

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

ENTITY # 011601

**MONTANA
GALLATIN COUNTY
311 WEST MAIN STREET
BOZEMAN, MONTANA 59715**

**ANNUAL FINANCIAL
REPORT**



FISCAL YEAR ENDING JUNE 30, 2018

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INTRODUCTORY SECTION

GALLATIN COUNTY, STATE OF MONTANA
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2018

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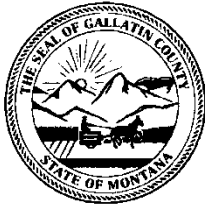
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County of Gallatin

311 W. Main, Courthouse • Bozeman, Montana 59715

March 12, 2019

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

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. We hereby issue the annual financial report (AFR) of Gallatin County (hereafter referred to as County) for the fiscal year ended June 30, 2018.

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

The financial statements of the County have been audited by 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, 2018, 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, 2018. The independent auditor's report is presented at the front of the financial section of this report.

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

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

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

Profile of Gallatin County

The County, established as a commission form of government in 1863, is located in the southwestern part of the State of Montana. The County government is comprised of a three-member Commission. Commissioners are elected at-large. 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 103,545. 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 10th 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. Appropriated budget's are prepared by fund (General Fund), function (General Government) and department (Commission). The Commission approves any increase or decrease in the budget or a transfer of appropriation between personnel, operations, debt, and capital outlay.

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

Factors Affecting Economic Condition

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

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 nine years, the County saw steady growth, with FY 2017-2018 construction permits at the highest they have ever been. In FY 2017-2018 construction and building values have continued to grow are higher than 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 2018 was 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 2.5 percent as of June 2018. The County's unemployment rate is significantly below the State's rate of 3.9 percent, and the national rate of 4.4 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 ensure decisions are made in the best interest of the organization as a whole and with an eye toward the future. Efforts ensure each planning component process is in alignment with one another. This creates a 'Linkage' that assures short-term decisions are consistent with the values of the County as identified in the mid-term and long-term plan adopted by the County.

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

The three mid-term programs started with the creation of the Capital Improvement Plan (CIP). 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 deals with large capital expenditures valued greater than \$50,000 and a useful life of 5 years or greater, staff identified several other major areas that needed to be considered. The first was the identification and funding of 'Core' vehicle replacement sheriff vehicles, fire engines, road and bridge vehicles, etc. The County approved the 'Core Vehicle Replacement' program in 2010. The program identified vehicles that were needed to maintain County operations on an ongoing basis with a minimum value of \$25,000 inclusive of equipment and had a useful life of 5 years or greater. The plan currently funds up to \$671,500 per year from Newly Taxable Property (NTP). The next program, approved in 2012, was the Bridge Replacement Plan. This plan funds up to \$400,000 per year in taxes to replace bridges with a span of greater than 30 feet, or to support the Bridge Departments need to replace bridges in an emergency. The next need identified and funded with \$500,000 of taxes from two years newly taxable property was a facilities account to support the upkeep, expansion or replacement of county buildings.

Finance / Budget

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

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

The County aggressively collects real and personal property taxes throughout the year. The delinquent real property taxes for the 2017 tax year (collected in FY 2018) were 1.99 percent. The total of all delinquent real property taxes was 2.10 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 from current revenues, avoiding procedures that balances current budgets by postponing needed expenditures, accruing future revenues or rolling over short-term debt. The County sets fees and rates at levels which fully recover the total direct and indirect costs, including personnel, operations, capital outlay and debt, within the law. The County recognizes accounting principles generally accepted for local governments discourage "earmarking" of General Fund revenues, and accordingly, the County minimizes the practice of designating General Fund revenues for specific programs. This applies to the Public Safety fund as well.

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

The County 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 enables future Commissions to cope with financial problems when these revenue sources are discontinued, since these expenditures can more easily be delayed or eliminated.

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

Although the County has an expanding economic base, the increased demand for government services that accompanies development has exceeded the growth in revenues. The State's decision to remove motor vehicle, gaming revenue, and banking license tax from county revenue and replace them with 'State Entitlement'. 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 partially because entitlement share has been frozen in the past and only grows based on the legislature's approval of a population and consumer price index adjustment.

In a positive move, the legislature recognized that the cost of health insurance for local governments was prohibitive in light of restrictions associated with 15-10-420 Montana Code Annotated (MCA) and authorized increasing mills

to cover premium increases. The Gallatin County Commission has used the Permissive Medical Levy and will have to continue using.

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.

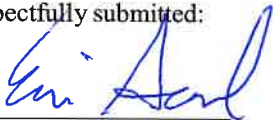
The Detention Center \$32 Million Bond was approved in November, 2008. This bond allowed the County to replace an aging facility with occupancy of 45-60, with a facility constructed with 160 beds and a capacity of 200 before additional construction is necessary. In addition, the voters approved an increase 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.

In November of 2016 the Commission submitted a bond issue of \$68.3 million for the construction of a new Law Enforcement Building and a new Justice Building for use by both the City of Bozeman and Gallatin County. Unfortunately, voters rejected the bond issue, and the City and County are looking at all options to meet the needs of the Law and Justice community.

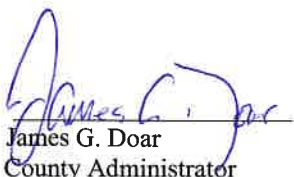
Acknowledgements

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:



Eric Semerad
Clerk and Recorder

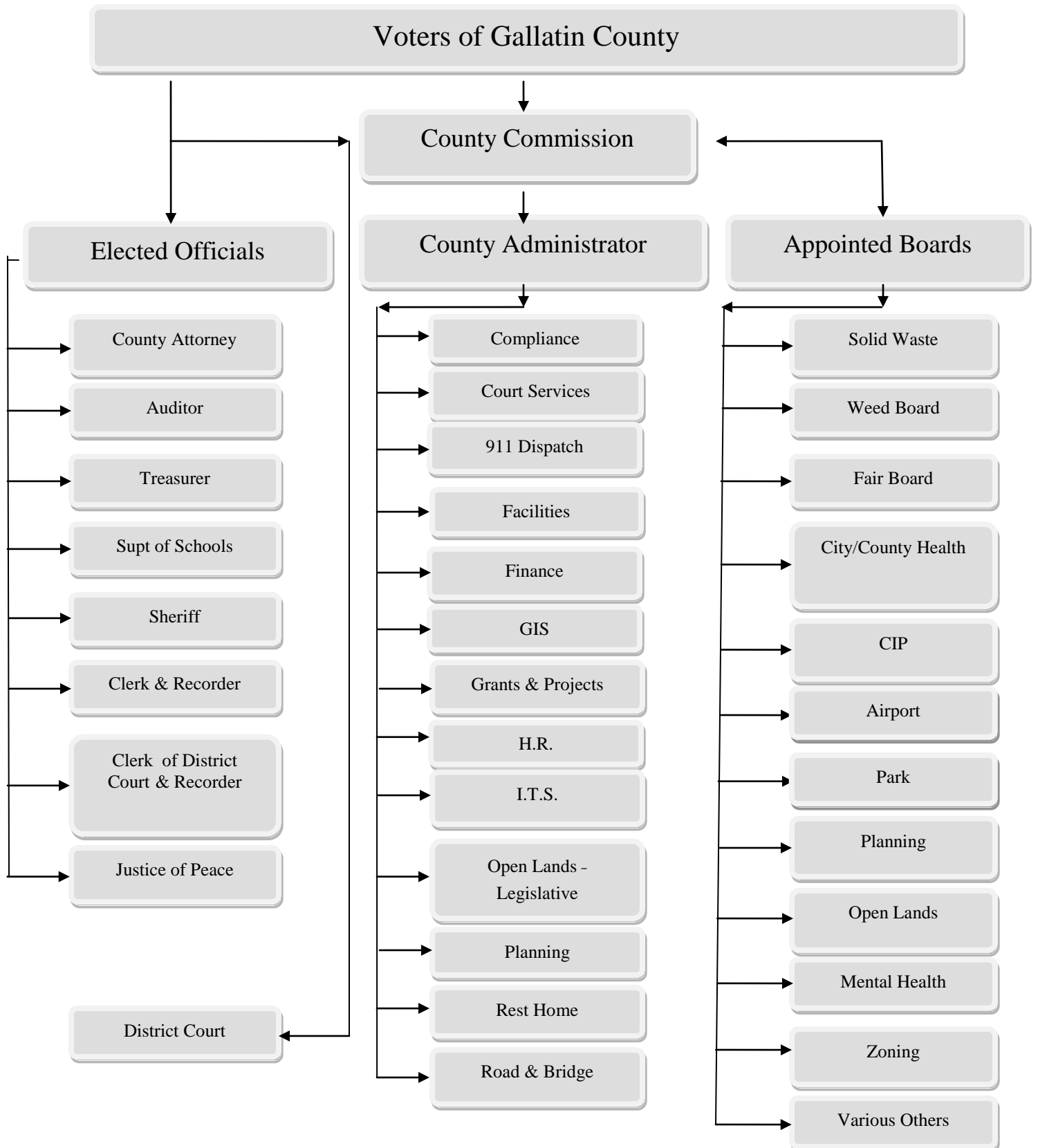


James G. Doar
County Administrator



Justine Swanson
Finance Director

ORGANIZATIONAL CHART



COUNTY OF GALLATIN

ELECTED OFFICIALS/OFFICERS

OFFICE	NAME OF COUNTY OFFICIALS/OFFICERS	DATE TERM EXPIRES
COMMISSIONER	R.STEPHEN WHITE	Dec. 2018
COMMISSIONER	JOE P. SKINNER	Dec. 2022
COMMISSIONER (CHAIRPERSON)	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. 2020
JUSTICE OF THE PEACE COURT 1	RICK WEST	Dec. 2018
JUSTICE OF THE PEACE COURT 2	BRYAN ADAMS	Dec. 2018
SUPERINTENDENT OF SCHOOLS	MATTHEW HENRY	Dec. 2018
SHERIFF/CORONER	BRIAN GOOTKIN	Dec. 2018
DISTRICT COURT JUDGE DEPT. 1	HOLLY BROWN	Dec. 2018
DISTRICT COURT JUDGE DEPT. 2	RIENNE H. MCELYEA	Dec. 2018
DISTRICT COURT JUDGE DEPT. 3	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, 2018.



