7990                                 | County Incentive Fund       | 6,071              | -                         | N/A           | 6,071              | 4,071             | 2,000             | -                 |              |                          |              |               |
| <b>subtotal Other Trust / Agency</b> |                             | <b>5,662,894</b>   | <b>40,230</b>             |               | <b>5,703,124</b>   | <b>696,021</b>    | <b>1,901,842</b>  | <b>3,105,261</b>  |              |                          |              |               |
| <b>TOTAL ALL FUNDS</b>               |                             | <b>137,188,521</b> | <b>17,430,640</b>         | <b>12.71%</b> | <b>154,619,161</b> | <b>70,362,988</b> | <b>42,627,126</b> | <b>41,629,048</b> |              |                          |              |               |
| FY 2016 Preliminary Budget           |                             | 131,055,240        | 16,427,760                | 12.53%        | 147,483,000        | 64,182,512        | 44,271,253        | 39,029,234        |              |                          |              |               |
| Changes to Final                     |                             | 6,133,281          | 1,002,880                 |               | 7,136,161          | 6,180,476         | (1,644,127)       | 2,599,814         |              |                          |              |               |
| <b>% Change from Preliminary</b>     |                             | <b>4.47%</b>       |                           |               |                    |                   |                   | <b>6.25%</b>      |              |                          |              |               |
| FY 2015 Total All Funds              |                             | 127,601,566        | 15,095,375                | 11.83%        | 142,696,941        | 60,054,519        | 43,297,603        | 39,344,602        |              |                          |              |               |
| Change FY 15 to FY 16                |                             | 9,586,955          | 2,335,265                 |               | 11,922,220         | 10,308,469        | (670,477)         | 2,284,446         |              |                          |              |               |
| <b>% Change from FY 15</b>           |                             | <b>7.51%</b>       | <b>Increase in Budget</b> |               |                    |                   |                   |                   | <b>5.81%</b> | <b>Increase in Taxes</b> |              |               |

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No.                                  | Description                     | Approved Budget | Cash Reserved | Res. %       | Total          | Cash           | Non-Tax Revenue | Taxes          | Mill Value | FY 2016 Mills | MAX MILLS | FY 2015 Mills |
|---|---------------------------------|-----------------|---------------|--------------|----------------|----------------|-----------------|----------------|------------|---------------|-----------|---------------|
| <b>DETAIL LISTING OF COUNTY DISTRICTS</b> |                                 |                 |               |              |                |                |                 |                |            |               |           |               |
| 2153                                      | Pred. Animal Control - Sheep    | 3,136           | 1,000         | 31.89%       | 4,136          | 3,024          | -               | 1,112          | 1,845      | 0.60          |           | \$ 0.60       |
| 2155                                      | Pred. Animal Control - Cattle   | 12,300          | -             | 0.00%        | 12,300         | (6,478)        | 6,593           | 12,185         | 24,420     | 0.50          |           | \$ 0.50       |
| <b>subtotal</b>                           | <b>Predatory Animal Control</b> | <b>15,436</b>   | <b>1,000</b>  | <b>6.48%</b> | <b>16,436</b>  | <b>(3,454)</b> | <b>6,593</b>    | <b>13,297</b>  |            |               |           |               |
| 2200                                      | Three Rivers Mosquito           | 176,291         | -             | 0.00%        | 176,291        | 100,503        | 5,400           | 70,388         | 5,623      | 12.52         | 17.58     | 12.56         |
| 2201                                      | Gallatin Drive Mosquito         | 49,521          | -             | 0.00%        | 49,521         | 35,622         | -               | 13,899         | 475        | 29.28         | 29.28     | 18.10         |
| <b>subtotal</b>                           | <b>Mosquito Control</b>         | <b>225,812</b>  | <b>-</b>      | <b>0.00%</b> | <b>225,812</b> | <b>136,125</b> | <b>5,400</b>    | <b>84,287</b>  |            |               |           |               |
| 2251                                      | River Rock Zoning               | 3,005           | -             | 0.00%        | 3,005          | 1              | -               | 3,004          | 1,565      | 1.92          | 2.33      | 1.56          |
| 2252                                      | So Gallatin Zoning              | 1,281           | -             | 0.00%        | 1,281          | -              | -               | 1,281          | 33         | 38.73         | 54.86     | 4.86          |
| 2253                                      | Hebgen Lake Zoning              | 2,982           | -             | 0.00%        | 2,982          | 7              | -               | 2,975          | 2,468      | 1.21          | 3.11      | 0.95          |
| 2254                                      | Bridger Canyon Zoning           | 5,154           | -             | 0.00%        | 5,154          | 54             | -               | 5,100          | 3,948      | 1.29          | 1.55      | 1.15          |
| 2256                                      | Hyalite Zoning                  | 2,877           | -             | 0.00%        | 2,877          | 79             | -               | 2,798          | 2,570      | 1.09          | 1.16      | 0.99          |
| 2257                                      | Sypes Canyon #1 Zoning          | 220             | -             | 0.00%        | 220            | 5              | -               | 215            | 190        | 1.13          | 1.41      | 1.04          |
| 2258                                      | Sypes Canyon #2 Zoning          | 87              | -             | 0.00%        | 87             | -              | -               | 87             | 73         | 1.19          | 1.34      | 0.97          |
| 2259                                      | Wheatland Hills Zoning          | 226             | -             | 0.00%        | 226            | 5              | -               | 221            | 141        | 1.57          | 1.69      | 1.55          |
| 2680                                      | Zoning District #6              | 550             | -             | 0.00%        | 550            | 36             | -               | 514            | 104        | 4.95          | 5.18      | 4.31          |
| 2681                                      | Bear Canyon Zoning              | 402             | -             | 0.00%        | 402            | 2              | -               | 400            | 207        | 1.93          | 2.15      | 1.73          |
| 2682                                      | Springhill Zoning               | 890             | -             | 0.00%        | 890            | 36             | -               | 854            | 475        | 1.80          | 1.90      | 1.79          |
| 2683                                      | Trail Creek Zoning              | 970             | -             | 0.00%        | 970            | 4              | -               | 966            | 817        | 1.18          | 1.36      | 0.93          |
| 2684                                      | Big Sky Zoning                  | 22,370          | -             | 0.00%        | 22,370         | 304            | -               | 22,066         | 16,856     | 1.31          | 1.35      | 0.92          |
| 2689                                      | Zoning District #1              | 3,380           | -             | 0.00%        | 3,380          | -              | -               | 3,380          | 422        | 8.01          | 9.00      | 6.30          |
| <b>subtotal</b>                           | <b>Zoning Districts</b>         | <b>44,394</b>   | <b>-</b>      | <b>0.00%</b> | <b>44,394</b>  | <b>533</b>     | <b>-</b>        | <b>43,861</b>  |            |               |           |               |
| 2420                                      | Churchill Lighting              | 7,800           | 2,340         | 30.00%       | 10,140         | 3,804          | -               | 6,336          | 202        | 31.31         | 35.35     | 24.57         |
| 2421                                      | Logan Lighting                  | 5,400           | 1,700         | 31.48%       | 7,100          | 5,977          | -               | 1,123          | 31         | 36.31         | 145.07    | 33.13         |
| 2422                                      | Riverside Lighting              | 15,500          | 4,650         | 30.00%       | 20,150         | 9,655          | -               | 10,495         | 136        | 77.03         | 113.34    | 59.39         |
| 2423                                      | Willow Creek Lighting           | 8,000           | 2,200         | 27.50%       | 10,200         | 8,499          | -               | 1,701          | 32         | 53.11         | 86.00     | 40.13         |
| <b>subtotal</b>                           | <b>Lighting Districts</b>       | <b>36,700</b>   | <b>10,890</b> |              | <b>47,590</b>  | <b>27,936</b>  | <b>-</b>        | <b>19,654</b>  |            |               |           |               |
| <b>subtotal</b>                           | <b>Other Districts</b>          | <b>322,342</b>  | <b>11,890</b> | <b>3.69%</b> | <b>334,232</b> | <b>161,140</b> | <b>11,993</b>   | <b>161,099</b> |            |               |           |               |
| <b>RID Maintenance Districts</b>          |                                 |                 |               |              |                |                |                 |                |            |               |           |               |
| 2502                                      | Western Drive - North           | 32,225          | -             | 0.00%        | 32,225         | 22,043         | -               | 10,182         | 1,464,977  | 0.0070        |           |               |
| 2508                                      | Riverside                       | 176,108         | -             | 0.00%        | 176,108        | 151,531        | -               | 24,577         | 1,241,243  | 0.0198        |           |               |
| 2509                                      | Hitching Post                   | 44,460          | -             | 0.00%        | 44,460         | 33,354         | -               | 11,106         | 2,961,511  | 0.0038        |           |               |
| 2510                                      | Riverside S/W                   | 20,766          | -             | 0.00%        | 20,766         | 367            | -               | 20,399         | -          | -             |           |               |
| 2514                                      | Middle Creek #3                 | 55,438          | -             | 0.00%        | 55,438         | 45,135         | -               | 10,303         | 858,568    | 0.0120        |           |               |
| 2515                                      | Hyalite Heights                 | 232,105         | -             | 0.00%        | 232,105        | 210,911        | -               | 21,194         | 5,351,912  | 0.0040        |           |               |
| 2516                                      | Hebgen Lake Estates             | 120,129         | -             | 0.00%        | 120,129        | 95,990         | -               | 24,139         | 2,463,229  | 0.0098        |           |               |
| 2517                                      | Gardner Park Subdivision        | 104,267         | -             | 0.00%        | 104,267        | 81,393         | -               | 22,874         | 4,091,974  | 0.00559       |           |               |
| 2518                                      | Big Sky Meadow Village          | 374,573         | -             | 0.00%        | 374,573        | 302,793        | -               | 71,780         | 5,724,196  | 0.0125        |           |               |
| 2521                                      | El Dorado                       | 77,599          | -             | 0.00%        | 77,599         | 62,211         | -               | 15,388         | 3,997,066  | 0.0039        |           |               |
| 2523                                      | Middle Creek #2                 | 44,235          | -             | 0.00%        | 44,235         | 36,053         | -               | 8,182          | 1,113,486  | 0.0074        |           |               |
| 2524                                      | Glacier Condo Parking Lot       | 41,642          | -             | 0.00%        | 41,642         | 38,018         | -               | 3,624          | 193,810    | 0.0187        |           |               |
| 2526                                      | Sourdough Creek                 | 170,647         | -             | 0.00%        | 170,647        | 148,703        | -               | 21,944         | 2,743,107  | 0.0080        |           |               |
| 2527                                      | Silverbow Condo #1              | 25,216          | -             | 0.00%        | 25,216         | 21,805         | -               | 3,411          | 215,895    | 0.0158        |           |               |
| 2528                                      | Silverbow Condo #2              | 12,397          | -             | 0.00%        | 12,397         | 10,681         | -               | 1,716          | 87,599     | 0.0196        |           |               |