Respectfully submitted;

Charlotte Mills

County Clerk and Recorder

12/27/2018

Dated

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Gallatin County has adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which has resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in the net other postemployment healthcare benefits (OPEB) liability and related ratios, the schedule of proportionate share of 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* 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 April 15, 2019, 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.

Andersen Zuercher + Co, P.C.

Bozeman, Montana
April 15, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Gallatin County, State of Montana
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018**

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, 2018. 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, 2018, Gallatin County's governmental funds reported combined ending fund balances of \$52,468,427, compared with \$48,858,336 at June 30, 2017. The fund balance for the General Fund is \$6,484,553, up \$693,657 from June 30, 2017. The increase is attributed to revenue increases associated with taxes and intergovernmental revenue.
- 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, 2018 by \$154.6 million (net position), compared with \$150.2 million at June 30, 2017. Of this amount, \$29.0 million (18.8%) is unrestricted and may be used to meet the government's general obligations to citizens and creditors.
- The total net position increased by \$4.4 million. The current year increase comes from Cash & Cash Equivalents along with Capital Assets for Governmental Activities.
- Revenues from Taxes/Assessment were 37,072,738 for governmental activities, up \$1,398,630 from fiscal year 2017. 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 2018 of \$3,605,545 (Cash \$4,529,931 less Accounts Payable \$924,386), compared to unreserved cash of \$2.4M for FY 2015, \$3.6M in FY 2016 and \$3.4M in FY 2017.
- The County's debt (excluding OPEB and Pension liability) for Governmental Activity decreased by \$3,756,198 to \$48,465,190 with Business-Type Activity debt increasing \$80,758 to \$3,129,491 and total debt decreasing by \$3,672,440 during FY 2018, excluding changes in OPEB or Pension Liability.

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, federal grants finance most of these activities and also includes internal services activities.
- Business-type Activities – the County charges a fee to customers to recover the cost of certain services. These activities include Gallatin County Solid Waste District, Gallatin County Rest Home and West Yellowstone/Hebgen Refuse District.
- Component Units - activity that the County supports and appoints a majority of the board (Airport Authority was previously a Component Unit). The County does not have any component units for FY 2018.

The government-wide statements are on pages 34 and 35 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 three types of funds, governmental, proprietary, and fiduciary, 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 provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

THE COUNTY AS A WHOLE

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

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

General Government:

Elected Offices

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

Departments

County Administrator, Compliance, Court Services, Finance, Human Resources, 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 \$154,625,004 as of June 30, 2018.

Gallatin County, State of Montana						
Statement of Net Position						
June 30, 2018						
	Primary Government - FY 2018			Prior Years		
	Governmental Activities	Business - Type Activities	TOTAL	FY 17 TOTAL	FY 16 TOTAL	FY 15 TOTAL
ASSETS						
Cash & Cash Equivalents	61,930,828	18,143,873	80,074,701	73,893,776	72,611,912	61,896,054
Other Assets	10,677,043	2,004,104	12,681,147	12,720,784	12,246,909	11,067,936
Capital Assets (net)	138,031,510	9,991,468	148,022,978	149,157,211	150,390,249	152,455,201
Total Assets	210,639,381	30,139,445	240,778,826	235,771,771	235,249,070	225,419,191
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows of resources	12,108,853	921,301	13,030,154	13,401,849	7,551,015	1,737,013
LIABILITIES						
Current Liabilities	9,330,438	1,183,452	10,513,890	8,237,377	9,164,057	7,057,314
Long-Term Liabilities	43,662,917	2,963,712	46,626,629	51,119,182	53,643,614	50,434,880
OPEB and Pension Liabilities	27,753,337	4,828,275	32,581,612	36,173,313	25,884,535	19,604,031
Total Liabilities	80,746,692	8,975,439	89,722,131	95,529,872	88,692,206	77,096,225
DEFERRED INFLOWS OF RESOURCES						
Pension Deferrals	8,114,124	37,941	8,152,065	2,424,398	5,077,905	8,684,144
OPEB Health Benefit Assump. Chngs.	244,486	54,295	298,781	-	-	-
Rec in adv of payments	1,010,999	-	1,010,999	1,010,999	-	325,364
Total Deferred Inflows of Resources	9,369,609	92,236	9,461,845	3,435,397	5,077,905	9,009,508
NET POSITION						
Net Investment in Capital Assets	94,355,704	9,678,968	104,034,672	101,299,113	99,706,755	103,509,035
Restricted	18,878,344	2,689,079	21,567,423	18,713,455	29,219,740	18,987,171
Unrestricted	19,397,885	9,625,024	29,022,909	30,195,783	20,103,478	18,554,265
Total Net Position	132,631,933	21,993,071	154,625,004	150,208,351	149,029,973	141,050,471

The County provided condensed financial information for fiscal years 2015 through 2017. Comparative information is available for years 2015, 2016 and 2017 for Gallatin County. The analysis that follows focuses on the County's Net Position for governmental and business activities. Net Position— Unrestricted decreased by \$1.2M from completion 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
Fiscal Year 2017 (June 30, 2017)	150,208,351
Fiscal Year 2018 (June 30, 2018)	154,625,004

Net Position for governmental activities is separated 71% Invested in Capital Assets, 14% Restricted, and 15% 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 \$154,625,004. The Business-Type Activities portion shows an increase in net position to \$21,993,071, an increase of \$812,809. A table comparing the County's Net Position from FY 2010-2018 follows.

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

	For the Year Ended June 30, 2018 Net (Expenses) Revenues and Changes in Net Position			For the Year Ended June 30, 2017 Net (Expenses) Revenues and Changes in Net Position		
	Primary Government - FY 2018			Primary Government - FY 2017		
	Governmental Activities	Business - Type Activities	TOTAL	Governmental Activities	Business - Type Activities	TOTAL
Primary government net revenues	(38,426,269)	942,274	(37,483,995)	(42,187,354)	1,087,175	(41,100,179)
General revenues						
Property taxes for general purposes	\$ 37,072,738	\$ (94)	\$ 37,072,644	\$ 35,674,108	\$ 93	\$ 35,674,201
Unrestricted grants and contributions	3,198,881	65,268	3,264,149	3,189,215	241,733	3,430,948
Investment Earnings	393,953	79,362	473,315	262,349	58,515	320,864
Miscellaneous	2,794,691	11,521	2,806,212	3,002,004	85,595	3,087,599
Gain (loss) on sale/disposal of fixed assets	(105,497)	(1,896)	(107,393)	(18,466)	(216,589)	(235,055)
Transfer - net:	(8,590)	8,590	-	(23,275)	23,275	-
Total general revenues	43,346,176	162,751	43,508,927	42,085,935	192,622	42,278,557
Change in net position	4,919,907	1,105,025	6,024,932	(101,419)	1,279,797	1,178,378
Net position - beginning	129,028,089	21,180,262	150,208,351	129,129,508	19,900,465	149,029,973
Restatement	(1,316,063)	(292,216)	(1,608,279)	-	-	-
Net position - ending	132,631,933	21,993,071	154,625,004	129,028,089	21,180,262	150,208,351

Government Activities

Gallatin County spent \$54,302,723 for governmental activities in fiscal year 2018. Significant events affecting Governmental activities are as follows:

- Governmental Activity decreased due to costs associated with Public Works completing renovation to a number of road surfaces in FY 2017, and Housing and Community Development with completion of grants in the previous year.
- Total Governmental expenses decreased overall by 6.18% or \$3,358,082.

The previous statement shows the amount paid by property taxpayers was \$37,072,738 or 68.27% of primary government activity expenses. The following table shows the changes in the percentage taxes are to governmental activity expenses:

Governmental Activities

<u>Year</u>	<u>Taxes</u>	<u>Expenses</u>	<u>Percentage</u>
2018	\$37,072,738	\$54,302,723	68.27%
2017	35,674,108	57,660,805	61.86%
2016	34,020,257	49,705,220	68.44%
2015	33,424,693	48,884,521	68.37%
2014	32,028,092	53,449,292	59.92%
2013	31,087,735	47,014,314	66.12%
2012	30,201,336	43,735,302	69.05%
2011	35,170,629	49,512,015	71.03%
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%

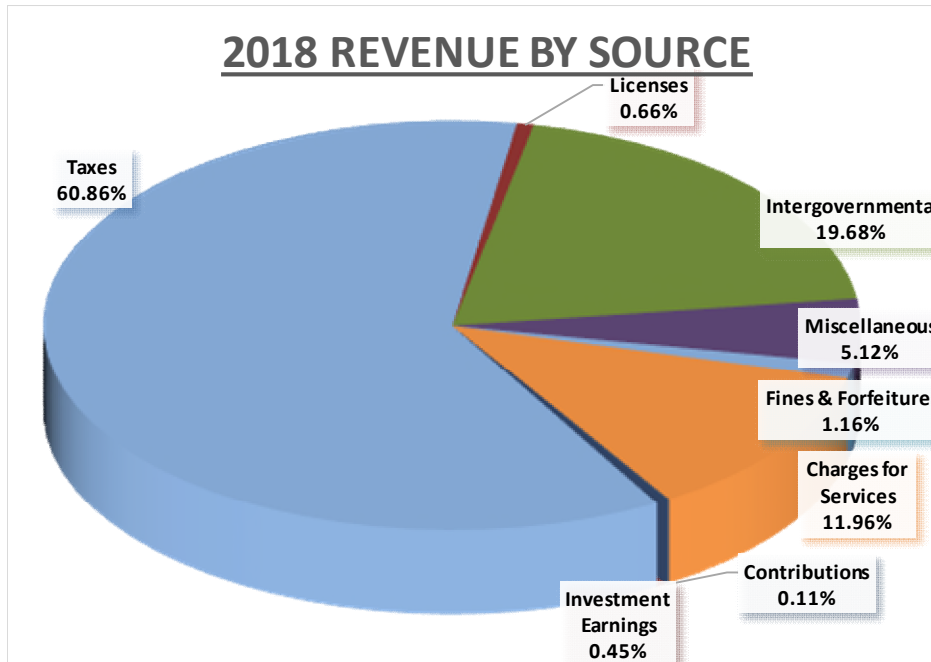
Charges for Services accounted for \$8,788,065 (16.18%) of fiscal year 2018 Governmental Activity expenses. Operating Grants & Contributions and Capital Grants and Contributions (Intergovernmental Revenues) generated \$7,088,389 accounting for 13.05% of expenses. Other Revenue sources generated the balance of money needed.

Overall, governmental program revenues, both primary government and business-type activity, generated \$20,525,880 from charges for services, while operating grants and contributions and capital grants and contributions equaled \$7,341,697 accounting for \$27,867,577 of revenue. Because total primary government expenses were \$65,351,572, Program Revenues were \$38,426,995 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.

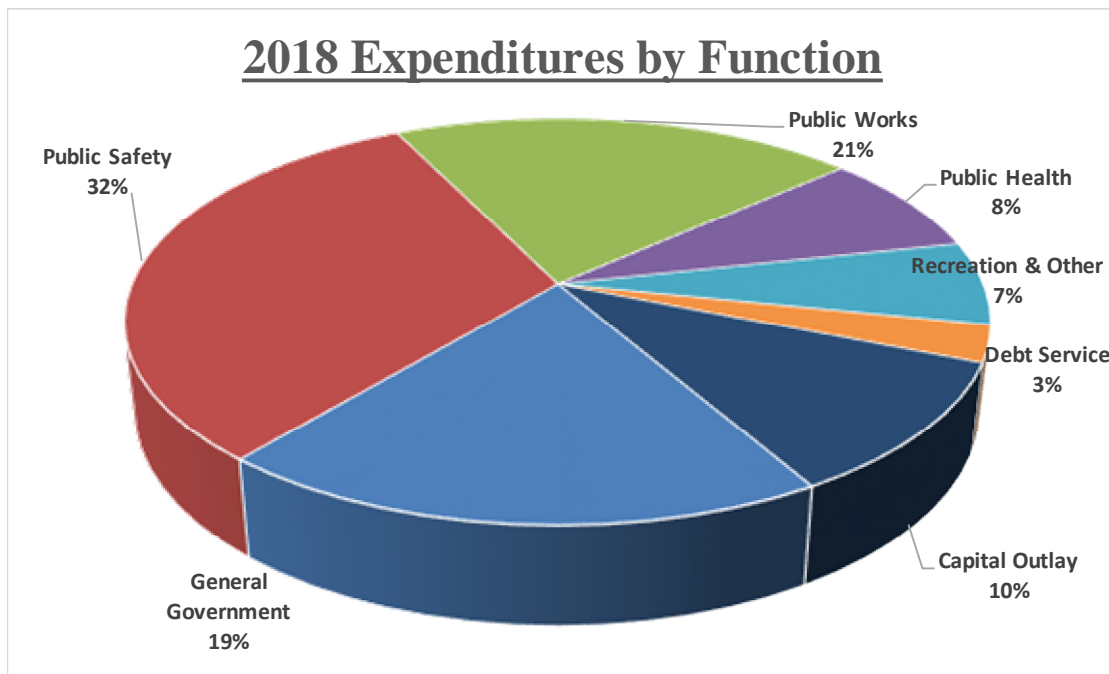
Graph of Revenues by Source – Activities

Gallatin County received \$59,222,630 in revenues to finance governmental operations. Total expenses for governmental activities were \$54,302,723, which resulted in a net position increase of \$3,603,844.

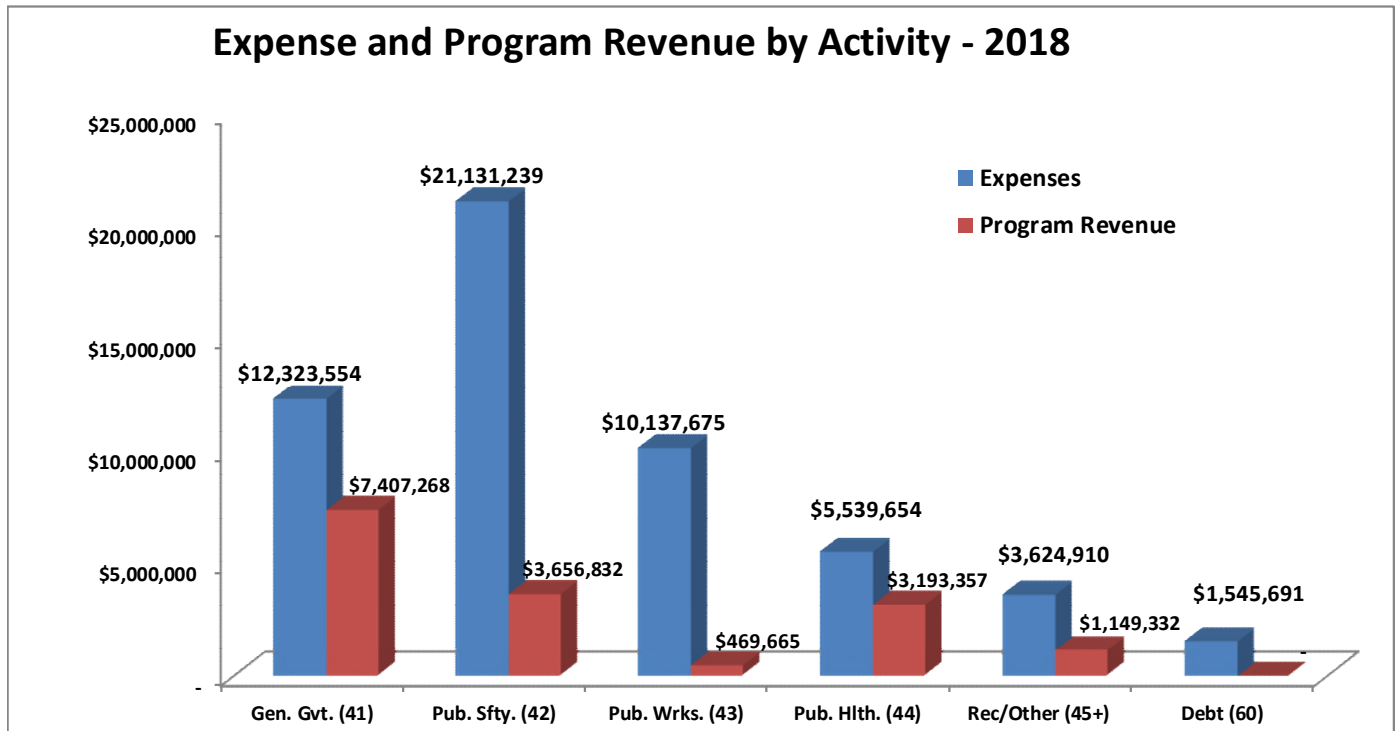
After all activities are considered, net position increased from \$150,208,351 to \$154,625,004 for governmental activities and business type activities. The graphs that follow show revenues by source and expenditures by activity for all activities.



A list of departments included in each function section of the following pie chart is on page 135 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.

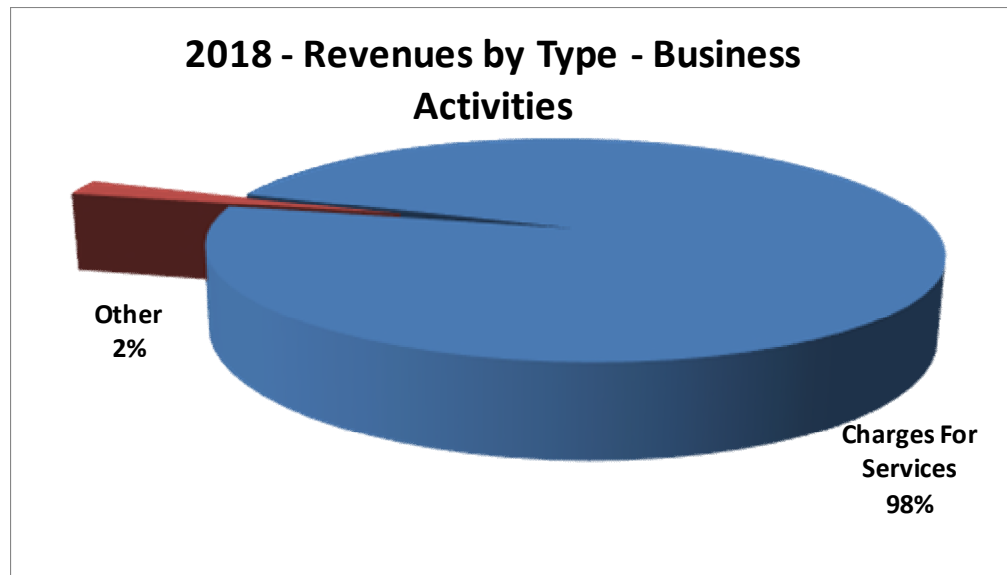
As a local government, Gallatin County uses tax revenues to support mandated services, as is the case with all county governments in Montana. To some extent, the County will need to increase tax levies from the inflationary mill to maintain service levels. To increase service levels, the following options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

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

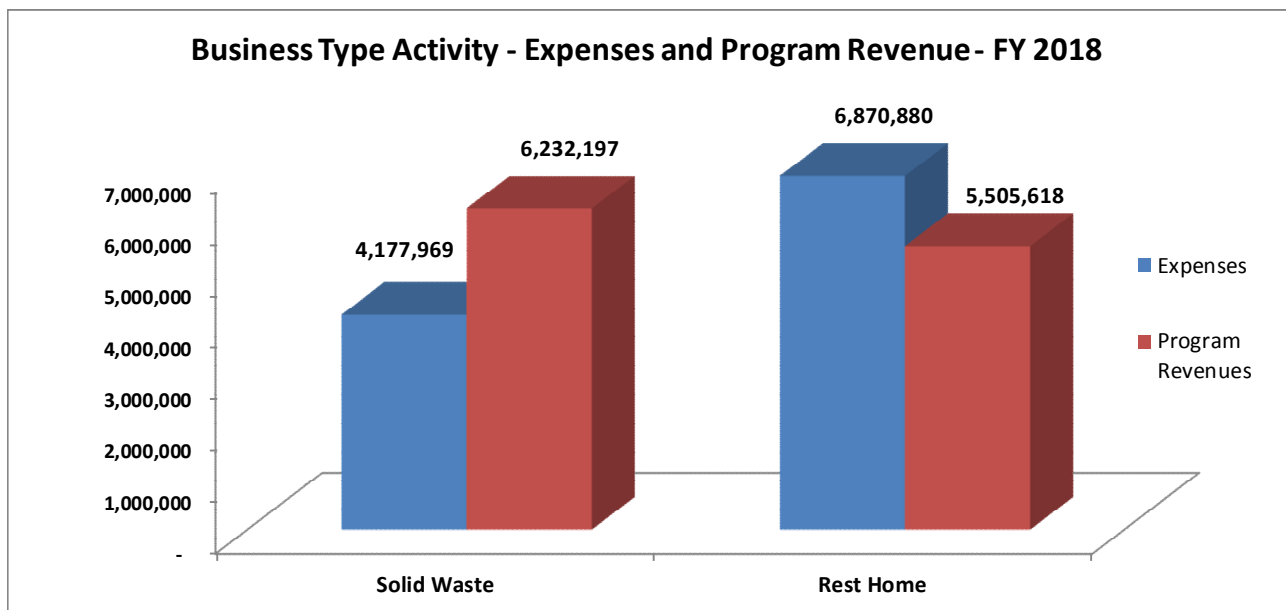
Business Type Activities

The cost (expenses) for all proprietary (business type) activities for FY 2018 was \$11,048,849. The amount paid by users of the Rest Home, Landfill and Refuse District was \$11,737,815.