**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No. | Description               | Approved Budget | Cash Reserved | Res. % | Total   | Cash    | Non-Tax Revenue | Taxes   | Mill Value | FY 2016 Mills | MAX MILLS | FY 2015 Mills |
|----------|---------------------------|-----------------|---------------|--------|---------|---------|-----------------|---------|------------|---------------|-----------|---------------|
| 2531     | Middle Creek              | 135,831         | -             | 0.00%  | 135,831 | 101,095 | -               | 34,736  | 857,696    | 0.0405        |           |               |
| 2532     | Rae Subdivision           | 89,173          | -             | 0.00%  | 89,173  | 76,966  | -               | 12,207  | 435,985    | 0.0280        |           |               |
| 2536     | Sunset Heights            | 38,188          | -             | 0.00%  | 38,188  | 29,824  | -               | 8,364   | 714,937    | 0.0117        |           |               |
| 2538     | Mountain View 338         | 96,080          | -             | 0.00%  | 96,080  | 86,357  | -               | 9,723   | 1,104,895  | 0.0088        |           |               |
| 2539     | Mountain View 339         | 361,634         | -             | 0.00%  | 361,634 | 326,085 | -               | 35,550  | 6,025,344  | 0.0059        |           |               |
| 2540     | Sourdough Ridge           | 182,777         | -             | 0.00%  | 182,777 | 144,828 | -               | 37,949  | 2,874,960  | 0.0132        |           |               |
| 2541     | Rocky Creek               | 23,349          | -             | 0.00%  | 23,349  | 18,974  | -               | 4,375   | 1,067,040  | 0.0041        |           |               |
| 2542     | Wheatland Hills           | 290,140         | -             | 0.00%  | 290,140 | 248,793 | -               | 41,347  | 3,659,040  | 0.0113        |           |               |
| 2543     | Pineview Subdivision      | 133,351         | -             | 0.00%  | 133,351 | 113,191 | -               | 20,160  | 2,265,120  | 0.0089        |           |               |
| 2544     | Clover Meadows            | 161,012         | -             | 0.00%  | 161,012 | 133,099 | -               | 27,913  | 3,136,320  | 0.0089        |           |               |
| 2546     | Riverside Water Tower     | 143,466         | -             | 0.00%  | 143,466 | 119,545 | -               | 23,921  | 1,208,151  | 0.0198        |           |               |
| 2549     | Mount View Thorpe Road    | 106,655         | -             | 0.00%  | 106,655 | 93,322  | -               | 13,333  | 1,084,000  | 0.0123        |           |               |
| 2550     | Mystic Heights            | 37,271          | -             | 0.00%  | 37,271  | 30,631  | -               | 6,640   | 800,000    | 0.0083        |           |               |
| 2551     | Baxter Creek #2           | 85,411          | -             | 0.00%  | 85,411  | 62,727  | -               | 22,684  | 2,140,000  | 0.0106        |           |               |
| 2552     | Baxter Creek #1           | 76,168          | -             | 0.00%  | 76,168  | 63,901  | -               | 12,267  | 1,916,640  | 0.0064        |           |               |
| 2553     | Sweetgrass Hills          | 316,105         | -             | 0.00%  | 316,105 | 284,425 | -               | 31,680  | 2,670,000  | 0.012         |           |               |
| 2554     | Buckskin Williams Park    | 21,772          | -             | 0.00%  | 21,772  | 16,652  | -               | 5,120   | 1,280,000  | 0.0040        |           |               |
| 2556     | Springvale                | 42,935          | -             | 0.00%  | 42,935  | 33,297  | -               | 9,638   | 1,220,000  | 0.0079        |           |               |
| 2557     | Hyalite Foothills         | 419,506         | -             | 0.00%  | 419,506 | 312,906 | -               | 106,600 | 7,013,160  | 0.0152        |           |               |
| 2558     | Sypes Canyon              | 8,341           | -             | 0.00%  | 8,341   | 8,341   | -               | -       | -          |               |           |               |
| 2559     | Wildflower                | 41,700          | -             | 0.00%  | 41,700  | 30,697  | -               | 11,003  | 1,306,800  | 0.0084        |           |               |
| 2560     | Mystic Heights 2 & 3      | 91,354          | -             | 0.00%  | 91,354  | 70,876  | -               | 20,478  | 3,179,880  | 0.0064        |           |               |
| 2561     | Ranch                     | 120,440         | -             | 0.00%  | 120,440 | 100,620 | -               | 19,820  | 2,831,400  | 0.0070        |           |               |
| 2562     | Arrowleaf                 | 76,022          | -             | 0.00%  | 76,022  | 58,249  | -               | 17,772  | 1,107,315  | 0.01605       |           |               |
| 2565     | Cimmaron                  | 82,570          | -             | 0.00%  | 82,570  | 69,201  | -               | 13,369  | 1,350,360  | 0.0099        |           |               |
| 2566     | Middle Creek 1 & 3        | 130,107         | -             | 0.00%  | 130,107 | 110,103 | -               | 20,005  | 2,395,800  | 0.00835       |           |               |
| 2567     | Royal / Thorpe Road       | 30,213          | -             | 0.00%  | 30,213  | 30,213  | -               | -       | -          |               |           |               |
| 2568     | Godfrey Canyon            | 92,721          | -             | 0.00%  | 92,721  | 77,314  | -               | 15,407  | 477,000    | 0.0323        |           |               |
| 2570     | Outlaw South              | 85,950          | -             | 0.00%  | 85,950  | 72,166  | -               | 13,784  | 6,153,679  | 0.00224       |           |               |
| 2571     | Wheatland Hills           | 49,979          | -             | 0.00%  | 49,979  | 42,247  | -               | 7,732   | 1,089,000  | 0.0071        |           |               |
| 2572     | Harvest Hills             | 131,226         | -             | 0.00%  | 131,226 | 109,437 | -               | 21,789  | 2,657,160  | 0.0082        |           |               |
| 2575     | Blue Grass Meadows        | 94,820          | -             | 0.00%  | 94,820  | 81,119  | -               | 13,701  | 1,449,855  | 0.00945       |           |               |
| 2576     | Painted Hills             | 311,977         | -             | 0.00%  | 311,977 | 275,635 | -               | 36,342  | 4,486,680  | 0.0081        |           |               |
| 2578     | Meadows Subdivision       | 153,696         | -             | 0.00%  | 153,696 | 139,489 | -               | 14,207  | 123,537    | 0.1150        |           |               |
| 2579     | Wildhorse Subdivision     | 110,202         | -             | 0.00%  | 110,202 | 94,501  | -               | 15,701  | 2,907,543  | 0.0054        |           |               |
| 2580     | Looking Glass Subdivision | 53,944          | -             | 0.00%  | 53,944  | 46,630  | -               | 7,313   | 348,254    | 0.0210        |           |               |
| 2582     | Canary Road               | 127,165         | -             | 0.00%  | 127,165 | 111,775 | -               | 15,391  | 3,179,880  | 0.00484       |           |               |
| 2583     | Hyalite Meadows           | 75,389          | -             | 0.00%  | 75,389  | 63,314  | -               | 12,075  | 1,219,680  | 0.0099        |           |               |
| 2584     | Lake Sudbivision          | 69,923          | -             | 0.00%  | 69,923  | 58,711  | -               | 11,212  | 1,132,560  | 0.0099        |           |               |
| 2587     | Andesite Road             | 43,279          | -             | 0.00%  | 43,279  | 37,555  | -               | 5,724   | 477,000    | 0.0120        |           |               |
| 2588     | Evergreen Way             | 39,718          | -             | 0.00%  | 39,718  | 34,329  | -               | 5,390   | 261,000    | 0.02065       |           |               |
| 2589     | Triple Tree               | 584,433         | -             | 0.00%  | 584,433 | 495,885 | -               | 88,549  | 4,878,720  | 0.01815       |           |               |
| 2591     | Bear Creek                | 118,926         | -             | 0.00%  | 118,926 | 99,716  | -               | 19,210  | 2,722,280  | 0.0071        |           |               |
| 2592     | Alder Court               | 12,228          | -             | 0.00%  | 12,228  | 10,014  | -               | 2,214   | 199,138    | 0.01112       |           |               |
| 2595     | Ousal Falls (Schedule 2)  | 128,187         | -             | 0.00%  | 128,187 | 52,442  | -               | 75,745  | 134,300    | 0.5640        |           |               |
| 2595     | Ousal Falls (Schedule 3)  | 121,493         | -             | 0.00%  | 121,493 | -       | -               | 121,493 | 83,500     | 1.4550        |           |               |



**County of Gallatin, Montana**  
**Fund Balance Sheet - Millage Requirements**  
**FY 2016 FINAL OPERATING AND CAPITAL BUDGET**

| Fund No.                           | Description                | Approved Budget  | Cash Reserved | Res. % | Total            | Cash             | Non-Tax Revenue | Taxes            | Mill Value | FY 2016 Mills      | MAX MILLS | FY 2015 Mills |
|------------------------------------|----------------------------|------------------|---------------|--------|------------------|------------------|-----------------|------------------|------------|--------------------|-----------|---------------|
| 2597                               | Firelight Park             | 73,986           | -             | 0.00%  | 73,986           | 70,686           | -               | 3,300            | 1,089,000  | 0.00303            |           |               |
| 2597                               | Firelight Road             | 33,193           | -             | 0.00%  | 33,193           | -                | -               | 33,193           | 1,306,800  | 0.0254             |           |               |
| 2598                               | Hyalite Canyon Estates     | 38,451           | -             | 0.00%  | 38,451           | 24,926           | -               | 13,525           | 1,001,880  | 0.0135             |           |               |
| 2602                               | Garden Center              | 25,700           | -             | 0.00%  | 25,700           | -                | -               | 25,700           | 435,600    | 0.0590             |           |               |
| 2603                               | Skywood                    | 15,400           | -             | 0.00%  | 15,400           | -                | -               | 15,400           | 560,000    | 0.0275             |           |               |
| 2604                               | Silverado (Aspen/Andesite) | 113,420          | -             | 0.00%  | 113,420          | -                | -               | 113,420          | 2,650,000  | variable           |           |               |
| 2605                               | Firelight Meadows          | 20,056           | -             | 0.00%  | 20,056           | -                | -               | 20,056           | 24,816     | \$92.00/ unit      |           |               |
| 2606                               | Franklin Hills             | 4,085            | -             | 0.00%  | 4,085            | -                | -               | 4,085            | 742,698    | 0.0055             |           |               |
| <b>subtotal RID Mntnnc. Dist.</b>  |                            | <b>7,602,926</b> | -             |        | <b>7,602,926</b> | <b>6,033,796</b> | -               | <b>1,569,131</b> |            |                    |           |               |
| <b>RID Bond Districts</b>          |                            |                  |               |        |                  |                  |                 |                  |            |                    |           |               |
| 3570                               | Outlaw South               | 12,559           |               | 0.00%  | 12,559           | -                |                 | 12,559           | -          | per Treasurer list |           |               |
| 3571                               | #REF!                      | 10,312           |               | 0.00%  | 10,312           | 5,008            |                 | 5,304            | -          | per Treasurer list |           |               |
| 3576                               | Painted Hills              | 66,230           |               | 0.00%  | 66,230           | 6,277            |                 | 59,953           | -          | per Treasurer list |           |               |
| 3578                               | Meadows Subdivision        | 171,963          |               | 0.00%  | 171,963          | 45,529           |                 | 126,434          | -          | per Treasurer list |           |               |
| 3582                               | Canary Road                | 19,880           | -             | 0.00%  | 19,880           | 3,468            |                 | 16,412           | -          | per Treasurer list |           |               |
| 3583                               | Hyalite Meadows            | 18,463           |               | 0.00%  | 18,463           | 4,478            |                 | 13,985           | -          | per Treasurer list |           |               |
| 3584                               | Lake Sudbivision           | 627              |               | 0.00%  | 627              | 627              |                 | -                | -          | per Treasurer list |           |               |
| 3586                               | Amsterdam                  | 55,890           | -             | 0.00%  | 55,890           | 31,215           |                 | 24,675           | -          | per Treasurer list |           |               |
| 3587                               | Andesite Road              | 21,825           | -             | 0.00%  | 21,825           | 6,945            |                 | 14,880           | -          | per Treasurer list |           |               |
| 3588                               | Evergreen Way              | 21,985           |               | 0.00%  | 21,985           | 8,175            |                 | 13,810           | -          | per Treasurer list |           |               |
| 3591                               | Bear Creek                 | 36,006           | -             | 0.00%  | 36,006           | 7,169            |                 | 28,837           | -          | per Treasurer list |           |               |
| 3592                               | Alder Court                | 8,551            | -             | 0.00%  | 8,551            | 3,051            |                 | 5,500            | -          | per Treasurer list |           |               |
| 3593                               | Trail Creek                | 102,750          | -             | 0.00%  | 102,750          | 24,950           |                 | 77,800           | -          | per Treasurer list |           |               |
| 3595                               | Ousal Falls                | 267,761          | -             | 0.00%  | 267,761          | 116,496          |                 | 151,265          | -          | per Treasurer list |           |               |
| 3596                               | Clarkston                  | 456,732          | -             | 0.00%  | 456,732          | 80,707           |                 | 376,025          | -          | per Treasurer list |           |               |
| 3605                               | Firelight Meadows          | 44,671           | -             | 0.00%  | 44,671           | -                |                 | 44,671           | -          | per Treasurer list |           |               |
| 3606                               | Franklin Hills             | 11,351           | -             | 0.00%  | 11,351           | -                |                 | 11,351           | -          | per Treasurer list |           |               |
| <b>subtotal RID Bond Districts</b> |                            | <b>1,327,555</b> | -             |        | <b>1,327,555</b> | <b>344,094</b>   | -               | <b>983,461</b>   |            |                    |           |               |

# GALLATIN COUNTY, MONTANA

## NET POSITION BY COMPONENT

### Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

|  | 2007           | 2008           | 2009           | 2010           | 2012           | 2013           | 2014           | 2015           | 2016           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Governmental activities</b>                     |                |                |                |                |                |                |                |                |                |
| Investment in capital assets, net of related debt  | 89,823         | 95,672         | 69,632         | 89,086         | 98,593         | 94,609         | 94,357         | 94,046         | 90,225         |
| Restricted   | 678            | 1,004          | 1,588          | 815            | 1,391          | -              | 17,260         | 16,826         | 26,890         |
| Unrestricted                                       | 34,380         | 30,945         | 59,486         | 43,467         | 38,720         | 43,114         | 28,346         | 11,862         | 12,014         |
| <b>Total governmental activities net position</b>  | <b>124,882</b> | <b>127,621</b> | <b>130,706</b> | <b>133,368</b> | <b>138,704</b> | <b>137,723</b> | <b>139,963</b> | <b>122,734</b> | <b>129,130</b> |
| <b>Business-type activities</b>                    |                |                |                |                |                |                |                |                |                |
| Investment in capital assets, net of related debt  | 1,401          | 5,859          | 8,130          | 8,646          | 9,036          | 7,889          | 9,015          | 9,463          | 9,482          |
| Restricted   | 511            | 2,115          | 2,189          | 2,339          | 2,339          | 2,115          | 2,115          | 2,161          | 2,329          |
| Unrestricted                                       | 6,592          | 6,489          | 6,126          | 6,723          | 8,969          | 10,507         | 10,098         | 6,692          | 8,089          |
| <b>Total business-type activities net position</b> | <b>8,504</b>   | <b>14,463</b>  | <b>16,444</b>  | <b>17,707</b>  | <b>20,344</b>  | <b>20,510</b>  | <b>21,227</b>  | <b>18,316</b>  | <b>19,900</b>  |
| <b>Primary government</b>                          |                |                |                |                |                |                |                |                |                |
| Investment in capital assets, net of related debt  | 91,225         | 101,531        | 77,762         | 97,732         | 107,629        | 102,498        | 103,372        | 103,509        | 99,707         |
| Restricted   | 1,189          | 3,119          | 3,777          | 3,154          | 3,730          | 2,115          | 19,375         | 18,987         | 29,220         |
| Unrestricted                                       | 40,973         | 37,433         | 65,612         | 50,190         | 47,689         | 53,621         | 38,444         | 18,554         | 20,103         |
| <b>Total primary government net position</b>       | <b>133,386</b> | <b>142,084</b> | <b>147,150</b> | <b>151,076</b> | <b>159,048</b> | <b>158,233</b> | <b>161,190</b> | <b>141,050</b> | <b>149,030</b> |

# GALLATIN COUNTY, MONTANA

## CHANGE IN NET POSITION

(accrual basis of accounting)