Total resources for fiscal year 2018 to finance proprietary funds (business type) were \$11,991,123 (Charges for Services \$11,737,815 and Grants / Contributions \$253,308).



Total proprietary expenses during the year were \$11,048,849.



Funds of the County

The following is an analysis of balances in the County's major funds. The FY 2017 column is for comparison purposes only and shows prior year revenues and expenses.

General Major Governmental Functions

The information below compares revenues in FY 2018 to FY 2017:

Gallatin County, State of Montana
Statement of Revenues, Expenditures and Changes in Fund Balances
Statement of Activities
For the Year Ended June 30, 2018

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2017 TOTAL
REVENUES								
Property Taxes	\$ 8,121,388	\$ 14,235,281	\$ -	\$ -	\$ 2,368,073	\$ 12,849,224	\$ 37,573,966	\$ 35,875,710
Licenses & Permits	675	53,745	-	-	-	324,098	378,518	384,020
Intergovernmental Revenues	1,516,530	1,207,117	-	-	608,868	8,068,363	11,400,878	10,221,917
Charges for Services	2,513,656	1,783,743	-	-	343,749	1,965,303	6,606,451	7,010,175
Fines & Forfeitures	548,706	56,400	-	-	-	95,696	700,802	668,828
Miscellaneous	78,715	84,949	1,600,277	864,776	21,955	196,486	2,847,158	3,002,004
Investment Earnings (loss)	111,769	16,932	30,358	5,072	61,220	146,422	371,773	237,544
Transfer In	790,896	187,585	821	-	294,614	1,361,152	2,635,068	3,941,600
Contributions/Donations	-	15,000	-	-	1,100	900	17,000	65,281
Total revenues	13,682,335	17,640,752	1,631,456	869,848	3,699,579	25,007,644	62,531,614	61,407,079

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

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	FY 2017 TOTAL
EXPENDITURES								
Current:								
General Government	9,462,510	-	-	2,450	84,842	1,061,328	10,611,130	10,536,012
Public Safety	1,176,373	16,164,250	-	-	-	1,747,358	19,087,981	17,958,783
Public Works	667,288	-	1,191,675	-	36,690	3,924,525	5,820,178	7,777,107
Public Health	-	-	-	-	-	5,112,801	5,112,801	4,745,101
Social & Economic Services	449,960	-	-	-	-	61,865	511,825	529,321
Culture & Recreation	-	-	-	-	-	2,399,908	2,399,908	2,261,133
Housing & Community Development	-	-	-	-	-	406,458	406,458	1,128,188
Conservation of Natural Resources	-	-	-	-	-	47,834	47,834	110,398
Principal retirement	214,075	55,388	-	487,736	-	3,018,527	3,775,726	4,396,857
Interest	51,555	688	-	358,209	-	1,293,360	1,703,812	1,874,372
Capital Outlay	377,055	994,616	-	-	2,699,291	1,556,475	5,627,437	6,821,737
Transfers Out	589,862	368,891	-	821	-	2,856,859	3,816,433	4,750,225
Total expenditures	12,988,678	17,583,833	1,191,675	849,216	2,820,823	23,487,298	58,921,523	62,889,234

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

Gallatin County, State of Montana Summarized Comparative Schedule of Proprietary Funds

	For the Year Ended June 30, 2018				For the Year Ended June 30, 2017			
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Proprietary Funds	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Proprietary Funds
OPERATING REVENUES								
Operating Revenues	5,544,499	5,288,161	947,864	11,780,524	5,423,707	4,796,206	789,933	11,780,524
OPERATING EXPENSES	6,870,880	3,041,838	1,126,388	11,039,106	6,063,723	2,084,508	1,181,917	11,039,106
Operating income (loss)	(1,326,381)	2,246,323	(178,524)	741,418	(640,016)	1,991,698	(391,984)	741,418
Nonoperating revenues (expenses)								
Nonoperating revenues (expenses)	279,418	59,737	15,862	355,017	228,687	(28,911)	97,048	355,017
Transfers In	-	8,590	-	8,590	-	23,275	-	23,275
Change in net position	(1,046,963)	2,314,650	(162,662)	1,105,025	(411,329)	1,986,062	(294,936)	1,279,797
Total net position - beginning	523,218	16,526,999	4,130,045	21,180,262	934,547	14,540,937	4,424,981	19,900,465
Total net position - ending	\$ (751,777)	\$18,787,464	\$3,957,384	\$21,993,071	\$ 523,218	\$16,526,999	\$4,130,045	\$21,180,262

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

	----- PRIOR YEARS -----				CURRENT
	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Total Assets	25,329,817	25,746,723	27,654,597	28,640,013	30,139,445
Net Position	<u>21,227,444</u>	<u>18,316,728</u>	<u>19,900,465</u>	<u>21,180,262</u>	<u>21,993,071</u>
TOTAL					
LIABILITIES/DEFERS	4,102,373	7,429,995	7,754,132	7,459,751	8,146,374
Change in Net Position – Business Activities	717,416	675,716	1,583,737	1,279,797	1,105,025
(DIVIDED BY)					
Ending Net Position	21,227,444	18,316,728	19,900,465	21,180,262	21,993,071
(EQUALS)					
Return On Ending Net Position	3.38%	3.69%	7.96%	6.04%	3.70%

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 that are considered a liability of governmental activities. As a whole, Governmental Activities debt decreased in fiscal year 2018 by \$3,753,198 because of regular payments on bonds, capital leases; and RID bonds.

The cost per capita for governmental debt outstanding increased from \$545.91 to \$504.60 in fiscal year 2017 (\$52,218,388 divided by estimated population of 103,485). Governmental activity debt summary for fiscal year 2018 is presented below.

	----- PRIOR YEARS -----				CURRENT
	FY 14	FY 15	FY 16	FY 17	FY 18
DEBT PAYABLE ON (June 30)					
BEGINNING BALANCE	56,679,376	54,223,929	51,626,876	54,994,722	52,218,388
ADD: Intercap Loan / Notes/Bonds	1,150,000	-0-	-0-	-0-	-0-
Special Assessment Bonds	-0-	765,000	107,000	363,000	-0-
G. O Bonds		-0-	24,960,000	-0-	-0-
Bond Premiums	-0-	603,471	3,727,204	-0-	-0-
Compensated Absences (INC)	87,478	-0-	70,155	132,946	200,475
Capital Lease Agreements	-0-	-0-	1,789,056	1,499,999	186,489
LESS: Loan/Lease Payments	895,825	985,227	1,448,357	792,762	394,173
Special Assessment Payments	420,000	499,000	299,375	812,845	487,735
Compensated Absence (DEC)	-0-	19,449	-0-	-0-	-0-
G.O. Payment/Refinancing	2,377,100	2,462,100	25,417,100	2,791,250	2,891,250
Bond Premiums	-0-	-0-	120,737	375,421	367,004
DEBT PAYABLE (June 30)	54,223,929	51,626,876	54,994,722	52,218,388	48,465,190
Cost Per Capita	\$574.89	\$530.38	\$545.91	\$504.60	\$449.50

Debt includes compensated absences (amount due to employees for accrued leave, including 1/4 sick leave, all vacation and compensatory time) of \$2,480,569, up \$200,475 from FY 17. The increase represents a change of 8.79%, primarily from wage adjustments. The debt schedule above does not include Governmental Activities Other Post-Employment Benefits (OPEB) of \$3,104,946 or a retirement shortfall of \$24,648,391.

The County, by statute, can have debt of 2.50% of Assessed Valuation. For fiscal year 2018 this equals \$453,428,837. County debt of \$42,221,145 (\$48,465,190 less Special Assessment Bonds (RID) \$6,244,045) means the County has used 9.38% of its borrowing capacity through fiscal year 2018, with unused borrowing capacity being \$411,207,692. 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.

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)

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	4,233,880	4,253,101	1,657,687	1,657,687	5,891,567	5,910,788
Buildings	42,952,649	44,294,364	3,939,483	3,913,409	46,892,132	48,207,773
Improvements other than buildings	1,951,331	1,962,837	536,516	598,595	2,487,847	2,561,432
Machinery and equipment	11,807,322	12,053,468	3,077,905	3,241,709	14,885,227	15,295,177
Intangibles	17,163,889	16,913,511	60,890	80,138	17,224,779	16,993,649
Infrastructure	53,408,736	56,255,707	-	-	53,408,736	56,255,707
Construction in progress	6,513,700	3,458,953	718,987	473,731	7,232,687	3,932,684
Total assets	138,031,507	139,191,941	9,991,468	9,965,270	148,022,975	149,157,211

At the end of 2018 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 2018 included:

	<u>Governmental</u>	<u>Business-Type</u>
Land	-	-
Buildings	68,817	266,470
Improvements other than buildings	273,988	-
Machinery and equipment	1,677,778	237,542
Intangibles	352,795	-
Infrastructure	482,176	-
Construction in progress	3,282,208	356,745

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 2018 adopted budgets for the General and Public Safety Funds totaled \$34,792,543. The Final Budget for these funds was \$34,733,131 a decrease of (\$59,412) during the year. Individual department budgets were amended throughout the year without affecting the total budget.

Original Budget	+	Continuing Appropriations	+	Encumbrances	=	Beg. Balance
<u>\$ 34,792,543</u>	+	<u>\$ -0-</u>	+	<u>\$ -0-</u>	=	<u>\$ 34,792,543</u>

Beg. Balance	+/-	Supplemental Changes	=	Final Budget
<u>\$34,792,543</u>	+	<u>(\$59,412)</u>	=	<u>\$ 34,733,131</u>

The beginning to final budget shows a decrease of 0.02% 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 2018 Compared to FY 2019

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 2018 and fiscal year 2019 by the County Commission. Changes in staffing were:

Staffing Changes (FTE)	
DEPARTMENT/DIVISION	Net Increase (Decrease)
COUNTY ADMINISTRATOR	0.50
ATTORNEY	(0.35)
CLERK AND RECORDER	0.42
COURT SERVICES	0.50
DETENTION CENTER	2.50
DISPATCH / L.E. RECORDS	1.75
FAIRGROUNDS	0.40
HEALTH - ADMINISTRATION	0.50
HEALTH - HUMAN SERVICES	(2.68)
HEALTH - ENVIRONMENTAL	1.17
MISCELLANEOUS - TEMPORARY	0.11
SHERIFF - SWORN 4.63, SUPPORT .48	5.11
TREASURER	1.75
TOTAL COUNTY TAX SUPPORTED PERSONNEL	11.68
HEALTH - CITY/COUNTY - GRANTS	3.33
PUBLIC SAFETY GRANTS	(1.29)
REST HOME	(0.49)
FACILITY	0.50
OTHER CHANGES	0.85
TOTAL NON TAX SUPPORTED PERSONNEL	2.90
TOTAL CHANGES IN PERSONNEL	14.58

The following Capital Projects table identifies estimated costs of projects, amount expended through June 30, 2018 and the amount budgeted for FY 2019. 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.

CAPITAL OUTLAY / CAPITAL PROJECTS

FY 2019 FINAL CAPITAL PROJECTS / OUTLAY - BUDGET

Projects by Department / Project Name

CAPITAL PROJECT AND OUTLAY / RESERVES									Amount Needed	
DESCRIPTION	YEAR	CIPC Priority	FY 2019 Budget	Estimated Project	Revenue Sources					
					County	Department	Other	TOTAL		
Core Rolling Stock	2011		2,431,974	27,578,000	2,431,974	403,840	-	2,835,814	24,742,186	
Bridge Replacement Program	2013		2,000,000	23,948,640	2,000,000	-	-	2,000,000	21,948,640	
Building Reserve (\$0.95/sq. ft.)	1994		573,704	573,704	573,704	-	-	573,704	-	
Judicial / Law Enforcement Building	2010	1 and 2	2,068,010	51,100,000	2,068,010	-	-	2,068,010	49,031,990	
9 1 1 Radio Project	2019	3	850,000	27,500,000	-	850,000	-	850,000	26,650,000	
Sheriff - Radio Replacement	2019	4	-	1,000,000	-	-	-	-	1,000,000	
Storage Facility	2018		450,000	1,587,000	450,000	-	-	450,000	-	
L. E. Records / CAD System	2017	6	-	-	-	-	-	-	-	
Financial Software Replacement	2018	9	400,000	750,000	400,000	-	40,431	440,431	309,569	
Detention Center (Reserve / Expansion)	2013		3,317,182	9,423,311	-	3,317,182	-	3,317,182	6,106,129	
			-	-	-	-	-	-	-	
Subtotal Budgeted Projects			12,090,870	143,460,655	7,923,688	4,571,022	40,431	12,535,141	130,925,514	
Capital Reserves	2017		7,408,476							
Machinery & Equipment	2017		25,838,727							
CIP - Long Term					Estimates Only					
DES - Storage Facility	prior year		-	540,000					540,000	
Fair - Event Center	2018+	10	-	3,000,000					3,000,000	
Subtotal CIP - Long Term			2019+	-	3,540,000	-	-	-	3,540,000	
TOTAL CAPITAL PROJECTS				45,338,073	147,000,655	7,923,688	4,571,022	40,431	12,535,141	134,465,514

Capital Projects are \$147.0 million for FY 2019 including full funding for the Law and Justice Building, with \$51.0M funded in FY 2019. The Commission authorized \$2,431,974 for Core Rolling Stock, \$2,000,000 for the Bridge Replacement Program, \$2,068,010 for the Judicial / Law Enforcement Building, \$573,704 for repair, remodeling and updating of County Facilities, \$850,000 for 9-1-1 Radio Project, \$450,000 for Storage Facility, \$400,000 for Financial Software and \$3,317,182 reserved for Detention Center remodel and expansion. The Commission also kept \$7.4 million for capital reserves and funded \$25.8 million for capital equipment.

Summary

The fiscal year 2019 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 2019 shows:

Comparison of Budgeted Taxes

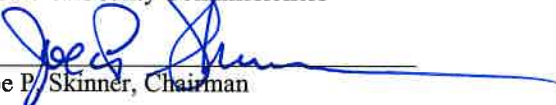
<u>Taxes Budgeted</u>	<u>FY 2010</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
County Operating Taxes	\$ 16,343,857	\$ 18,808,855	\$ 19,702,783	\$ 20,957,110	\$ 21,761,399	\$ 23,082,863
Road and Library Taxes	3,153,566	3,762,770	3,944,991	4,224,927	4,437,478	4,626,481
Open Space & Park Voted Levy	-	-	-	-	-	1,331,823
Debt Service / Insurance Taxes	3,941,648	5,077,427	5,206,857	5,597,857	5,867,951	6,202,096
Mill Levies						
County Operating Taxes	73.20	74.35	82.84	83.79	75.84	78.04
Road and Library Taxes	25.23	76.29	30.04	30.31	27.30	27.75
Open Space & Park Voted Levy	-	-	-	-	-	4.50
Debt Service / Insurance Taxes	17.80	20.15	21.96	22.47	20.52	21.02
Taxable Valuations						
County Operating Valuations	223,244	252,964	237,836	248,031	286,963	295,802
Open Space & Park Voted Levy	-	-	-	-	-	295,802
Road and Library Valuations	125,025	143,113	131,332	137,851	162,547	166,725

This table shows increase in the taxable valuation of property for FY 2019 of 3.08% due to growth. Taxes generated by newly taxable property (new construction) accounted for \$937,368, a 2.92% increase in taxes. A new 4.50 mill tax was approved by voters starting this year, with an increase in taxes of \$1,331,823. The balance of the increase in taxes of \$907,244 funded wage increase, Sheriff deputies, Dispatch staff, and Treasurer. 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 \$2,536,150. 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.

Gallatin County, Montana
Board of County Commissioners


Joe P. Skinner, Chairman

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**

Gallatin County, State of Montana
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 61,930,828	\$ 15,454,794	\$ 77,385,622
Cash, cash equivalents, and investments - restricted	-	2,689,079	2,689,079
Property taxes receivable, net	7,804,798	3,035	7,807,833
Other receivables	3,290,634	1,344,428	4,635,062
Prepaid expenses	-	56,641	56,641
Due from (to) other funds	(600,000)	600,000	-
Inventory	181,611	-	181,611
Capital assets, net	138,031,510	9,991,468	148,022,978
Total assets	<u>\$ 210,639,381</u>	<u>\$ 30,139,445</u>	<u>\$ 240,778,826</u>
DEFERRED OUTFLOWS OF RESOURCES			
Contribution to pension plans in current fiscal year	9,667,974	891,973	10,559,947
Other postemployment health benefits deferred contributions	132,063	29,328	161,391
Excess reacquisition costs due to bond refunding	2,308,816	-	2,308,816
Total deferred outflows of resources	<u>12,108,853</u>	<u>921,301</u>	<u>13,030,154</u>
LIABILITIES			
Accounts Payable	2,221,127	696,804	2,917,931
Accrued payroll and other liabilities	2,294,805	320,868	2,615,673
Deposits payable	12,233	-	12,233
Current portion of long term debt	4,802,273	165,780	4,968,053
Noncurrent portion of long term debt	43,662,917	554,669	44,217,586
Landfill closure/post closure costs	-	2,409,043	2,409,043
Other postemployment health benefits liability	3,104,946	756,291	3,861,237
Net pension liability	24,648,391	4,071,984	28,720,375
Total liabilities	<u>80,746,692</u>	<u>8,975,439</u>	<u>89,722,131</u>
Deferred Inflows of Resources			
Receivable in advance of payment requirement	1,010,999	-	1,010,999
Pension deferrals	8,114,124	37,941	8,152,065
Other postemployment health benefits assumption changes	244,486	54,295	298,781
Total deferred inflows of resources	<u>9,369,609</u>	<u>92,236</u>	<u>9,461,845</u>
NET POSITION			
Net investment in capital assets	94,355,704	9,678,968	104,034,672
Restricted	18,878,344	2,689,079	21,567,423
Unrestricted	19,397,885	9,625,024	29,022,909
Total net position	<u>\$ 132,631,933</u>	<u>\$ 21,993,071</u>	<u>\$ 154,625,004</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, 2018

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position				
		Program Revenues			Primary Government	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary government:						
Governmental activities:						
General Government	\$ 12,323,554	\$ 4,403,444	\$ 2,394,956	\$ 608,868	\$ (4,916,286)	\$ -
Public Safety	21,131,239	2,275,073	1,381,759	-	(17,474,407)	-
Public Works	10,137,675	77,276	381,941	10,448	(9,668,010)	-
Public Health	5,539,654	1,110,905	2,082,452	-	(2,346,297)	-
Social & Economic Services	517,934	-	-	-	(517,934)	-
Culture & Recreation	2,609,092	858,606	-	-	(1,750,486)	-
Housing & Community Development	436,279	2,170	-	158,340	(275,769)	-
Conservation of Natural Resources	61,605	60,591	17,047	52,578	68,611	-
Debt Service Interest	1,545,691	-	-	-	(1,545,691)	-
Total governmental activities	54,302,723	8,788,065	6,258,155	830,234	(38,426,269)	-
Business-type activities:						
Gallatin County Rest Home	6,870,880	5,505,618	253,308	-	-	(1,111,954)
Gallatin County Landfill	3,051,581	5,285,583	-	-	-	2,234,002
West Yellowstone Refuse District	1,126,388	946,614	-	-	-	(179,774)
Total business-type activities	11,048,849	11,737,815	253,308	-	-	942,274
Total primary government	\$ 65,351,572	\$ 20,525,880	\$ 6,511,463	\$ 830,234	\$ (38,426,269)	\$ 942,274
General revenues:						
Property Taxes for General Purposes					37,072,738	(94)
Unrestricted grants and contributions					3,198,881	65,268
Investment Earnings					393,953	79,362
Miscellaneous					2,794,691	11,521
Gain (loss) on sale/disposal of capital assets					(105,497)	(1,896)
Transfer in (out)					(8,590)	8,590
Total general revenues, special items, and transfers					43,346,176	162,751
Change in net position					4,919,907	1,105,025
Net position - beginning					129,028,089	21,180,262
Restatement of net position due to other postemployment health benefits					(1,316,063)	(292,216)
Net position - ending					\$ 132,631,933	\$ 21,993,071
						\$ 154,625,004