(amounts expressed in thousands)

|   | 2006            | 2007            | 2008            | 2009            | 2010            | 2012            | 2013            | 2014            | 2015            | 2016            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenses</b>                                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General government                                | 8,780           | 8,511           | 9,253           | 9,916           | 10,046          | 9,473           | 9,838           | 10,139          | 10,200          | 10,027          |
| Public safety                                     | 9,625           | 10,336          | 12,764          | 12,400          | 14,183          | 16,489          | 16,934          | 17,621          | 17,954          | 17,293          |
| Public works                                      | 8,613           | 7,077           | 6,841           | 8,236           | 8,735           | 9,496           | 11,043          | 17,215          | 12,192          | 5,629           |
| Public health                                     | 2,734           | 3,029           | 2,970           | 3,224           | 3,315           | 3,392           | 3,606           | 3,597           | 3,899           | 4,179           |
| Social and economic                               | 429             | 490             | 498             | 439             | 536             | 486             | 495             | 492             | 471             | 472             |
| Culture and recreation                            | 1,583           | 1,607           | 1,559           | 1,683           | 2,763           | 1,823           | 1,899           | 2,000           | 1,972           | 1,976           |
| Housing & Comm. Dev.                              | 153             | 165             | 86              | 73              | 3,316           | 90              | 414             | 156             | 108             | 490             |
| Conservation of Nat. Res.                         | 179             | 160             | 97              | 81              | 118             | 111             | 146             | 147             | 114             | 132             |
| Miscellaneous / Unallocated                       | 78              | 103             | 51              | 63              | 8               | -               | -               | -               | -               | -               |
| Interest on long-term debt                        | 531             | 848             | 857             | 1,620           | 2,185           | 2,376           | 2,638           | 2,082           | 1,975           | 3,559           |
| Total governmental activities                     | 32,704          | 32,326          | 34,976          | 37,735          | 45,205          | 43,735          | 47,014          | 53,449          | 48,885          | 43,758          |
| Business-type activities:                         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Gallatin county landfill                          | 2,340           | 2,019           | 1,856           | 2,646           | 2,941           | 3,159           | 3,019           | 3,041           | 2,708           | 2,581           |
| Rest home   | 4,701           | 4,518           | 4,717           | 5,169           | 5,426           | 5,736           | 5,813           | 5,921           | 5,978           | 6,112           |
| West Yellowstone Refuse                           | 935             | 904             | 918             | 823             | 756             | 829             | 859             | 992             | 949             | 979             |
| Total business-type activities                    | 7,976           | 7,441           | 7,492           | 8,638           | 9,122           | 9,724           | 9,691           | 9,953           | 9,635           | 9,672           |
| <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>53,459</b>   | <b>56,705</b>   | <b>63,402</b>   | <b>58,520</b>   | <b>53,429</b>   |
| <b>Program Revenues</b>                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General government                                | 2,170           | 2,662           | 1,955           | 1,806           | 2,043           | 2,001           | 2,032           | 2,342           | 2,828           | 3,657           |
| Public safety                                     | 1,899           | 2,228           | 2,291           | 2,525           | 1,639           | 1,763           | 2,708           | 3,981           | 3,760           | 2,845           |
| Public works                                      | 576             | 912             | 316             | 587             | 329             | 157             | 83              | 101             | 80              | 102             |
| Public health                                     | 505             | 331             | 270             | 270             | 303             | 342             | 357             | 441             | 480             | 614             |
| Social and economic                               | 29              | 39              | 75              | 64              | 68              | 30              | -               | -               | -               | -               |
| Culture and recreation                            | 506             | 523             | 502             | 475             | 612             | 503             | 560             | 588             | 570             | 643             |
| Housing & Comm. Dev.                              | 484             | 505             | 339             | 226             | 193             | 180             | 231             | 487             | 537             | 589             |
| Conservation of Nat. Res.                         | 184             | 138             | 149             | 125             | 87              | 117             | 106             | 95              | 85              | 70              |
| Operating Grants and contributions                | 4,877           | 3,311           | 3,516           | 5,369           | 5,232           | 5,597           | 7,205           | 5,573           | 5,465           | 7,017           |
| Capital grants and contributions                  | 365             | 1,469           | 57              | 804             | 4,414           | 479             | 244             | 6,658           | 3,046           | 147             |
| Total governmental activity revenue               | 11,596          | 12,117          | 9,471           | 12,251          | 14,921          | 11,170          | 13,526          | 20,266          | 16,851          | 15,686          |
| Business-type activities                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Gallatin county landfill                          | 3,315           | 3,973           | 4,072           | 4,014           | 3,637           | 3,976           | 3,536           | 3,823           | 4,254           | 4,444           |
| Rest home   | 4,808           | 4,202           | 4,300           | 5,352           | 5,725           | 5,324           | 5,283           | 5,227           | 4,827           | 5,211           |
| West Yellowstone Refuse                           | 1,178           | 1,130           | 994             | 874             | 789             | 886             | 786             | 863             | 804             | 770             |
| Operating Grants and contributions                | 107             | 82              | 3,838           | 75              | 91              | 295             | 420             | 180             | 141             | 208             |
| Total business-type activity revenue              | 9,408           | 9,388           | 13,205          | 10,315          | 10,241          | 10,480          | 10,025          | 10,092          | 10,026          | 10,633          |
| <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>21,650</b>   | <b>23,551</b>   | <b>30,358</b>   | <b>26,877</b>   | <b>26,319</b>   |
| <b>Net (expense) revenue</b>                      |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                          | (21,108)        | (20,209)        | (25,506)        | (25,484)        | (30,285)        | (32,565)        | (33,488)        | (33,184)        | (32,034)        | (28,072)        |
| Business-type activities                          | 1,432           | 1,947           | 5,713           | 1,676           | 1,119           | 757             | 334             | 139             | 391             | 961             |
| <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>(31,809)</b> | <b>(33,154)</b> | <b>(33,044)</b> | <b>(31,643)</b> | <b>(27,110)</b> |

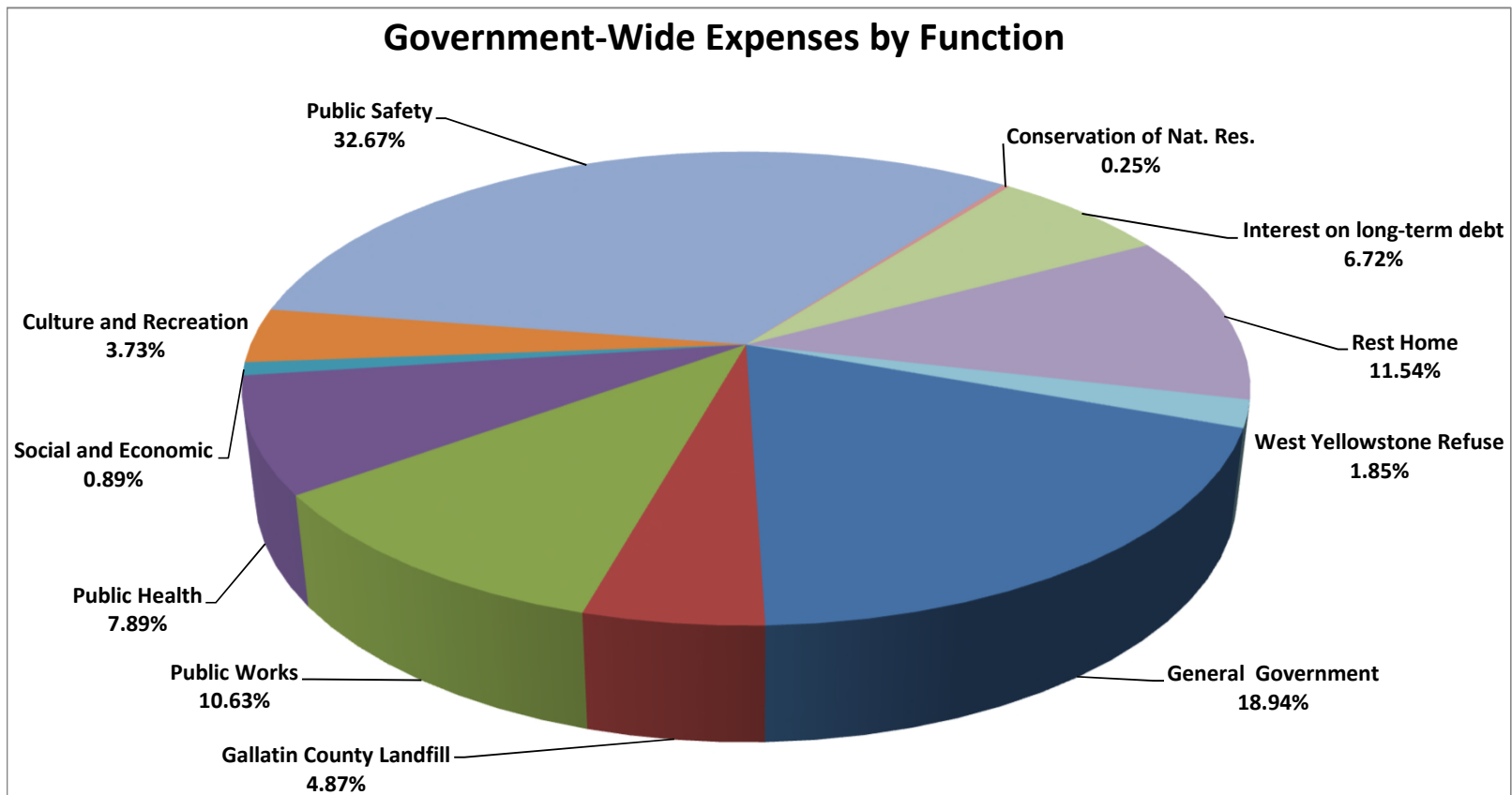
**GALLATIN COUNTY, MONTANA**  
**CHANGE IN NET POSITION (Continued)**

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

|   | 2006   | 2007   | 2008   | 2009   | 2010   | 2012   | 2013    | 2014   | 2015   | 2016   |
|---|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| <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 | 30,201 | 31,088  | 32,028 | 33,425 | 34,018 |
| Local option tax  | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      |
| Other taxes   | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      |
| Unrestricted grants/contributions                         | 785    | 242    | 2,043  | 2,072  | 2,148  | 2,346  | 2,444   | 2,692  | 3,009  | 3,185  |
| Investment earnings                                       | 983    | 1,567  | 1,491  | 975    | 837    | 316    | (579)   | 628    | 527    | 628    |
| Miscellaneous   | 0      | -      | 49     | 600    | 262    | 543    | 569     | 104    | (20)   | 2,531  |
| Sale/disposal of Fixed assets                             | -      | 17     | 12     | 7      | 6      | (15)   | (1,014) | 11     | 18     | 53     |
| Other   | -      | -      | -      | -      | -      | -      | -       | -      | -      | -      |
| Total governmental activities                             | 22,846 | 24,498 | 28,245 | 28,569 | 32,689 | 33,392 | 32,508  | 35,464 | 36,959 | 40,415 |
| Business-type activities:                                 |        |        |        |        |        |        |         |        |        |        |
| Taxes   | 111    | 65     | 61     | 65     | -      | -      | -       | 1      | -      | 2      |
| Unrestricted grants/contributions                         | -      | -      | -      | -      | -      | -      | -       | -      | 84     | 214    |
| Investment earnings                                       | 133    | 273    | 324    | 240    | 157    | 115    | (161)   | 276    | 162    | 190    |
| Sale/disposal of Fixed assets                             | -      | -      | (140)  | -      | (13)   | (1)    | (8)     | 261    | 39     | 217    |
| Total business-type activities                            | 245    | 338    | 245    | 305    | 144    | 114    | (168)   | 538    | 285    | 622    |
| <b>Total primary government expenses</b>                  | 23,091 | 24,835 | 28,491 | 28,874 | 32,833 | 33,505 | 32,340  | 36,002 | 37,244 | 41,038 |
| <b>Change in Net Position</b>                             |        |        |        |        |        |        |         |        |        |        |
| Governmental activities:                                  | 1,738  | 4,288  | 2,739  | 3,085  | 2,405  | 826    | (980)   | 2,280  | 4,925  | 12,343 |
| Business-type activities                                  | 1,677  | 2,285  | 5,958  | 1,981  | 1,263  | 871    | 166     | 677    | 676    | 1,584  |
| <b>Total primary government</b>                           | 3,414  | 6,573  | 8,698  | 5,066  | 3,668  | 1,697  | (814)   | 2,957  | 5,601  | 13,927 |

### Government-Wide Expenses by Function

|                            | 2012   | 2013   | 2014   | 2015   | 2016   |
|----------------------------|--------|--------|--------|--------|--------|
| General Government         | 9,473  | 9,838  | 10,139 | 10,200 | 10,027 |
| Gallatin County Landfill   | 3,159  | 3,019  | 3,041  | 2,708  | 2,581  |
| Public Works               | 9,496  | 11,043 | 17,215 | 12,192 | 5,629  |
| Public Health              | 3,392  | 3,606  | 3,597  | 3,899  | 4,179  |
| Social and Economic        | 486    | 495    | 492    | 471    | 472    |
| Culture and Recreation     | 1,823  | 1,899  | 2,000  | 1,972  | 1,976  |
| Public Safety              | 16,489 | 16,934 | 17,621 | 17,954 | 17,293 |
| Conservation of Nat. Res.  | 201    | 146    | 147    | 114    | 132    |
| Interest on long-term debt | 2,376  | 2,638  | 2,082  | 1,975  | 3,559  |
| Rest Home                  | 5,736  | 5,813  | 5,921  | 5,978  | 6,112  |
| West Yellowstone Refuse    | 829    | 859    | 992    | 949    | 979    |
|                            | 53,549 | 56,705 | 63,402 | 58,520 | 53,429 |



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

(accrual basis of accounting)

(amounts expressed in thousands)

|   | 2006   | 2007   | 2008   | 2009   | 2010   | 2012   | 2013   | 2014   | 2015   | 2016   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>General fund</b>                       |        |        |        |        |        |        |        |        |        |        |
| Nonspendable                              | -      | -      | -      | -      | -      | 149    | 142    | 131    | 129    | 137    |
| Restricted                                | -      | -      | -      | -      | -      | 383    | 409    | 488    | 563    | 702    |
| Unrestricted                              |        |        |        |        |        |        |        |        |        |        |
| Committed                                 | 3,469  | 3,637  | 2,832  | 1,112  | 1,106  | 2,733  | 2,529  | 3,078  | 3,753  | 4,285  |
| Assigned                                  | -      | -      | -      | -      | -      | 372    | 328    | 306    | 477    | 628    |
| Unassigned                                | -      | -      | -      | -      | -      | -      |        |        |        |        |
| <b>Total general fund</b>                 | 3,469  | 3,637  | 2,832  | 1,112  | 1,106  | 3,637  | 3,408  | 4,003  | 4,922  | 5,752  |
| <b>All other governmental funds</b>       |        |        |        |        |        |        |        |        |        |        |
| Nonspendable                              | 154    | 171    | 161    | 181    | 217    | 55     | 68     | 65     | 70     | 67     |
| Restricted                                | 1,123  | 1,411  | 1,004  | 1,588  | 815    | 8,429  | 8,341  | 9,233  | 9,212  | 18,751 |
| Unrestricted                              |        |        |        |        |        |        |        |        |        |        |
| Committed                                 |        |        |        |        |        | 15,539 | 19,912 | 21,760 | 26,163 | 23,555 |
| Assigned                                  | 9,090  | 8,769  | 6,224  | 33,569 | 15,482 | 33     | 101    | 36     | 76     | 160    |
| Unassigned                                | 14,506 | 14,940 | 13,359 | 16,938 | 17,618 | -      | -      | -      | -      | -      |
| <b>Total all other governmental funds</b> | 24,874 | 25,291 | 20,749 | 52,276 | 34,132 | 24,056 | 28,422 | 31,094 | 35,521 | 42,533 |
| <b>Total all governmental funds</b>       | 28,343 | 28,928 | 23,581 | 53,388 | 35,238 | 27,693 | 31,830 | 35,097 | 40,443 | 48,285 |