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, 2018

	General	Public Safety Fund	RID Maintenance	RID Bond Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash & Investments	\$ 7,016,602	\$ 5,288,483	\$ 7,307,247	\$ 308,330	\$ 13,887,983	\$ 20,370,954	\$ 54,179,599
Real Estate Taxes Receivable	132,304	260,630	57,171	105,360	51,686	311,282	918,433
Personal Property Taxes Receivable	30,106	58,114	-	-	11,269	79,399	178,888
Protested Taxes Receivable	4,191	8,475	-	-	2,097	8,843	23,606
Special Assessments Receivable	-	-	-	6,683,871	-	-	6,683,871
Accounts Receivable-Net	285,570	1,591,631	5,226	-	137,185	1,235,035	3,254,647
Due from other funds	42,915	45,460	-	-	-	134,803	223,178
Inventories	117,637	-	-	-	-	63,974	181,611
Total assets	\$ 7,629,325	\$ 7,252,793	\$ 7,369,644	\$ 7,097,561	\$ 14,090,220	\$ 22,204,290	\$ 65,643,833
LIABILITIES							
Accounts Payable	\$ 343,299	\$ 315,931	\$ 102,151	\$ -	\$ 509,499	\$ 787,014	\$ 2,057,894
Contracts/Loans Payable	-	-	12,233	-	-	-	12,233
Other Accrued Payables	517,327	497,926	4,998	-	90	327,204	1,347,545
Due To Other Funds	-	-	-	-	600,000	223,179	823,179
Total liabilities	860,626	813,857	119,382	-	1,109,589	1,337,397	4,240,851
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue, Fines and Forfeitures, Fees	117,545	-	-	-	-	1,212	118,757
Unavailable Revenue, Property Taxes Receivable in advance of payment requirement	166,601	327,219	57,172	6,789,231	65,052	399,524	7,804,799
	-	1,010,999	-	-	-	-	1,010,999
Total deferred inflows of resources	284,146	1,338,218	57,172	6,789,231	65,052	400,736	8,934,555
FUND BALANCES:							
Nonspendable:							
Inventories	117,637	-	-	-	-	63,974	181,611
Restricted for:							
Grants	-	-	-	-	2,976,752	4,103,884	7,080,636
Debt Service Obligations	-	-	-	-	-	1,297,804	1,297,804
RID Debt Services	-	-	-	308,330	-	-	308,330
Construction Projects	-	-	-	-	-	2,361,116	2,361,116
General Government	832,521	-	-	-	-	-	832,521
Public Safety	-	208,706.00	-	-	-	-	208,706
Committed for:							
Contractual Obligations	-	-	-	-	9,934,987	-	9,934,987
RID Maintenance	-	-	7,193,090	-	-	-	7,193,090
General Government	4,946,236	-	-	-	-	5,278,273	10,224,509
Public Safety	-	4,815,142	-	-	-	58,401	4,873,543
Public Works	-	-	-	-	-	4,220,512	4,220,512
Public Health	-	-	-	-	-	1,722,395	1,722,395
Culture & Recreation	-	-	-	-	-	987,925	987,925
Conservation Of Natural Resources	-	-	-	-	-	371,873	371,873
Assigned for:							
General Government	588,159	-	-	-	3,840	-	591,999
Public Safety	-	76,870	-	-	-	-	76,870
Total fund balances	6,484,553	5,100,718	7,193,090	308,330	12,915,579	20,466,157	52,468,427
Total liabilities, deferred inflows of resources and fund balances	\$ 7,629,325	\$ 7,252,793	\$ 7,369,644	\$ 7,097,561	\$ 14,090,220	\$ 22,204,290	\$ 65,643,833

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, 2018

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

Total fund balances - governmental funds	\$ 52,468,427
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 \$264,402,238 and the accumulated depreciation is \$127,029,925.	137,372,313
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.	7,923,556
The net pension and OPEB liabilities 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.	(27,702,000)
Pension and OPEB 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.	3,752,146
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.	(48,409,394)
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.	<u>7,226,885</u>
Total net position - governmental activities	<u>\$ 132,631,933</u>

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, 2018

	GENERAL	PUBLIC SAFETY FUND	RID MAINTENANCE	RID BOND DEBT SERVICE	CAPITAL PROJECTS	Total Non Major Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 8,121,388	\$ 14,235,281	\$ -	\$ -	\$ 2,368,073	\$ 12,849,224	\$ 37,573,966
Licenses & Permits	675	53,745	-	-	-	324,098	378,518
Intergovernmental Revenues	1,516,530	1,207,117	-	-	608,868	8,068,363	11,400,878
Charges for Services	2,513,656	1,783,743	-	-	343,749	1,965,303	6,606,451
Fines & Forfeitures	548,706	56,400	-	-	-	95,696	700,802
Miscellaneous	78,715	84,949	1,600,277	864,776	21,955	196,486	2,847,158
Investment Earnings (loss)	111,769	16,932	30,358	5,072	61,220	146,422	371,773
Contributions/Donations	-	15,000	-	-	-	900	15,900
Total revenues	12,891,439	17,453,167	1,630,635	869,848	3,403,865	23,646,492	59,895,446
EXPENDITURES							
Current:							
General Government	9,462,510	-	-	2,450	84,842	1,061,328	10,611,130
Public Safety	1,176,373	16,164,250	-	-	-	1,747,358	19,087,981
Public Works	667,288	-	1,191,675	-	36,690	3,924,525	5,820,178
Public Health	-	-	-	-	-	5,112,801	5,112,801
Social & Economic Services	449,960	-	-	-	-	61,865	511,825
Culture & Recreation	-	-	-	-	-	2,399,908	2,399,908
Housing & Community Development	-	-	-	-	-	406,458	406,458
Conservation of Natural Resources	-	-	-	-	-	47,834	47,834
Debt service:							
Principal retirement	214,075	55,388	-	487,736	-	3,018,527	3,775,726
Interest	51,555	688	-	358,209	-	1,293,360	1,703,812
Capital Outlay	377,055	994,616	-	-	2,699,291	1,556,475	5,627,437
Total expenditures	12,398,816	17,214,942	1,191,675	848,395	2,820,823	20,630,439	55,105,090
Excess (deficiency) of revenues over expenditures	492,623	238,225	438,960	21,453	583,042	3,016,053	4,790,356
OTHER FINANCING SOURCES (USES)							
Transfers Out	(589,862)	(368,891)	-	(821)	-	(2,856,859)	(3,816,433)
Proceeds from Sale of Fixed Assets	-	-	-	-	1,100	-	1,100
Transfers In	790,896	187,585	821	-	294,614	1,361,152	2,635,068
Total other financing sources (uses)	201,034	(181,306)	821	(821)	295,714	(1,495,707)	(1,180,265)
Net change in fund balances	693,657	56,919	439,781	20,632	878,756	1,520,346	3,610,091
Fund balances - beginning	5,790,896	5,043,799	6,753,309	287,698	12,036,823	18,945,811	48,858,336
Fund balances - ending	\$ 6,484,553	\$ 5,100,718	\$ 7,193,090	\$ 308,330	\$ 12,915,579	\$ 20,466,157	\$ 52,468,427

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, 2018

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

Net change in fund balances - total governmental funds	\$	3,610,091
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$5,627,437) exceeds depreciation (\$6,760,536) in the current period (exclusive of internal service funds).		(1,133,099)
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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.		(160,314)
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Deferred inflows of resources in the governmental funds are reported on the full accrual method in the government-wide financial statements.		(528,442)
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The current period net increase in compensated absences did not require the use of current financial resources.		(191,080)
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The net pension and Other Post Employment Benefits liabilities and related deferred inflows and outflows of the County are reported on the full accrual method and solely in the government-wide financial statements.		(824,104)
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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.		3,939,272
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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.		207,583
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Change in net position of governmental activities	\$	<u>4,919,907</u>
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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, 2018

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash & Investments	\$ 410,034	\$ 12,854,038	\$ 2,190,722	\$ 15,454,794	\$ 7,751,229
Cash & Investments-Restricted	-	2,689,079	-	2,689,079	-
Noncurrent assets:					
Real Estate Taxes Receivable	722	-	2,239	2,961	-
Personal Taxes Receivable	74	-	-	74	-
Accounts Receivable-Net	559,828	604,880	179,720	1,344,428	35,987
Prepaid Expense	56,641	-	-	56,641	-
Due from Other Funds	-	600,000	-	600,000	-
Capital Assets-Net	1,728,704	6,293,328	1,969,436	9,991,468	659,197
Total assets	<u>2,756,003</u>	<u>23,041,325</u>	<u>4,342,117</u>	<u>30,139,445</u>	<u>8,446,413</u>
DEFERRED OUTFLOWS OF RESOURCES					
Contribution to pension plans in current fiscal year	617,889	225,787	48,297	891,973	-
Other Postemployment Health Benefit Contributions	22,886	5,438	1,004	29,328	2,235
Total deferred outflows of resources	<u>640,775</u>	<u>231,225</u>	<u>49,301</u>	<u>921,301</u>	<u>2,235</u>
LIABILITIES					
Current liabilities:					
Accounts Payable	204,231	355,114	137,459	696,804	163,232
Contracts/Loans Payable	-	125,000	-	125,000	-
Other Accrued Payables	164,502	143,245	13,121	320,868	947,260
Compensated Absences	28,630	8,621	3,529	40,780	5,580
Total current liabilities	<u>397,363</u>	<u>631,980</u>	<u>154,109</u>	<u>1,183,452</u>	<u>1,116,072</u>
Noncurrent liabilities:					
Contracts/Loans Payable	-	187,500	-	187,500	-
Other Postemployment health benefits	604,118	128,238	23,935	756,291	51,337
Net pension liability	2,820,752	1,030,748	220,484	4,071,984	-
Closure/Post Closure Costs	-	2,409,043	-	2,409,043	-
Compensated Absences	257,670	77,905	31,594	367,169	50,216
Total noncurrent liabilities	<u>3,682,540</u>	<u>3,833,434</u>	<u>276,013</u>	<u>7,791,987</u>	<u>101,553</u>
Total liabilities	<u>4,079,903</u>	<u>4,465,414</u>	<u>430,122</u>	<u>8,975,439</u>	<u>1,217,625</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	26,283	9,604	2,054	37,941	-
Other Postemployment Health Benefits assumption changes	42,369	10,068	1,858	54,295	4,138
Total deferred inflows of resources	<u>68,652</u>	<u>19,672</u>	<u>3,912</u>	<u>92,236</u>	<u>4,138</u>
NET POSITION					
Net investment in capital assets	1,728,704	5,980,828	1,969,436	9,678,968	659,197
Restricted (expendable)	-	2,689,079	-	2,689,079	-
Unrestricted	(2,480,481)	10,117,557	1,987,948	9,625,024	6,567,688
Total net position	<u>\$ (751,777)</u>	<u>\$ 18,787,464</u>	<u>\$ 3,957,384</u>	<u>\$ 21,993,071</u>	<u>\$ 7,226,885</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, 2018

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 5,536,806	\$ 5,285,583	\$ 946,614	\$ 11,769,003	\$ 615,231
Miscellaneous	7,693	2,578	1,250	11,521	2,473
Internal Services	-	-	-	-	8,171,985
Total operating revenues	5,544,499	5,288,161	947,864	11,780,524	8,789,689
OPERATING EXPENSES					
Public Works Personnel Services	-	1,192,167	273,375	1,465,542	-
Public Works Operations	-	1,491,039	614,074	2,105,113	-
Public Works Depreciation	-	358,632	238,939	597,571	-
Public Health Personnel	4,003,845	-	-	4,003,845	-
Public Health Operations	2,746,431	-	-	2,746,431	-
Internal Service Personnel	-	-	-	-	572,462
Internal Service Supplies	-	-	-	-	175,095
Internal Service Purchased Services	-	-	-	-	1,332,142
Internal Service Fixed Charges	-	-	-	-	838,019
Internal Service Depreciation	-	-	-	-	148,282
Internal Service Benefit Payments	-	-	-	-	6,712,309
Public Health Depreciation	120,604	-	-	120,604	-
Total operating expenses	6,870,880	3,041,838	1,126,388	11,039,106	9,778,309
Operating income (loss)	(1,326,381)	2,246,323	(178,524)	741,418	(988,620)
NONOPERATING REVENUES (EXPENSES)					
Property Taxes	(155)	-	61	(94)	-
Intergovernmental Revenues	268,596	15,481	3,311	287,388	-
Investment Earnings (Loss)	13,622	53,250	12,490	79,362	22,180
Gain (Loss) on Sale of Fixed Assets	(2,645)	749	-	(1,896)	1,250
Interest Expense	-	(9,743)	-	(9,743)	-
Total nonoperating revenues (expenses)	279,418	59,737	15,862	355,017	23,430
Income (loss) before contributions and transfers	(1,046,963)	2,306,060	(162,662)	1,096,435	(965,190)
Transfers In	-	8,590	-	8,590	1,172,773
Change in net position	(1,046,963)	2,314,650	(162,662)	1,105,025	207,583
Total net position - beginning of year as originally reported	523,218	16,526,999	4,130,045	21,180,262	7,041,576
Beginning net position restatement due to other postemployment health benefits	(228,032)	(54,185)	(9,999)	(292,216)	(22,274)
Total net position - ending	\$ (751,777)	\$ 18,787,464	\$ 3,957,384	\$ 21,993,071	\$ 7,226,885

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, 2018

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Gallatin County Rest Home	Gallatin County Landfill	West Yellowstone Refuse District	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from interfund	\$ -	\$ -	\$ -	\$ -	\$ 8,171,985
Payments to interfund	-	-	-	-	(7,959,342)
Cash receipts from customer	5,382,798	5,288,705	969,782	11,641,285	654,582
Receipts from other funds	-	200,000	-	200,000	-
Payments to employees	(3,924,215)	(1,107,585)	(246,748)	(5,278,548)	(560,115)
Payments to suppliers	(2,906,648)	(1,131,178)	(541,790)	(4,579,616)	(322,993)
Net cash provided (used) by operating activities	(1,448,065)	3,249,942	181,244	1,983,121	(15,883)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Revenue	268,596	15,481	3,311	287,388	-
Subsidy from taxes	26	-	-	26	-
Transfers from (to) Other Funds	-	8,590	-	8,590	1,172,773
Net cash provided (used) by noncapital financing activities	268,622	24,071	3,311	296,004	1,172,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid on debt	-	(9,743)	-	(9,743)	-
Principal on debt	-	(125,000)	-	(125,000)	-
Proceeds from sale of capital assets	-	3,000	-	3,000	2,849
Purchases/acquisition/const. of capital assets	(216,679)	(407,974)	(124,616)	(749,269)	(88,382)
Net cash provided (used) by capital and related financing activities	(216,679)	(539,717)	(124,616)	(881,012)	(85,533)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	13,622	53,250	12,490	79,362	22,180
Net cash provided (used) by investing activities	13,622	53,250	12,490	79,362	22,180
Net increase (decrease) in cash and cash equivalents	(1,382,500)	2,787,546	72,429	1,477,475	1,093,537
Balances - beginning of year	1,792,534	12,755,571	2,118,293	16,666,398	6,657,692
Balances - end of the year	\$ 410,034	\$ 15,543,117	\$ 2,190,722	\$ 18,143,873	\$ 7,751,229
Cash and investments consist of:					
Cash and investments	\$ 410,034	\$ 12,854,038	\$ 2,190,722	\$ 15,454,794	\$ 7,751,229
Restricted cash and investments	-	2,689,079	-	2,689,079	-
Total cash and investments	\$ 410,034	\$ 15,543,117	\$ 2,190,722	\$ 18,143,873	\$ 7,751,229
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income	\$ (1,326,381)	\$ 2,246,323	\$ (178,524)	\$ 741,418	\$ (988,620)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation Expense	120,604	358,632	238,939	718,175	148,282
Gain on sale of asset	-	-	-	-	-
Changes in assets and liabilities:					
Accounts Receivable	(161,701)	545	21,919	(139,237)	36,878
Due from other funds	-	200,000	-	200,000	-
Prepaid expenses	(56,641)	-	-	(56,641)	-
Accounts Payable	(123,510)	176,381	72,284	125,155	85,109
Other Accrued Payables	19,934	4,977	1,358	26,269	690,121
Closure/Post Closure Costs	-	178,502	-	178,502	-
Compensated absences	21,801	4,453	1,002	27,256	9,395
Other Postemployment health benefits and related deferred inflows and outflows	30,238	7,185	1,325	38,748	2,952
Net pension liability and related deferred inflows and outflows	27,591	72,944	22,941	123,476	-
Net cash provided (used) by operating activities	\$ (1,448,065)	\$ 3,249,942	\$ 181,244	\$ 1,983,121	\$ (15,883)
SCHEDULE OF NONCASH TRANSACTIONS					
Noncash change in deferred outflows	\$ (251,683)	\$ (160,803)	\$ (42,854)	\$ (455,340)	\$ (5,187)
Noncash change in net pension liability	181,014	141,519	39,070	361,603	-
Noncash change in Other Postemployment health benefits liability	238,787	56,740	10,471	305,998	23,323
Noncash change in deferred inflows	59,914	16,729	3,312	79,955	4,138
Other Postemployment health benefits prior period restatement	(228,032)	(54,185)	(9,999)	(292,216)	(22,274)
	\$ -	\$ -	\$ -	\$ -	\$ -

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

Gallatin County, Montana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Investment Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$ 206,939,560	\$ 4,269,975
Tax/assessment receivable (net)	-	4,146,211
Accrued interest receivable	<u>183,927</u>	<u>-</u>
Total Assets	<u>207,123,487</u>	<u>8,416,186</u>
LIABILITIES		
Accounts payable	-	600,939
Protested taxes payable	-	127,609
Due to other governments	<u>-</u>	<u>7,687,638</u>
Total Liabilities	<u>-</u>	<u>8,416,186</u>
NET ASSETS		
Held in trust for investments and other purposes	<u>\$ 207,123,487</u>	<u>\$ -</u>

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

Gallatin County, Montana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Investment Trust Funds
ADDITIONS	
Investment earnings (loss)	\$ 1,879,118
Contributions to investment trust	<u>647,459,782</u>
Total Additions	<u>649,338,900</u>
 DEDUCTIONS	
Distribution from investment trust fund	<u>571,329,087</u>
Total Deductions	<u>571,329,087</u>
 Change in net position	78,009,813
Net position - beginning of year	<u>129,113,674</u>
Net position - end of year	<u><u>\$ 207,123,487</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, 2018

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 various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2018, and for the year then ended. The significant 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, 2018:

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces GASB Statement No. 45. It requires the government to recognize the unfunded OPEB obligation as a liability and more comprehensively and comparably measure the annual costs of OPEB benefits. The statement enhances the accountability and transparency through revised note disclosures and required supplemental information (RSI). This Statement is effective for fiscal years beginning after June 15, 2017.
- Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Specifically, it requires the District to recognize on-behalf payments for pensions and/or OPEB in employer fund financial statements. This Statement is effective for fiscal years beginning after June 15, 2017.

Reporting Entity

The County is a political subdivision of the State of Montana governed by a three-member Board of Commissioners duly elected by the registered voters of the County. The County utilizes the Commission form of government. The accompanying financial statements present the primary government.

Certain activities such as Fair, Library, Weed, and Planning have separate boards but are included in the basic financial statements as special revenue funds because they are not legally separate or fiscally independent from the County and the County is financially accountable.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, which provide a more detailed level of financial information.