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

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

|  | 2005           | 2006          | 2007          | 2008           | 2009           | 2012           | 2013          | 2014          | 2015          | 2016          |
|--|----------------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| <b>Revenues:</b>   |                |               |               |                |                |                |               |               |               |               |
| Taxes/assessments  | 17,921         | 19,212        | 20,933        | 23,052         | 25,730         | 31,312         | 31,790        | 32,635        | 34,705        | 33,775        |
| Licenses and permits   | 355            | 385           | 309           | 280            | 274            | 291            | 308           | 300           | 316           | 390           |
| Intergovernmental  | 6,630          | 7,589         | 6,010         | 5,713          | 7,982          | 8,217          | 9,786         | 14,845        | 11,402        | 9,637         |
| Charges for services   | 3,429          | 4,320         | 4,742         | 3,998          | 3,626          | 3,779          | 4,947         | 6,405         | 6,996         | 7,329         |
| Fines and forfeitures  | 749            | 876           | 978           | 843            | 1,271          | 634            | 540           | 598           | 664           | 728           |
| Miscellaneous  | 826            | 1,083         | 1,553         | 696            | 997            | 1,121          | 581           | 538           | 271           | 2,923         |
| Interest earnings  | 599            | 924           | 1,475         | 1,382          | 878            | 276            | (179)         | 509           | 411           | 558           |
| Contributions/donations  | -              |               | -             | 23             | 773            | 4              | 22            | 102           | 22            | 90            |
| <b>Total revenues</b>  | <b>30,508</b>  | <b>34,390</b> | <b>36,001</b> | <b>35,987</b>  | <b>41,531</b>  | <b>45,635</b>  | <b>47,795</b> | <b>55,931</b> | <b>54,787</b> | <b>55,429</b> |
| <b>Expenditures:</b>   |                |               |               |                |                |                |               |               |               |               |
| General government   | 7,756          | 8,110         | 7,942         | 8,447          | 8,965          | 8,574          | 8,902         | 9,139         | 9,625         | 10,027        |
| Public safety  | 7,746          | 8,644         | 9,427         | 12,068         | 11,663         | 14,342         | 14,735        | 15,498        | 16,490        | 17,293        |
| Public works   | 4,748          | 5,398         | 4,914         | 5,204          | 4,457          | 6,237          | 7,612         | 13,342        | 8,247         | 5,629         |
| Public health  | 2,472          | 2,460         | 2,726         | 2,903          | 3,209          | 3,264          | 3,439         | 3,410         | 3,866         | 4,179         |
| Social and economic  | 321            | 360           | 412           | 484            | 442            | 456            | 456           | 447           | 461           | 472           |
| Culture and recreation   | 2,069          | 1,520         | 1,542         | 1,435          | 1,571          | 1,680          | 1,755         | 1,854         | 1,835         | 1,976         |
| Housing & Comm. Dev.   | (189)          | 39            | 37            | 37             | 77             | 41             | 349           | 74            | 86            | 490           |
| Conservation of Nat. Res.  | 93             | 164           | 144           | 93             | 81             | 102            | 136           | 134           | 110           | 139           |
| Miscellaneous  | 158            | 78            | 104           | 51             | 63             | -              | -             | -             | -             | -             |
| Debt Service   |                |               |               |                |                |                | 85            |               | -             | -             |
| Principal  | 945            | 1,811         | 1,358         | 2,031          | 2,169          | 5,263          | 3,584         | 3,693         | 3,946         | 3,559         |
| Interest   | -              | -             | -             | 857            | 1,620          | 2,376          | 2,158         | 2,082         | 1,975         | 4,062         |
| Capital outlay   | 5,694          | 6,489         | 6,744         | 10,107         | 15,509         | 4,339          | 1,901         | 3,224         | 2,698         | 4,677         |
| <b>Total expenditures</b>  | <b>31,813</b>  | <b>35,073</b> | <b>35,348</b> | <b>43,719</b>  | <b>49,826</b>  | <b>46,674</b>  | <b>45,112</b> | <b>52,897</b> | <b>49,339</b> | <b>52,503</b> |
| <b>Excess of revenues<br/>over (under) expenditures</b>            | <b>(1,305)</b> | <b>(684)</b>  | <b>653</b>    | <b>(7,732)</b> | <b>(8,294)</b> | <b>(1,039)</b> | <b>2,683</b>  | <b>3,034</b>  | <b>5,448</b>  | <b>2,926</b>  |
| <b>Other financing source (uses)</b>                               |                |               |               |                |                |                |               |               |               |               |
| Transfers in   | 3,880          | 1,115         | 2,120         | 2,131          | 894            | 2,713          | 2,463         | 2,904         | 3,024         | 2,336         |
| Transfers out  | (5,203)        | (2,742)       | (4,174)       | (2,962)        | (1,712)        | (3,552)        | (3,161)       | (3,851)       | (3,911)       | (3,384)       |
| Proceeds from long-term debt                                       | 853            | 6,286         | 1,954         | 3,199          | 38,504         | 300            | 2,140         | 1,150         | 765           | 5,807         |
| Proceeds from sale of capital assets                               | 2,711          | 1             | 17            | 18             | 8              | 2              | 12            | 11            | -             | -             |
| Gain (Loss) on sale of investments                                 |                |               |               |                | 407            | -              | -             | 20            | 20            | 156           |
| <b>Total other financing sources (uses)</b>                        | <b>2,241</b>   | <b>4,660</b>  | <b>(84)</b>   | <b>2,386</b>   | <b>38,101</b>  | <b>(537)</b>   | <b>1,454</b>  | <b>233</b>    | <b>(102)</b>  | <b>4,915</b>  |
| <b>Net Change in fund balances</b>                                 | <b>936</b>     | <b>3,976</b>  | <b>569</b>    | <b>(5,346)</b> | <b>29,807</b>  | <b>(1,575)</b> | <b>4,137</b>  | <b>3,267</b>  | <b>5,346</b>  | <b>7,842</b>  |
| <b>Debt service as a percentage of<br/>noncapital expenditures</b> | <b>3.62%</b>   | <b>6.34%</b>  | <b>4.75%</b>  | <b>8.59%</b>   | <b>11.04%</b>  | <b>18.04%</b>  | <b>13.29%</b> | <b>11.63%</b> | <b>12.69%</b> | <b>15.93%</b> |

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

(amounts expressed in thousands)

| <b>FISCAL<br/>YEAR</b> | <b>REAL PROPERTY</b> | <b>PERSONAL<br/>PROPERTY</b> | <b>MOBILE<br/>HOMES</b> | <b>CENTRALLY<br/>ASSESSED</b> | <b>TAX<br/>INCREMENT<br/>DISTRICT</b> | <b>TOTAL<br/>TAXABLE<br/>ASSESSED<br/>VALUE</b> |
|------------------------|----------------------|------------------------------|-------------------------|-------------------------------|---------------------------------------|---|
| 2006                   | 145,197              | 6,977                        | 1,361                   | 15,380                        | (854)                                 | 168,061   |
| 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   |
| 2014                   | 218,776              | 6,533                        | 973                     | 24,302                        | (4,013)                               | 246,571   |
| 2015                   | 224,256              | 6,729                        | 983                     | 25,031                        | (4,035)                               | 252,964   |
| 2016                   | 210,529              | 2,775                        | 945                     | 28,052                        | (4,224)                               | 238,077   |
| 2017                   | 216,023              | 2,861                        | 995                     | 34,583                        | (4,344)                               | 248,031   |

Note: Property in the County is assessed at actual value; therefore the taxable assessed value is equal to actual value. Tax rates are per \$1,000 of taxable assessed value.

Source: Department of Revenue Montana Certified Values - Online CSV

**GALLATIN COUNTY, MONTANA**  
**ASSESSED VALUE, MARKET AND ESTIMATED TAXABLE VALUE OF PROPERTY**

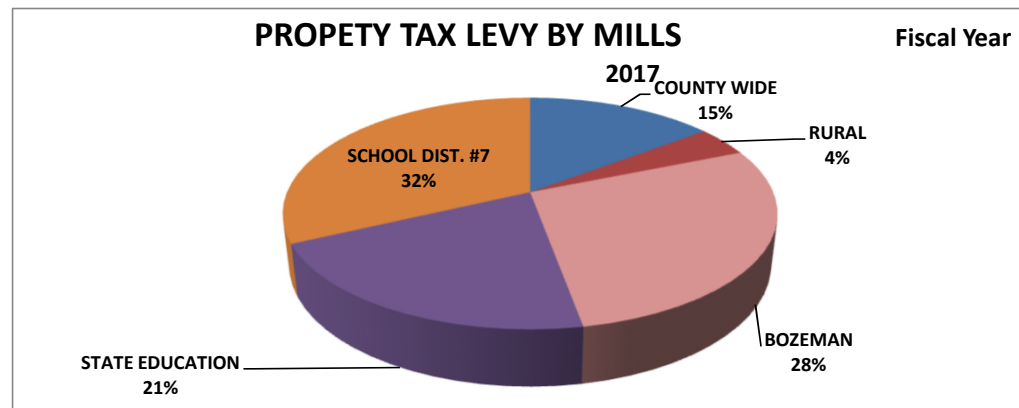
| <b>FISCAL<br/>YEAR</b> | <b>TOTAL COUNTY MARKET VALUE</b> | <b>TOTAL COUNTY<br/>TAXABLE VALUE</b> | <b>COUNTY OPEN SPACE<br/>TAXABLE VALUE</b> |
|------------------------|----------------------------------|---------------------------------------|--|
| 2006                   | 5,004,202,230                    | 166,681,835                           | 160,125,399                                |
| 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                                |
| 2017                   | 15,409,943,054                   | 254,462,431                           | 244,626,407                                |

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



**GALLATIN COUNTY, MONTANA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**DIRECT AND OVERLAPPING GOVERNMENTS**

| FISCAL YEAR | GALLATIN COUNTY |              |                  |              |                                   |                                  |                 | OVERLAPPING LEVIES  |                   | TOTAL DIRECT<br>&<br>OVERLAPPING<br>LEVIES |
|-------------|-----------------|--------------|------------------|--------------|-----------------------------------|----------------------------------|-----------------|---------------------|-------------------|--|
|             | GENERAL<br>FUND | DEBT SERVICE | PUBLIC<br>SAFETY | OTHER LEVIES | SUBTOTAL<br>COUNTY WIDE<br>LEVIES | RURAL (Road /<br>Library) Levies | TOTAL<br>DIRECT | STATE               | SCHOOL            |  |
|             |                 |              |                  |              |                                   |                                  |                 | EDUCATION<br>LEVIES | DISTRICT NO.<br>7 |  |
| 2005        | 12.43           | 4.60         | 28.54            | 27.54        | 73.11                             | 23.68                            | 96.79           | 143.36              | 167.32            | 577.46                                     |
| 2007        | 10.49           | 6.59         | 27.20            | 32.75        | 77.03                             | 24.68                            | 101.71          | 141.64              | 182.74            | 587.51                                     |
| 2008        | 12.26           | 4.71         | 36.87            | 32.25        | 86.09                             | 24.68                            | 110.77          | 143.05              | 183.85            | 591.85                                     |
| 2009        | 11.06           | 5.15         | 40.51            | 27.69        | 84.41                             | 25.47                            | 109.88          | 183.85              | 212.53            | 675.42                                     |
| 2010        | 14.07           | 5.81         | 34.94            | 36.18        | 91.00                             | 25.23                            | 116.23          | 140.02              | 199.54            | 623.98                                     |
| 2011        | 15.92           | 11.45        | 39.07            | 23.50        | 89.94                             | 25.39                            | 115.33          | 141.74              | 223.05            | 646.87                                     |
| 2012        | 19.62           | 11.09        | 41.76            | 16.22        | 88.69                             | 25.48                            | 114.17          | 141.61              | 196.89            | 617.42                                     |
| 2013        | 20.56           | 14.89        | 41.01            | 15.83        | 92.29                             | 26.34                            | 118.63          | 142.47              | 203.26            | 629.11                                     |
| 2014        | 21.53           | 14.12        | 41.08            | 16.55        | 93.28                             | 26.44                            | 119.72          | 147.28              | 218.41            | 656.49                                     |
| 2015        | 21.03           | 14.09        | 40.01            | 18.37        | 93.50                             | 26.29                            | 119.79          | 145.94              | 216.67            | 669.16                                     |
| 2016        | 21.25           | 14.63        | 41.89            | 27.03        | 104.80                            | 30.04                            | 134.84          | 149.35              | 227.91            | 720.26                                     |
| 2017        | 21.07           | 14.89        | 44.31            | 25.99        | 106.26                            | 30.31                            | 136.57          | 151.39              | 232.06            | 725.32                                     |

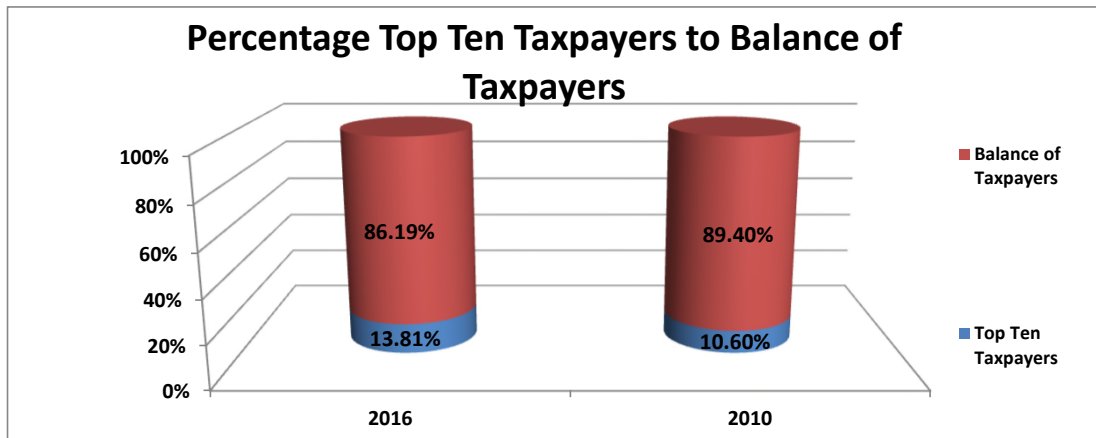


**GALLATIN COUNTY, MONTANA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT TAX YEAR AND EIGHT YEARS PREVIOUS**

| TAXPAYER                    | 2016                   |      |   | 2010                   |      |   |
|-----------------------------|------------------------|------|---|------------------------|------|---|
|                             | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF COUNTY TAXABLE ASSESSED VALUE | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF COUNTY TAXABLE ASSESSED VALUE |
| Northwestern Energy         | 22,918                 | 1    | 9.16%                                       | 14,755                 | 1    | 6.61%                                       |
| Montana Rail Link           | 2,414                  | 2    | 0.97%                                       | 1,457                  | 4    | 0.65%                                       |
| Century Link                | 1,814                  | 3    | 0.73%                                       | -                      |      | -   |
| Bozeman Health Deaconess    | 1,602                  | 4    | 0.64%                                       | -                      |      | -   |
| Charter Communications Inc. | 1,236                  | 5    | 0.49%                                       | -                      |      | -   |
| Verizon Wireless/Cellco     | 1,161                  | 6    | 0.46%                                       | -                      |      | -   |
| Holcim, Inc.                | 848                    | 7    | 0.34%                                       | 1,008                  | 3    | 0.45%                                       |
| Luzenac America, Inc.       | 703                    | 8    | 0.28%                                       | 906                    | 5    | 0.41%                                       |
| Worldmark, The Club         | 492                    | 9    | 0.20%                                       | -                      |      | -   |
| Yellowstone Pipeline        | 460                    | 10   | 0.18%                                       | -                      |      | -   |
| Qwest Corporation           |                        |      |   | 2,242                  | 2    | 1.00%                                       |
| PPL Montana                 |                        |      |   | 785                    | 6    | 0.35%                                       |
| Cellco Partnership          | -                      |      | 0.00%                                       | 769                    | 7    | 0.34%                                       |
| Black Bull Run              |                        |      |   | 637                    | 8    | 0.29%                                       |
| Zoot Properties, LLC        | 449                    |      | 0.18%                                       | 590                    | 9    | 0.26%                                       |
| Harry Daum                  | 444                    |      | 0.18%                                       | 524                    | 10   | 0.23%                                       |
|                             | <u>34,541</u>          |      | <u>13.81%</u>                               | <u>23,673</u>          |      | <u>10.60%</u>                               |
| County Taxable Value        | 250,118                |      |   | 223,245                |      |   |

Source: Gallatin County Treasurer

|                      | 2016   | 2010   |
|----------------------|--------|--------|
| Top Ten Taxpayers    | 13.81% | 10.60% |
| Balance of Taxpayers | 86.19% | 89.40% |

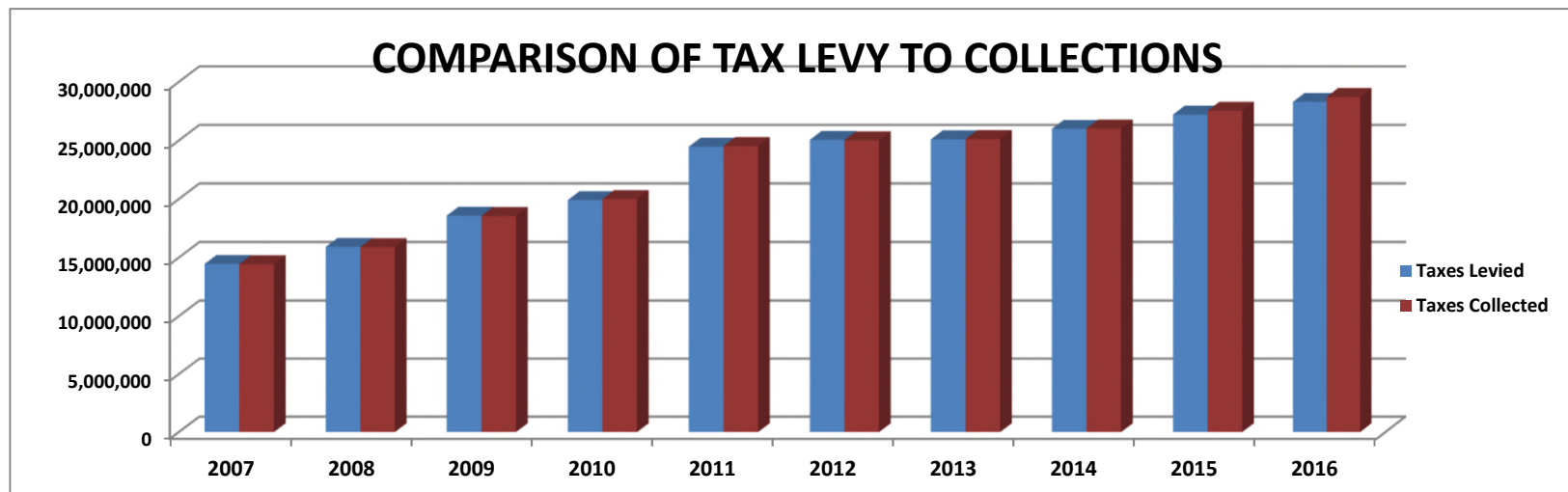


# GALLATIN COUNTY, MONTANA REAL PROPERTY TAXES AND COLLECTIONS GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS

| FISCAL YEAR<br>ENDED JUNE 30 | TOTAL TAX<br>LEVY FOR<br>FISCAL YEAR<br>(1) | COLLECTION WITHIN THE<br>FISCAL YEAR OF THE LEVY |                       | DELINQUENT<br>TAX<br>COLLECTIONS | TOTAL COLLECTIONS FOR YEAR |                           |
|------------------------------|---|--|-----------------------|----------------------------------|----------------------------|---------------------------|
|                              |   | AMOUNT   | PERCENTAGE<br>OF LEVY |                                  | TOTAL<br>TAXES<br>RECEIVED | PERCENTAGE OF<br>LEVY (1) |
| 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%                   |
| 2016                         | 28,299,020                                  | 28,107,443                                       | 99.32%                | 609,982                          | 28,717,425                 | 101.48%                   |

SOURCE: Gallatin County Finance Department



**GALLATIN COUNTY, MONTANA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita amount)

| Fiscal<br>Year | Governmental Activities        |                               |                      |                   | Business-Type Activities |                              | Total<br>Primary<br>Government | % of<br>Personal<br>Income <sup>(1)</sup> | % /<br>Capita <sup>(1)</sup> |
|----------------|--------------------------------|-------------------------------|----------------------|-------------------|--------------------------|------------------------------|--------------------------------|---|------------------------------|
|                | General<br>Obligation<br>Bonds | Special<br>Assessment<br>Debt | Contracts<br>/ Loans | Capital<br>Leases | Revenue<br>Bonds         | Closure /<br>Post<br>Closure |                                |   |                              |
| 2005           | 7,505                          | 4,223                         | 1,905                | 1,038             | 3,930                    | 1,013                        | 19,614                         | 0.009%                                    | \$ 24                        |
| 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%                                    | \$ 54                        |
| 2016           | 38,953                         | 7,182                         | 890                  | 1,614             | 563                      | 2,122                        | 51,324                         | 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<br/>Obligation Bonds</b> | <b>Less: Amount<br/>Available in Debt<br/>Service Funds</b> | <b>Total</b> | <b>% of<br/>Taxable<br/>Value <sup>1</sup></b> | <b>Per<br/>Capita <sup>2</sup></b> |
|--------------------|-------------------------------------|---|--------------|--|------------------------------------|
| 2004               | 7,895                               | 54  | 7,841        | 5.87%  | \$ 10.12                           |
| 2005               | 7,505                               | 75  | 7,430        | 4.42%  | \$ 9.20                            |
| 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       | 16.37%   | \$ 39.11                           |
| 2016               | 38,953                              | 278   | 38,675       | 16.24%   | \$ 38.38                           |

**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)

| Fiscal Year  | 2006     | 2007      | 2008      | 2009      | 2010      | 2012      | 2013      | 2014      | 2015      | 2016       |
|--|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>Calculation of Legal Debt Margins</b>                             |          |           |           |           |           |           |           |           |           |            |
| Assessed Value   |          | 5,004,202 | 5,526,324 | 6,104,449 | 6,641,798 | 8,217,172 | 8,712,241 | 9,834,392 | 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   | -        | 125,105   | 138,158   | 152,611   | 166,045   | 205,429   | 217,806   | 245,860   | 245,860   | 375,764    |
| Outstanding debt applicable to limit                                 | 17,043   | 17,551    | 18,772    | 55,626    | 54,968    | 49,689    | 49,151    | 47,114    | 43,691    | 41,457     |
| Legal Debt margin  | (17,043) | 107,554   | 119,386   | 96,985    | 111,077   | 155,740   | 168,655   | 198,746   | 202,169   | 334,307    |
| Outstanding debt applicable to limit<br>as a percentag of debt limit | #DIV/0!  | 14.03%    | 13.59%    | 36.45%    | 33.10%    | 24.19%    | 22.57%    | 19.16%    | 17.77%    | 11.03%     |

(1) The statutes of the State of Montana prescribe a debt limit of 2.5% of the assessed valuation for general obligation debt.  
The debt limit increased to 2.50% from 1.40% in 2007.

**GALLATIN COUNTY, MONTANA**  
**RURAL IMPROVEMENT DISTRICT DEBT AND REVOLVING FUND**

Last Ten Fiscal Years

| <b>FISCAL<br/>YEAR</b> | <b>RURAL<br/>IMPROVEMENT<br/>BOND<br/>OUTSTANDING</b> | <b>AMOUNT<br/>NEEDED<br/>FOR 5%</b> | <b>REVOLVING<br/>FUND CASH</b> | <b>REVOLVING<br/>FUND %</b> |
|------------------------|---|-------------------------------------|--------------------------------|-----------------------------|
| 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                             | 1,098,133                      | 14.89%                      |
| 2016                   | 7,181,625   | 359,081                             | 1,086,318                      | 15.13%                      |

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               | 812,634                        | 762,740                                   | 49,894                              | 6.14%    |

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

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

|                                       | <b>Audited<br/>2011/12</b> | <b>Audited<br/>2012/13</b> | <b>Audited<br/>2013/14</b> | <b>Audited<br/>2014/15</b> | <b>Audited<br/>2015/16</b> |
|---------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Beginning Balance July 1              | \$ 1,090,503               | \$ 1,085,865               | \$ 1,094,147               | \$ 1,078,923               | \$ 1,099,311               |
| Property Taxes                        | 35                         | 1                          | 1                          | 7                          | -                          |
| Investment Earnings                   | 9,545                      | 8,601                      | 7,738                      | 8,329                      | 9,701                      |
| Transfer In, Bond Proceeds            | -                          | -                          | 3,229                      | 38,250                     | 5,350                      |
| Expenditures                          | 14,218                     | 291                        | 26,192                     | 26,198                     | 26,345                     |
| Receipts Over Disbursements           | (4,638)                    | 8,311                      | (15,224)                   | 20,388                     | (11,294)                   |
| <b>Ending Balance - June 30</b>       | <b>\$ 1,085,865</b>        | <b>\$ 1,094,176</b>        | <b>\$ 1,078,923</b>        | <b>\$ 1,099,311</b>        | <b>\$ 1,088,017</b>        |
| <b>Assets:</b>                        |                            |                            |                            |                            |                            |
| Cash / Investments                    | \$ 1,071,284               | \$ 1,087,428               | \$ 1,077,706               | \$ 1,098,133               | \$ 1,088,016               |
| Receivables                           | 14,581                     | 6,748                      | 1,217                      | 1,178                      | 1,788                      |
| <b>Total Assets</b>                   | <b>\$ 1,085,865</b>        | <b>\$ 1,094,176</b>        | <b>\$ 1,078,923</b>        | <b>\$ 1,099,311</b>        | <b>\$ 1,089,804</b>        |
| <b>Liabilities:</b>                   |                            |                            |                            |                            |                            |
| Total Liabilities                     | \$ 29                      | \$ 29                      | \$ 40                      | \$ -                       | \$ 1,788                   |
| Fund Balance (Restricted)             | 436,733                    | 445,045                    | 1,078,883                  | 1,090,503                  | 1,090,503                  |
| Fund Balance (Committed)              | 649,103                    | 649,102                    | -                          | 8,808                      | (2,487)                    |
| <b>TOTAL FUND BALANCE</b>             | <b>1,085,836</b>           | <b>1,094,147</b>           | <b>1,078,883</b>           | <b>1,099,311</b>           | <b>1,088,016</b>           |
| <b>TOTAL LIABILITIES/FUND BALANCE</b> | <b>\$ 1,085,865</b>        | <b>\$ 1,094,176</b>        | <b>\$ 1,078,923</b>        | <b>\$ 1,099,311</b>        | <b>\$ 1,089,804</b>        |

**Rural Improvement District Bonds were issued in FY 2016 for a total of \$107,000**



## GALLATIN COUNTY, MONTANA

### Summary of Outstanding Rural Special Improvement Districts

June 30, 2016

| Bond Issue   | Original Issue | Maturity Date | Bonds Issued      | Bonds Outstanding | Cash Balance   | Assessments Outstanding | Delinquent Assessments |
|--------------|----------------|---------------|-------------------|-------------------|----------------|-------------------------|------------------------|
| RSID 371     | 1999           | 2020          | 63,000            | 8,000             | 9,101          | 5,569                   | -                      |
| RSID 378     | 2001           | 2021          | 1,188,000         | 300,000           | 112,884        | 258,290                 | 178                    |
| RSID 382     | 2002           | 2017          | 199,000           | 15,000            | 16,354         | -                       | 536                    |
| RSID 383     | 2002           | 2022          | 200,200           | 30,000            | 16,535         | 21,597                  | -                      |
| RSID 386     | 2003           | 2018          | 300,000           | 50,000            | 25,137         | 33,443                  | 159                    |
| RSID 387     | 2005           | 2020          | 180,000           | 60,000            | 18,905         | 51,604                  | 235                    |
| RSID 388     | 2005           | 2020          | 160,000           | 40,000            | 19,493         | 29,241                  | 219                    |
| RSID 391     | 2006           | 2026          | 395,000           | 195,000           | 25,775         | 188,810                 | 776                    |
| RSID 392     | 2006           | 2026          | 60,000            | 11,000            | 7,861          | 7,081                   | -                      |
| RSID 393     | 2007           | 2028          | 900,000           | 535,000           | 77,540         | 522,724                 | 875                    |
| RSID 395     | 2010           | 2030          | 1,765,000         | 1,380,000         | 98,719         | 1,418,584               | 6,284                  |
| RSID 396     | 2010           | 2030          | 4,715,000         | 3,710,000         | 68,549         | 3,939,825               | 53,543                 |
| RSID 605     | 2015           | 2035          | 610,000           | 610,000           | 4,784          | 616,916                 | 664                    |
| RSID 606     | 2015           | 2035          | 155,000           | 130,625           | 7,175          | 149,041                 | 253                    |
| RSID 607     | 2016           | 2032          | 107,000           | 107,000           | -              | 111,289                 | -                      |
| <b>TOTAL</b> |                |               | <b>10,997,200</b> | <b>7,181,625</b>  | <b>508,812</b> | <b>7,354,014</b>        | <b>63,722</b>          |

# GALLATIN COUNTY, MONTANA

## DEMOGRAPHIC ACTIVITY

Last Ten Fiscal Years

| FISCAL<br>YEAR | ESTIMATED<br>POPULATION (a) | BIRTHS (b) | DEATHS (b) | ESTIMATED PER                    |  |
|----------------|-----------------------------|------------|------------|----------------------------------|--|
|                |                             |            |            | CAPITA<br>PERSONAL<br>INCOME (e) | PERSONAL<br>INCOME (e) (in<br>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                      | 1,305      | 504        | 38,079                           | 3,480                                    |
| 2015           | 99,653                      | 1,368      | 515        | 40,159                           | 3,670                                    |

## Business Activity

Last Ten Fiscal Years

| FISCAL<br>YEAR | YELLOWSTONE<br>PARK - WEST<br>ENTRANCE | BUILDING<br>PERMITS (in<br>thousands) | AIRLINE<br>PASSENGERS<br>(Deboardings) | ELECTRICAL<br>CONNECTIONS | NATURAL GAS<br>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                              | 243,000                               | 335,598                                | 1,337                     | 870                        |
| 2008           | 3,066,579                              | -                                     | 351,281                                | 914                       | 514                        |
| 2009           | 3,295,187                              | 97,000                                | 340,563                                | 702                       | 380                        |
| 2010           | 3,640,183                              | 101,000                               | 362,828                                | 617                       | 341                        |
| 2011           | 3,394,321                              | 144,000                               | 398,288                                | 530                       | 259                        |
| 2012           | 3,447,729                              | 159,000                               | 433,288                                | 747                       | 464                        |
| 2013           | 3,188,032                              | 201,000                               | 442,120                                | 994                       | 678                        |
| 2014           | 3,513,484                              | 235,000                               | 482,832                                | 1,263                     | 694                        |
| 2015           | 4,097,705                              | 216,000                               | 509,423                                | 1,438                     | 891                        |

## SCHOOLS

## EMPLOYMENT STATISTICS

| FISCAL<br>YEAR | PUBLIC<br>SCHOOL<br>ENROLLMENT | PRIVATE/HOME<br>SCHOOL<br>ENROLLMENT | UNIVERSITY<br>ENROLLMENT | EMPLOYED | UNEMPLOYMENT<br>RATE |
|----------------|--------------------------------|--------------------------------------|--------------------------|----------|----------------------|
| 2005           | 10,149                         | 1,300                                | 12,003                   | 45,172   | 2.70%                |
| 2006           | 10,377                         | 1,278                                | 12,250                   | 48,129   | 2.30%                |
| 2007           | 10,533                         | 1,321                                | 12,338                   | 47,928   | 2.60%                |
| 2008           | 10,657                         | 1,402                                | 12,170                   | 49,090   | 4.60%                |
| 2009           | 10,742                         | 1,407                                | 12,369                   | 45,363   | 6.20%                |
| 2010           | 10,885                         | 1,410                                | 12,765                   | 47,316   | 6.70%                |
| 2011           | 11,212                         | 1,368                                | 13,559                   | 48,466   | 6.10%                |
| 2012           | 11,296                         | 1,398                                | 14,153                   | 49,793   | 4.90%                |
| 2013           | 11,667                         | 1,417                                | 14,660                   | 50,462   | 4.70%                |
| 2014           | 12,015                         | 1,482                                | 15,264                   | 52,924   | 3.60%                |
| 2015           | 12,277                         | 1,568                                | 15,421                   | 57,978   | 3.00%                |

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

Last Ten Fiscal Years

| <b>FUNCTION / PROGRAM</b>     | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2010</b>   | <b>2011</b>   | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>GENERAL GOVERNMENT</b>     |               |               |               |               |               |               |               |               |               |               |
| Legislative services          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.50          |
| Judicial services             | 33.67         | 25.31         | 24.90         | 34.57         | 33.90         | 33.98         | 33.87         | 33.90         | 34.90         | 35.40         |
| Administrative services       | 21.90         | 23.67         | 24.48         | 21.75         | 21.00         | 20.90         | 21.59         | 21.90         | 23.15         | 23.15         |
| Financial services            | 23.71         | 23.21         | 23.92         | 24.96         | 24.96         | 24.61         | 25.81         | 25.63         | 26.17         | 27.50         |
| Election & record services    | 16.00         | 16.67         | 17.21         | 13.75         | 13.75         | 12.75         | 12.75         | 12.75         | 12.75         | 12.75         |
| Planning servcies             | 9.00          | 10.00         | 10.00         | 7.75          | 7.25          | 6.90          | 6.90          | 7.10          | 8.15          | 9.07          |
| Legal services                | 18.80         | 19.00         | 20.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.00         | 21.83         |
| Other general government      | 10.63         | 12.67         | 8.39          | 2.57          | 4.26          | 0.14          | 0.44          | 0.19          | -             | 1.00          |
| <b>PUBLIC SAFETY</b>          |               |               |               |               |               |               |               |               |               |               |
| Law enforcement services      | 51.23         | 55.50         | 56.40         | 59.41         | 56.59         | 60.65         | 58.26         | 59.84         | 63.51         | 64.00         |
| Detention services            | 36.00         | 32.92         | 33.00         | 30.43         | 44.00         | 53.00         | 52.00         | 52.00         | 53.50         | 53.83         |
| 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         | 30.00         | 29.50         | 29.50         | 30.50         | 31.75         | 32.75         | 32.50         |
| Other public safety services  | 10.28         | 12.57         | 8.29          | 2.57          | 4.26          | 0.14          | 0.44          | 0.19          | -             | 2.79          |
| <b>PUBLIC WORKS</b>           |               |               |               |               |               |               |               |               |               |               |
| Bridge maintenance            | 7.36          | 7.36          | 7.36          | 7.36          | 7.36          | 7.36          | 7.36          | 7.41          | 7.41          | 7.41          |
| Road and street maintenance   | 26.60         | 26.11         | 26.11         | 25.11         | 25.11         | 25.39         | 26.14         | 26.14         | 26.14         | 26.14         |
| Facilities administration     | 3.65          | 3.65          | 3.62          | 3.12          | 5.54          | 6.74          | 6.74          | 6.49          | 6.74          | 6.74          |
| Solid waste                   | 10.50         | 13.50         | 16.50         | 20.50         | 18.00         | 18.00         | 19.00         | 18.00         | 18.00         | 18.00         |
| Weed spraying services        | 2.00          | 2.50          | 3.40          | 2.25          | 3.00          | 3.00          | 2.88          | 2.75          | 2.75          | 2.75          |
| <b>PUBLIC HEALTH</b>          |               |               |               |               |               |               |               |               |               |               |
| Health administration         | 2.00          | 3.00          | 2.00          | 3.83          | 3.83          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Health envrionmental services | 11.50         | 11.06         | 12.06         | 10.17         | 10.00         | 9.75          | 10.00         | 10.00         | 10.00         | 10.92         |
| Health human services         | 18.93         | 15.06         | 18.37         | 16.80         | 18.02         | 19.22         | 20.56         | 19.45         | 21.40         | 24.30         |
| Nursing home                  | 90.30         | 89.80         | 91.70         | 102.90        | 102.90        | 104.67        | 105.58        | 105.58        | 107.68        | 98.88         |
| <b>RECREATION AND OTHER</b>   |               |               |               |               |               |               |               |               |               |               |
| Extension                     | 3.75          | 4.00          | 4.50          | 4.00          | 4.00          | 3.50          | 3.00          | 3.00          | 3.00          | 3.00          |
| Fair                          | 8.00          | 9.34          | 9.25          | 10.00         | 10.00         | 10.00         | 10.25         | 10.00         | 9.00          | 8.50          |
| Parks                         | 1.10          | 1.10          | 1.10          | 1.10          | 1.10          | 1.10          | 1.10          | 1.10          | 1.06          | 1.06          |
| <b>TOTAL</b>                  | <b>450.90</b> | <b>452.00</b> | <b>457.19</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> | <b>500.02</b> |

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

| FUNCTION / PROGRAM                   | Last Ten Fiscal Years |            |             |             |             |             |             |             |             |             |
|--------------------------------------|-----------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                      | 2006                  | 2007       | 2008        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        |
| <b>GENERAL GOVERNMENT</b>            |                       |            |             |             |             |             |             |             |             |             |
| Registered Voters                    | 34,325                | 47,413     | 67,073      |             |             | 65,109      |             | 71,021      | 65,722      | 68,883      |
| Property Transactions                |                       |            |             |             |             |             |             |             |             |             |
| Filings with Clerk & Recorder        | 40,209                | 37,923     | 30,178      | 31,939      | 30,013      | 30,562      | 34,604      | 30,662      | 31,410      | 33,478      |
| Deeds Recorded                       | 7,759                 | 6,143      | 4,463       | 4,275       | 4,176       | 4,525       | 5,620       | 5,704       | 6,184       | 6,414       |
| Property Tax Information             |                       |            |             |             |             |             |             |             |             |             |
| Real Taxes Billed                    | 86,787,701            | 95,360,325 | 104,896,357 | 129,786,736 | 125,791,776 | 128,575,814 | 133,107,370 | 142,000,872 | 149,088,398 | 153,629,085 |
| Real Taxes Collected - w/Delinquency | 87,555,718            | 95,415,269 | 102,785,269 | 121,585,614 | 125,950,881 | 130,006,433 | 135,875,106 | 145,205,907 | 149,856,320 | 153,198,506 |
| Real Taxes Protested                 |                       |            |             |             | 1,014,368   | 1,700,155   | 1,482,659   | 1,162,867   | 7,428       | 200,020     |
| Total Outstanding                    |                       |            |             |             | 9,297,141   | 7,222,725   | 5,110,757   | 4,672,995   | 3,476,511   | 3,567,185   |
| Number of Bills Sent                 |                       |            |             |             | 47,697      | 48,149      | 48,112      | 48,437      | 48,933      | 49,106      |
| Redemption & Tax Deeds               |                       |            |             |             | 655,478     | 1,129,632   | 2,112,487   | 2,545,034   | 1,627,040   | 1,392,296   |
| Motor Vehicle - Titles Processed     | 27,810                | 21,168     | 25,000      | 26,000      | 26,840      | 26,788      | 28,465      | 29,790      | 32,030      | 37,907      |
| Registrations Processed              | 87,026                | 78,886     | 76,000      | 72,000      | 72,342      | 62,694      | 69,534      | 84,608      | 88,445      | 90,114      |
| Justice Court                        |                       |            |             |             |             |             |             |             |             |             |
| Cases Filed                          | 11,194                | 10,060     | 10,971      | 9,917       | 8,888       | 8,092       | 7,356       | 7,894       | 8,054       | 8,260       |
| Fines & Forfeitures                  | 699,320               | 700,976    | 748,253     | 520,873     | 483,912     | 400,184     | 430,756     | 455,303     | 437,403     | 504,207     |
| Charges Filed                        |                       |            |             | 8,951       | 8,128       | 7,785       | 6,835       | 7,642       | 8,189       | 8,329       |
| County Attorney                      |                       |            |             |             |             |             |             |             |             |             |
| Felonies                             | 408                   | 341        | 341         | 355         | 364         | 385         | 437         | N/A         | 514         | 629         |
| Involuntary Commitments              | 48                    | 42         | 42          | 64          | 65          | 50          | 69          | N/A         | 71          | 62          |
| Juvenile Cases                       | 83                    | 117        | 117         | 149         | 172         | 189         | 150         | N/A         | 156         | 146         |
| <b>PUBLIC SAFETY</b>                 |                       |            |             |             |             |             |             |             |             |             |
| Sheriff                              |                       |            |             |             |             |             |             |             |             |             |
| Arrests                              |                       |            |             |             |             |             |             | 4,503       | 4,457       | 4,332       |
| Prisoner Days                        | 26,000                | 27,500     | 30,000      | 29,200      | 30,000      | 41,978      | 45,625      | 62,537      | 59,754      | 47,559      |
| Average Daily Population -DC         | 63                    | 65         | 69          | 80          | 82          | 115         | 125         | 164         | 159         | 147         |
| Calls Dispatched                     | 29,271                | 27,051     | 27,036      | 27,805      | 28,116      | 25,366      | 32,286      | 33,749      | 44,159      | 46,852      |
| Citations                            |                       |            |             |             |             |             |             | 1,488       | 848         | 1,690       |
| Dispatch / Fire                      |                       |            |             |             |             |             |             |             |             |             |
| Events Processed                     | N/A                   | N/A        | N/A         | N/A         | 95,263      | 102,910     | 110,254     | 102,628     | 106,930     | 111,877     |
| Fire Dispatches                      | 5,704                 | 2,752      | 1,809       | 5,970       | 5,970       | 5,941       | 6,775       | 6,685       | 7,307       | 8,552       |
| 9-1-1 Calls Answered                 | N/A                   | 86,836     | 91,138      | 94,256      | 25,445      | 29,521      | 31,712      | 30,414      | 29,721      | 25,666      |

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

Last Ten Fiscal Years

| FUNCTION / PROGRAM                 | 2006   | 2007    | 2008    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    |
|------------------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>PUBLIC WORKS</b>                |        |         |         |         |         |         |         |         |         |         |
| Refuse Disposal                    |        |         |         |         |         |         |         |         |         |         |
| Refuse disposed of                 | 89,339 | 116,260 | 113,182 | 109,000 | 115,389 | 105,665 | 103,474 | 108,213 | 120,408 | 123,229 |
| Recycling - (tons diverted)        | 1,274  | 1,000   | 800     | 500     | 3,034   | 2,479   | 3,301   | 3,126   | 3,207   | 3,148   |
| Other Materials Diverted           |        |         |         |         | 10,413  | 4,019   | 5,081   | 5,074   | 7,717   | 8,855   |
| Road / Bridge                      |        |         |         |         |         |         |         |         |         |         |
| Road Resurfaced (miles)            |        |         |         |         |         |         |         | 8       | -       | 4       |
| Bridge Repairs / Replaced (hours)  |        |         |         |         | 1,210   | 1,434   | 1,896   | 1,870   | 763     | 2,151   |
| Junk Vehicle Hauled                | 956    | 875     | 650     | 253     | 171     | 96      | 75      | 30      | 67      | 88      |
| Noxious Weed spray (acres)         | 8,600  | 9,500   | 9,500   |         | 4,560   | 4,560   | 4,560   | 4,560   | 5,128   | 4,232   |
| <b>PUBLIC HEALTH</b>               |        |         |         |         |         |         |         |         |         |         |
| Septic System Permits Issued       | 543    | 465     | 315     | 208     | 154     | 200     | 226     | 271     | 302     | 351     |
| Licensed Establishment Inspections | 88     | 1,010   | 1,238   | 1,657   | 1,646   | 1,723   | 1,617   | 1,743   | 1,637   | 1,502   |
| Communicable Disease Cases         |        |         |         | 1,677   | 881     | 998     | 1,398   | 1,107   | 1,528   | 1,194   |
| Immunizations Administered         | 8,357  | 10,207  | 10,960  | 7,233   | 10,619  | 10,313  | 8,712   | 9,533   | 7,616   | 9,095   |
| <b>RECREATION AND OTHER</b>        |        |         |         |         |         |         |         |         |         |         |
| County Fair Attendees              | 40,183 | 39,981  | 40,122  | 39,492  | 38,033  | 49,000  | 49,300  | 51,875  | 27,000  | 39,015  |
| Winterfest Attendees               | 8,065  | 7,918   | 9,138   | 10,149  | 9,366   | 8,900   | 9,500   | 8,923   | 1,576   | -       |
| 4-H Participants                   | 540    | 502     | 500     | 503     | 508     | 509     | 537     | 575     | 635     | 637     |

## **SINGLE AUDIT SECTION**

**GALLATIN COUNTY, MONTANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For Fiscal Year Ended June 30, 2016**

| 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>   |                     |                               |                         |                   |                      |  |
| Passed through the State Department of Public Health and Human Services   |                     |                               |                         |                   |                      |  |
| Special Supplemental Food Program - WIC 10/01/14-09/30/15   | 10.557              | 15-07-5-21-009-0              | \$240,680               | \$ 68,600         | \$ 68,600            | Special Supplemental Nutrition Program for Women, Infants, and Children 10.557                   |
| Special Supplemental Food Program - WIC 10/01/15-09/30/16   | 10.557              | 16-07-5-21-009-0              | \$293,928               | \$ 259,756        | \$ 259,756           |  |
| Special Supplemental Food Program - WIC BFPC 10/01/15-09/30/16  | 10.557              | 16-07-5-21-009-0              | \$15,405                | \$ 15,405         | \$ 15,405            |  |
| Total Passed through the State Department of Public Health and Human Services:  |                     |                               | \$ 550,013              | \$ 343,761        | \$ 343,761           |  |
| Passed through the State Department of Administration   |                     |                               |                         |                   |                      |  |
| Schools and Roads - Grants to State - Forest Reserve - Note 4   | 10.665              | n/a                           | \$ 366,170              | \$ 366,170        | \$ 366,170           |  |
| Total Passed through the State Department of Administration   |                     |                               | \$ 366,170              | \$ 366,170        | \$ 366,170           |  |
| <b>Total U.S. Department of Agriculture</b>   |                     |                               | <b>\$ 916,183</b>       | <b>\$ 709,931</b> | <b>\$ 709,931</b>    |  |
| <b>U.S. Environmental Protection Agency</b>   |                     |                               |                         |                   |                      |  |
| Passed through the Soil & Water Conservation Districts of Montana   |                     |                               |                         |                   |                      |  |
| Clean Water Act Section 319 - Mini Grant  | 66.460              | Local Agreement 2016-201      | \$ 2,000                | \$ 1,990          | \$ 1,990             | Nonpoint Source Implementation Grants - 319 Program 66.460                                       |
| Total Passed through the Soil & Water Conservation Districts of Montana   |                     |                               | \$ 2,000                | \$ 1,990          | \$ 1,990             |  |
| Passed through the Greater Gallatin Watershed Council   |                     |                               |                         |                   |                      |  |
| Clean Water Act Section 319 - Story Mill MOU  | 66.460              | 216002-MOA-001                | \$ 6,500                | \$ 3,416          | \$ 3,416             |  |
| Total Passed through the Greater Gallatin Watershed Council   |                     |                               | \$ 6,500                | \$ 3,416          | \$ 3,416             |  |
| <b>Total U.S. Environmental Protection Agency</b>   |                     |                               | <b>\$ 8,500</b>         | <b>\$ 5,406</b>   | <b>\$ 5,406</b>      |  |
| <b>U.S. Department of Housing and Urban Development</b>   |                     |                               |                         |                   |                      |  |
| Passed through the State Department of Commerce   |                     |                               |                         |                   |                      |  |
| CDBG Affordable Housing - Big Sky   | 14.228              | MT-CDBG-14PL-01               | \$ 30,000               | \$ 15,344         | \$ 15,344            |  |
| Home Investment Partnerships Program - Reach, Inc.  | 14.239              | MT-HOME-15RD-SGC-2            | \$ 750,000              | \$ 215,239        | \$ 215,239           |  |
| <b>Total U.S. Department of Housing and Urban Development</b>   |                     |                               | <b>\$ 780,000</b>       | <b>\$ 230,583</b> | <b>\$ 230,583</b>    |  |
| <b>U.S. Department of Interior - National Park Service</b>  |                     |                               |                         |                   |                      |  |
| Passed through the Montana Fish Wildlife and Parks  |                     |                               |                         |                   |                      |  |
| Land & Water Conservation Fund Grant - Regional Park  | 15.916              | 30-00728                      | \$ 65,850               | \$ 47,870         | \$ 47,870            |  |
| <b>Total U.S. Department of Interior</b>  |                     |                               | <b>\$ 65,850</b>        | <b>\$ 47,870</b>  | <b>\$ 47,870</b>     |  |
| <b>U.S. Department of Health and Human Services</b>   |                     |                               |                         |                   |                      |  |
| Passed through the State Department of Public Health and Human Services:  |                     |                               |                         |                   |                      |  |
| NON-ACA/PHHF Health Impact Assessment - 10/15/15-06/15/16   | 93.424              | 2015-100604                   | \$15,000                | \$ 15,000         | \$ 15,000            | Immunization Cooperative Agreements 93.268   |
| Immunization Action Plan - IAP 01/01/15-12/31/15 (Deliverable based)  | 93.268              | 15-07-4-31-116-0              | \$38,532                | \$ 19,266         | \$ 19,266            |  |
| Immunization Action Plan - IAP 01/01/16-12/31/16 (Deliverable based)  | 93.268              | 16-07-4-31-116-0              | \$38,352                | \$ 19,266         | \$ 19,266            |  |
| Immunization Billing Grant - IZ BILLING 7/1/13-08/30/14 (Deliverable based)   | 93.539              | 14-07-4-31-162-0              | \$11,900                | \$ 500            | \$ 500               | ACA Maternal, Infant and Early Childhood Home Visiting Program 93.505                            |
| Public Health Emergency Preparedness - PHEP 7/1/15-6/30/16 (Deliverable Based)  | 93.069              | 16-07-6-11-021-0              | \$114,456               | \$ 114,454        | \$ 114,454           |  |
| Maternal, Infant & Early Childhood Home Visiting Infrastructure Development - MIECHV ID 11/01/12-09/29/13 (Deliverable based)           | 93.505              | 13-07-5-01-028-0              | \$99,162                | \$ 422            | \$ 422               |  |
| Maternal, Infant & Early Childhood Home Visiting Expansion and Service Delivery - MIECHV EXP/SD 07/01/14 - 09/30/15 (Deliverable based) | 93.505              | 14-07-5-01-090-0              | \$234,237               | \$ 7,525          | \$ 7,525             |  |
| Maternal, Infant & Early Childhood Home Visiting Expansion and Service Delivery - MIECHV EXP/SD 07/01/15 - 09/30/16 (Deliverable based) | 93.505              | 16-07-5-01-090-0              | \$272,338               | \$ 217,413        | \$ 217,413           |  |
| Montana Cancer Control Programs - M CCP 07/01/14 - 09/30/15 (Deliverable based) (\$35,000 of state funding)                             | 93.283              | 15-07-3-01-007-0              | \$103,080               | \$ 40,948         | \$ 40,948            |  |
| Montana Cancer Control Programs - M CCP 07/01/15 - 09/30/16 (Deliverable based) (\$43,700 of state funding)                             | 93.800              | 16-07-3-01-007-0              | \$108,500               | \$ 108,500        | \$ 108,500           | Substance Abuse and Mental Health Services Projects of Regional and National Significance 93.243 |
| Maternal & Child Health Services Block Grant - MCH 07/01/15 - 06/30/16 (Deliverable Based)  | 93.994              | 16-07-5-01-016-0              | \$99,437                | \$ 99,437         | \$ 99,437            |  |
| Performance Management - ACCREDITATION 06/16/14-07/30/15 (Deliverable based)  | 93.991              | 14-07-1-01-113                | \$25,000                | \$ 8,367          | \$ 8,367             |  |
| Linking Actions for Unmet Needs in Children's Health - LAUNCH 10/01/14-09/30/15   | 93.243              | 1502PROS0254                  | \$539,597               | \$ 64,336         | \$ 64,336            |  |
| Linking Actions for Unmet Needs in Children's Health - LAUNCH 10/01/15-09/30/16   | 93.243              | 1602PROS0254                  | \$539,237               | \$ 257,728        | \$ 257,728           |  |
| Total Passed through Yellowstone City/County Health Dept/Riverstone Health:   |                     |                               | \$ 2,238,828            | \$ 973,163        | \$ 973,163           |  |
| Passed through MT DPHHS to Yellowstone City/County Health Dept/Riverstone Health to Gallatin County                                     |                     |                               |                         |                   |                      |  |
| Ryan White C Outpatient STD/HIV Early Intervention Services 07/01/15 - 06/30/16   | 93.918              | 16-07-4-51-105-0              | \$10,000                | \$ 8,237          | \$ 8,237             |  |
| Total Passed through Yellowstone City/County Health Dept/Riverstone Health:   |                     |                               | \$ 10,000               | \$ 8,237          | \$ 8,237             |  |
| Passed through MT DPHHS to Thrive to Gallatin County  |                     |                               |                         |                   |                      |  |
| Pregnant & Parenting Teens - PPT 08/01/14 - 7/31/15   | 93.500              | 1502PROS0232                  | \$29,205                | \$ 2,170          | \$ 2,170             |  |
| Total Passed through Thrive:  |                     |                               | \$ 29,205               | \$ 2,170          | \$ 2,170             |  |
| <b>Total U.S. Department of Public Health and Human Services</b>  |                     |                               | <b>\$ 2,278,033</b>     | <b>\$ 983,570</b> | <b>\$ 983,570</b>    |  |

**GALLATIN COUNTY, MONTANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Fiscal Year Ended June 30, 2016**

| Federal Grantor/Pass-Through  | Federal CFDA Number    | Pass-Through Grantor's Number | Program or Award Amount | Federal Revenue | Federal Expenditures | Clusters                                       |  |
|---|------------------------|-------------------------------|-------------------------|-----------------|----------------------|--|--|
| U.S. Department of Homeland Security  |                        |                               |                         |                 |                      |  |  |
| Passed through the Montana Disaster & Emergency Services  |                        |                               |                         |                 |                      |  |  |
| Homeland Security Grant Program - Cyber Security  | 97.067                 | EMW-2015-SS-00005             | \$ 80,623               | \$ 52,454       | \$ 52,454            |  |  |
| Emergency Management Performance Grant - Emergency Services   | 97.042                 | EMW-2015-EP-00004             | \$ 72,500               | \$ 44,789       | \$ 44,789            |  |  |
| Passed through the Montana Disaster & Emergency Services:   |                        |                               | \$ 153,123              | \$ 97,242       | \$ 97,242            |  |  |
| Total U.S. Department of Homeland Security  |                        |                               | \$ 153,123              | \$ 97,242       | \$ 97,242            |  |  |
| U.S. Department of Justice  |                        |                               |                         |                 |                      |  |  |
| Direct:   |                        |                               |                         |                 |                      |  |  |
| LLEBG Bulletproof Vest Program  | 16.607                 | DIRECT                        | \$ 4,264                | \$ 3,211        | \$ 3,211             | Bulletproof Vest Partnership Program<br>16.607 |  |
| LLEBG Bulletproof Vest Program  | 16.607                 | DIRECT                        | \$ 1,853                | \$ 865          | \$ 865               |  |  |
| Equitable Sharing Program   | 16.922                 | DIRECT                        | \$ 136,791              | \$ 80,077       | \$ 80,077            |  |  |
| COPS I HIRING Grant   | 16.710                 | DIRECT                        | \$ 375,000              | \$ 71,203       | \$ 71,203            |  |  |
| Total Direct:   |                        |                               | \$ 517,908              | \$ 155,355      | \$ 155,355           |  |  |
| Passed through the State Department of Justice - Montana Board of Crime Control:                        |                        |                               |                         |                 |                      |  |  |
| Victim Witness Program  | 16.588                 | 15-W03-91829                  | \$ 43,060               | \$ 43,060       | \$ 43,060            | VAWA Cluster<br>16.588                         |  |
| Operation Freedom from Fear   | 16.588                 | 15-W02-91834                  | \$ 50,060               | \$ 50,060       | \$ 50,060            |  |  |
| JAG Byrne Memorial Justice Assistance Grant - Missouri River Drug Task Force                            | 16.738                 | 14-G01-91889                  | \$ 234,164              | \$ 234,164      | \$ 234,164           |  |  |
| Total Passed through the State Department of Justice - Montana Board of Crime Control:                  |                        |                               | \$ 327,284              | \$ 327,284      | \$ 327,284           | JAG Program Cluster<br>16.738                  |  |
| Passed through the City of Bozeman  |                        |                               |                         |                 |                      |  |  |
| JAG Grant W/City of Bozeman   | 16.738                 | INTERLOCAL 2015-349           | \$ 7,736                | \$ 7,733        | \$ 7,733             |  |  |
| Gallatin Project Consortium: Rural Project to End Violence Against Women                                | 16.589                 | INTERLOCAL 2015-162           | \$ 82,561               | \$ 20,337       | \$ 20,337            |  |  |
| Total Passed through the City of Bozeman:   |                        |                               | \$ 90,297               | \$ 28,071       | \$ 28,071            |  |  |
| Total U.S. Department of Justice  |                        |                               | \$ 935,489              | \$ 510,710      | \$ 510,710           |  |  |
| U.S. Department of Transportation   |                        |                               |                         |                 |                      |  |  |
| Passed through the State Department of Transportation:  |                        |                               |                         |                 |                      |  |  |
| Montana Department of Transportation - Highway Traffic Safety STEP Overtime                             | 20.600, 20.601, 20.602 | 107904                        | \$ 23,000               | \$ 5,696        | \$ 5,696             | Highway Safety<br>20.600, 20.607               |  |
| Montana Department of Transportation - Highway Traffic Safety STEP Overtime                             | 20.600 & 20.607        | 108499                        | \$ 23,000               | \$ 13,367       | \$ 13,367            |  |  |
| Montana Department of Transportation - State Highway Traffic Safety Section                             | 20.600 & 20.607        | 108274                        | \$ 7,200                | \$ 7,200        | \$ 7,200             |  |  |
| Montana Department of Transportation - State Highway Traffic Safety Section                             | 20.600 & 20.607        | 108572                        | \$ 8,150                | \$ 8,150        | \$ 8,150             | Highway Planning<br>20.205                     |  |
| Community Transportation Enhancement Program CTEP Manhattan Yadon Path                                  | 20.205                 | 8824                          | \$ 58,208               | \$ 37,416       | \$ 37,416            |  |  |
| Community Transportation Enhancement Program CTEP Three Forks West Side Path                            | 20.205                 | 8826                          | \$ 94,044               | \$ 86,808       | \$ 86,808            |  |  |
| Community Transportation Enhancement Program CTEP Three Forks Depot Renovation                          | 20.205                 | 8850                          | \$ 90,278               | \$ 16,380       | \$ 16,380            |  |  |
| Community Transportation Enhancement Program CTEP Anderson School Trail Phase II (STPE 16(100) UPN 8577 | 20.205                 | 8577                          | \$ 180,591              | \$ 71,302       | \$ 71,302            |  |  |
| Total Passed through the State Department of Transportation:  |                        |                               | \$ 484,471              | \$ 246,318      | \$ 246,318           |  |  |
| Direct - Federal Aviation Administration  |                        |                               |                         |                 |                      |  |  |
| FAA - Pogreba Airport Improvements Taxilane   | 20.106                 | DIRECT                        | \$ 90,000               | \$ 39,373       | \$ 39,373            |  |  |
| Total Direct - Federal Aviation Administration  |                        |                               | \$ 90,000               | \$ 39,373       | \$ 39,373            |  |  |
| Total U.S. Department of Transportation   |                        |                               | \$ 574,471              | \$ 285,692      | \$ 285,692           |  |  |
| Total Federal Assistance  |                        |                               | \$ 5,703,149            | \$ 2,871,004    | \$ 2,871,004         |  |  |



**GALLATIN COUNTY, MONTANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Fiscal Year Ended June 30, 2016**

| Federal Grantor/Pass-Through | Federal CFDA Number | Pass-Through Grantor's<br>Number | Program or Award Amount | Federal Revenue | Federal Expenditures | Clusters |
|------------------------------|---------------------|----------------------------------|-------------------------|-----------------|----------------------|----------|
|------------------------------|---------------------|----------------------------------|-------------------------|-----------------|----------------------|----------|

**Note 1. Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of the County under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**Note 2. Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10 percent de minimis indirect cost rate as provided in Sec. 200.414 Indirect Costs under Uniform Guidance.

**Note 3. Allocation**

The Gallatin County Composting Facility in West Yellowstone, Montana. Received an allocation from The Department of Interior; National Parks Service for upgrades to the Facility.

| <u>Program Name:</u>   | <u>Allocation Amount</u> | <u>Allocation Revenue</u> | <u>Allocation Expended</u> |
|--|--------------------------|---------------------------|----------------------------|
| Utility Service Agreement Removal and Replacement of Equipment | \$ 446,000               | \$ 191,890                | \$ 191,890                 |

**Note 5. Schools and Roads - Forest Reserve**

The \$244,113.45 report represents 66 2/3 percent of the total amount of \$366,170.17, received by the County. The remaining 33 1/3 percent was distributed directly to the countywide school levy funds as required by state statute.

**Note 6. Federal Equitable Sharing**

Sheriff's Office had been awarded \$136,791 in Federal Equitable Sharing funding from the Department of Justice..

**Note 6. Subrecipients:**

Of the federal expenditures presented in the schedule, Gallatin County provided federal awards to subrecipients as follows:

| <u>Program Name:</u>                             | <u>CFDA #:</u> | <u>Subrecipient:</u> | <u>Amt Provided to Subrecipient:</u> |
|--|----------------|----------------------|--------------------------------------|
| DOJ Byrne Formula Missouri River Drug Task Force | 16.738         | City of Bozeman      | \$ 69,249.60                         |
| DOJ Byrne Formula Missouri River Drug Task Force | 16.738         | City of Helena       | \$ 34,222.30                         |
| DOJ Byrne Formula Missouri River Drug Task Force | 16.738         | Lewis & Clark County | \$ 42,460.59                         |
| DOJ Byrne Formula Missouri River Drug Task Force | 16.738         | Park County Sheriff  | \$ 29,759.21                         |

| <u>Program Name:</u>   | <u>CFDA #:</u> | <u>Subrecipient:</u> | <u>Amt Provided to Subrecipient:</u> |
|--|----------------|----------------------|--------------------------------------|
| U. S. Department of Transportation - CTEP- Manhattan Yadon Path        | 20.205         | Town of Manhattan    | \$ 5,799.48                          |
| U. S. Department of Transportation - CTEP - Milwaukee Depot Renovation | 20.205         | Town of Three Forks  | \$ 2,538.94                          |
| U. S. Department of Transportation - CTEP - West Side Path             | 20.205         | Town of Three Forks  | \$ 13,455.44                         |
| U.S. Department of Transportation - CTEP - Anderson School Phase II    | 20.205         | Anderson School      | \$ 11,051.92                         |

| <u>Program Name:</u>     | <u>CFDA #:</u> | <u>Subrecipient:</u>                 | <u>Amt Provided to Subrecipient:</u> |
|--------------------------|----------------|--------------------------------------|--------------------------------------|
| LAUNCH 10/01/14-09/30/15 | 93.243         | Child Care Connections, Inc.         | \$ 11,778.49                         |
| LAUNCH 10/01/15-09/30/16 | 93.243         | Child Care Connections, Inc.         | \$ 39,228.70                         |
| LAUNCH 10/01/15-09/30/16 | 93.243         | Community Health Partners            | \$ 8,643.88                          |
| LAUNCH 10/01/14-09/30/15 | 93.243         | Greater Gallatin United Way          | \$ 10,657.01                         |
| LAUNCH 10/01/15-09/30/16 | 93.243         | Greater Gallatin United Way          | \$ 49,246.80                         |
| LAUNCH 10/01/14-09/30/15 | 93.243         | Thrive                               | \$ 18,503.58                         |
| LAUNCH 10/01/15-09/30/16 | 93.243         | Thrive                               | \$ 61,302.91                         |
| LAUNCH 10/01/14-09/30/15 | 93.243         | Western Montana Mental Health Center | \$ 3,504.41                          |
| LAUNCH 10/01/15-09/30/16 | 93.243         | Western Montana Mental Health Center | \$ 19,303.83                         |
| LAUNCH 10/01/15-09/30/16 | 93.243         | Park County Community Foundation     | \$ 3,500.00                          |

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, 2016, which collectively comprise the County's basic financial statements and have issued our report thereon as of February 3, 2017.

**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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 2016-01 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  
February 3, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements (referred to above), 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, 2016.

## **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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2016-02 that we consider to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Bozeman, Montana  
February 3, 2017

GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

**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?  | Yes        |
| 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) | No         |

GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

**Identification of major programs:**

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u>   |
|--------------------|---|
| 10.665             | Schools and Roads – Grants to States  |
| 93.243             | Substance Abuse and Mental Health Services – Projects of Regional and National Significance |
| 10.557             | Special Supplemental Food Program (WIC)   |
| 93.505             | Affordable Care Act (ACA) – Maternal, Infant, and Early Childhood Home Visiting Program     |

Dollar threshold used to distinguish between Type A and Type B programs:      \$750,000

Auditee qualified as low-risk auditee?      No

**Prior year findings:**

2015-01 - Status: Partially implemented.

GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

**Section II – Financial Statement Finding**  
**2016-01 Audit Adjustments**

*Criteria:*

Controls should be in place and operating effectively to ensure the financial statements are complete and accurate.

*Condition:*

We identified and proposed two financial statement adjustments and seven reclassifying entries to the County's financial statements.

*Context:*

We identified misstatements related to accounts receivable for the West Yellowstone Transfer Station (amounts double entered) and capital lease debt (erroneously omitted), as well as .

*Effect:*

Exclusion of these entries would result in a material misstatement to the financial statements that may affect the users of the financial information of the County.

*Cause:*

The County's process to review financial information for completeness and accuracy is insufficient to ensure financial reporting is in conformity with accounting principles generally accepted in the United States.

*Recommendation:*

We recommend management implement an improved process to review financial reports and underlying data for completeness and accuracy. The process should include key control activities and methodologies to ensure financial reporting objectives are met.



GALLATIN COUNTY, STATE OF MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

**Section III – Federal Awards Finding**  
**2016-02 Schedule of Federal Awards**

*Criteria:*

Controls should be in place and operating effectively to ensure the Schedule of Expenditures of Federal Awards is complete and accurate.

*Condition:*

The County's process and controls to prepare the Schedule of Expenditures of Federal Awards was insufficient in prior years to ensure completeness of Federal expenditure reporting. The Schedule of Expenditures of Federal Awards for the year ended June 30, 2015 erroneously omitted reporting Federal expenditures totaling \$269,868, related to Forest Reserve Funds for Schools and Roads.

*Context:*

The County's Schedule of Expenditures of Federal Awards for the year ended June 30, 2015 reported \$4,751,987 of Federal expenditures. The schedule should have reported total expenditures of \$5,021,855.

*Effect:*

We noted that the Schedule of Expenditures of Federal Awards for the year ended June 30, 2015 was understated by \$269,868. The schedule for the year ended June 30, 2016 was fairly stated.

*Cause:*

The County did not previously have a process in place that ensure all intergovernmental revenue is identified by source to ensure that all Federal funds are identified and properly included on the Schedule of Expenditure of Federal Awards.

*Recommendation:*

We recommend management continue to monitor the process to review all intergovernmental revenue to ensure that the Schedule of Expenditure of Federal Awards is complete.



## GALLATIN COUNTY

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

County Commission

Donald F. Seifert  
Joe P. Skinner  
Steve White

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

January 31, 2017

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

RE: Official Responses to Findings:

Dear Kyla Stafford:

Please accept this as our official response to the Finding listed in your report. The County will implement procedures necessary to correct them..

Gallatin County is committed to correcting the problems in our control activities and methodologies to ensure proper financial reporting. The following are our responses to the conditions.

### **Section II – Financial Statement Finding 2016-01 Audit Adjustments**

#### *Condition:*

We identified and proposed three financial statement adjustments and six reclassifying entries to the County's financial statements.

#### *Recommendation:*

We recommend management implement an improved process to review financial reports and underlying data for completeness and accuracy. The process should include key control activities and methodologies to ensure financial reporting objectives are met.

#### *Management's Response:*

The County has implemented an improved process for review of adjustments and classifications to ensure that financial reporting is complete and accurate. This review will include analysis of changes in balances. Additional training for County staff on year-end adjustments will be expanded.

**Section III – Federal Awards Finding**  
**2016-02 Schedule of Federal Awards**

*Condition:*

The County's process and controls to prepare the Schedule of Expenditures of Federal Awards was insufficient to ensure completeness of Federal expenditure reporting. The Schedule of Expenditures of Federal Awards for the year ended June 30, 2015 erroneously omitted reporting Federal expenditures totaling \$269,868, related to Forest Reserve Funds for Schools and Roads.




*Recommendation:*

We recommend management implement a process to review all intergovernmental revenue to ensure that the Schedule of Expenditure of Federal Awards is complete.

*Management's Response:*

The County implemented a process where a review of all intergovernmental revenue is done on a yearly basis by two persons for the FY 2016 audit. This resulted in the identification and reporting of the Federal Equitable Sharing revenue and the Federal Forest Receipts revenue. We will continue to use this process for future years.

Respectfully submitted:

  
Don Seifert, Chair  
Gallatin County Commission  
Kimberly Buchanan  
Gallatin County Treasurer  
Jennifer Blossom  
Gallatin County Auditor  
James G. Doar  
Gallatin County Administrator  
Edward Blackman, Finance Director  
Gallatin County Finance  
Jill Therrien, Accountant  
Gallatin County Finance