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 of 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 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The Government reports the following major proprietary funds:

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

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

West Yellowstone Refuse District Fund – This fund is used to account for the operating and non-operating revenues and expenses of the refuse facility operated by the County. The fund is maintained on the full accrual basis of accounting.

Additionally, the government reports the following fund types:

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

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 market 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 purchase agreements in County banks and are also reported at cost.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

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 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 the 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 the 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 as prescribed by 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.

The method used to determine the values of the participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of the 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 by 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2018 was \$11,425. 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, 2018 was \$44,080. All other receivables are considered fully collectible.

Property tax levies are set on the later of the first Thursday in September or within thirty calendar days after receiving certified taxable valuation (MCA 7-6-4036) in connection with the budget process. Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, they become delinquent. These taxes attach as an enforceable lien immediately if not paid when due. A lien is placed upon the property and after three years, the County may exercise the lien and take title to the property. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves. The first is due thirty days after billing; the second due November 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges. Personal property taxes attach as an enforceable lien immediately if not paid when due. Only amounts collected in the current year meet the criteria for revenue recognition. The remainder amounts are deferred until collected.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

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

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

The tax levies for the fiscal year ended June 30, 2018 were based upon the County wide taxable valuation of \$286,963,165.

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.

Prepays

Payments made to vendors for services that will benefit future periods are recorded as prepaid items in both the government-wide and fund financial statements. This current asset is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

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 pension and other postemployment health benefits (OPEB) related deferred outflows of resources in the current fiscal year. In addition, the County reports deferred outflows for the excess reacquisition costs due to bond refunding.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (continued)

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, the County reports deferred inflows of resources comprised of unavailable revenue for property taxes and fines, forfeitures and fees. These amounts are reported as revenue in the government-wide financial statements in the period in which they were earned/levied and thus, these deferred inflows of resources were not reported on the government-wide financial statements. The governmental fund balance sheet also reports a deferred inflow for a receivable owned by the City of Bozeman for the purchase of equipment in a joint venture. The government-wide and proprietary Statements of Net Position also report deferred inflows of resources for pension and OPEB related activities.

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 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 75.

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 classifications for fund balance used for governmental funds are reported in two general classifications, nonspendable and spendable.

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

governments highest level of decision making authority or amounts that are contractual obligations to the extent the existing resources in the fund have been specifically committed for uses in satisfying those contractual requirements. Committed fund balances will be authorized by the County Commission in a public meeting by resolution and according to policy.

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

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

Hierarchy of Spending

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

Minimum General Fund-Fund Balance

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

Interfund Transactions

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

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 thirty calendar days after receiving certified taxable valuation from the Department of Revenue (County assessor). The County must also submit a copy of the final budget to the Department of Administration by the later of October 1 or 60 days after the receipt of taxable values from the Department of Revenue.

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 and local government officials may not make a disbursement or expenditure or incur an obligation in excess of the total appropriations for a fund.

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
(CONTINUED)

Excess of Expenditures over Appropriations

There were no funds with excess of expenditures over appropriations for the fiscal year ended June 30, 2018.

Deficit Fund Balances

At June 30, 2018, deficit fund balances were reported in the following funds:

Fund 2801	State Grants	\$ (1,125)
Fund 2927	Homeland Security Grant	(2,872)
Fund 2979	Federal Health Grant Fund	(4,653)
Fund 2990	Drug Enforcement Grant	(2,942)
Fund 4350	TSEP Construction Fund	(2,465)
Fund 4430	CDBG Grants	(90)
		<u>\$ (14,147)</u>

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 investments represent those investments 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, 2018 equaled or exceeded the amount required by State statutes.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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 which are approved for investment purposes.

At June 30, 2018, 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 Rating</u>	<u>Amount</u>	<u>Valuation Inputs</u>
Cash on hand and demand deposits	N/A	N/A	\$ 1,562,434	
Cash in overnight repurchase agreements	N/A	N/A	24,319,422	
Certificates of deposit	2020-2022	N/A	3,699,631	Level 2
U.S. Government bonds	2018-2023	S&P AA+	92,256,026	Level 1
State of Montana Short-Term Investment Pool (STIP)	N/A	N/A	<u>25,064,321</u>	
Total pooled cash and investments			<u>146,901,834</u>	
<u>Nonpooled Cash and Investments</u>				
Cash on hand and demand deposits	N/A	N/A	323,576	
Money market	N/A	N/A	103,007	
U.S. Government bonds	2018-2020	S&P AA+	74,688,283	Level 1
Mutual Funds	N/A	N/A	776,160	Level 1
Certificates of deposit	2019	N/A	3,447,068	Level 2
State of Montana Short-Term Investment Pool (STIP)	N/A	N/A	<u>65,044,308</u>	
Total nonpooled cash and investments			<u>144,382,402</u>	
Total cash and investments			<u>\$ 291,284,236</u>	

The County recognizes 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 matrix pricing); Level 2 inputs are significant other observable inputs (these investments are valued using matrix pricing); Level 3 inputs are significant observable inputs (these investments are valued using consensus pricing).

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

	Unrestricted	Restricted	Total
Governmental activities	\$ 61,930,828	\$ -	\$ 61,930,828
Business-type activities	15,454,794	2,689,079	18,143,873
Fiduciary activities	211,209,535	-	211,209,535
Total cash and cash equivalents	<u>\$ 288,595,157</u>	<u>\$ 2,689,079</u>	<u>\$ 291,284,236</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 maturities of 2 years. Information on investments held in STIP can be found in the Annual Report on the Montana Board of Investments website at <http://investment.com/AnnualReportsAudits>.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

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, 2018:

		Transfers From						
		Governmental Funds				Proprietary Funds		
		General Fund	Public Safety	RID Maintenance	Capital Projects	Other Governmental Funds	Internal Service Fund	Landfill
Transfers To	General Fund	\$ -	\$ 4,635	\$ -	\$ 94,614	\$ 490,613	\$ -	\$ -
	Public Safety	-	-	-	-	368,891	-	-
	RID Bond Debt							
	Service	-	-	821	-	-	-	-
	Other							
	Governmental Funds	<u>790,896</u>	<u>182,950</u>	<u>-</u>	<u>200,000</u>	<u>501,648</u>	<u>1,172,773</u>	<u>8,590</u>
	Total	<u>\$ 790,896</u>	<u>\$ 187,585</u>	<u>\$ 821</u>	<u>\$ 294,614</u>	<u>\$ 1,361,152</u>	<u>\$ 1,172,773</u>	<u>\$ 8,590</u>
								<u>\$ 3,816,431</u>

Interfund Receivables and Payables

The composition of interfund receivable and payable balances as of June 30, 2018, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 42,915
Public Safety	Other Governmental Funds	45,460
Other Governmental Funds	Other Governmental Funds	134,803
Gallatin County Landfill	Capital Projects Fund	<u>600,000</u>
		<u>\$ 823,178</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018, is as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,253,101	\$ -	\$ (19,221)	\$ 4,233,880
Construction in progress	3,458,953	3,282,208	(227,461)	6,513,700
Total capital assets, not being depreciated	<u>7,712,054</u>	<u>3,282,208</u>	<u>(246,682)</u>	<u>10,747,580</u>
Capital assets, being depreciated:				
Buildings	57,866,381	68,817	-	57,935,198
Intangibles	18,763,340	352,795	-	19,116,135
Improvements other than buildings	3,009,914	273,988	(126,134)	3,157,768
Machinery and equipment	25,326,949	1,677,778	(138,184)	26,866,543
Infrastructure	147,684,313	482,176	(4,459)	148,162,030
Total capital assets, being depreciated	<u>252,650,897</u>	<u>2,855,554</u>	<u>(268,777)</u>	<u>255,237,674</u>
Total capital assets	260,362,951	6,137,762	(515,459)	265,985,254
Less accumulated depreciation:	<u>(121,171,010)</u>	<u>(6,908,820)</u>	<u>126,086</u>	<u>(127,953,744)</u>
Governmental activities capital assets, net	<u>\$ 139,191,941</u>	<u>\$ (771,058)</u>	<u>\$ (389,373)</u>	<u>\$ 138,031,510</u>
	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,657,687	\$ -	\$ -	\$ 1,657,687
Construction in progress	473,730	356,745	(111,488)	718,987
Total capital assets, not being depreciated	<u>2,131,417</u>	<u>356,745</u>	<u>(111,488)</u>	<u>2,376,674</u>
Capital assets, being depreciated:				
Buildings	7,882,719	266,470	-	8,149,189
Intangibles	145,468	-	-	145,468
Improvements other than buildings	3,435,764	-	-	3,435,764
Machinery and equipment	6,720,530	237,542	(68,803)	6,889,269
Total capital assets, being depreciated	<u>18,184,481</u>	<u>504,012</u>	<u>(68,803)</u>	<u>18,619,690</u>
Total capital assets	20,315,898	860,757	(180,291)	20,996,364
Less accumulated depreciation	<u>(10,350,628)</u>	<u>(718,175)</u>	<u>63,907</u>	<u>(11,004,896)</u>
Business-type activities capital assets, net	<u>\$ 9,965,270</u>	<u>\$ 142,582</u>	<u>\$ (116,384)</u>	<u>\$ 9,991,468</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General Government	\$ 562,148
Public Safety	1,926,596
Public Works	4,051,961
Public Health	11,536
Social and Economic Services	2,433
Culture and Recreation	165,114
Housing and Community Development	29,818
Conservation of Natural Resources	10,930
Total depreciation expense - governmental activities	<u>\$ 6,760,536</u>

NOTE 6. ACCRUED PAYROLL AND OTHER LIABILITIES

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

	Governmental Activities	Business-Type Activities	Total
Payroll Payable	\$ 1,205,700	\$ 221,207	\$ 1,426,907
Security Deposits Payable	-	96,000	96,000
Accrued Interest Payable	37,708	3,661	41,369
Abandon Property Payable	128,377	-	128,377
Claims payable for Health Insurance Fund	923,020	-	923,020
	<u>\$ 2,294,805</u>	<u>\$ 320,868</u>	<u>\$ 2,615,673</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 7. LONG-TERM DEBT

During the fiscal year ended June 30, 2018, the following changes in liabilities were reported in long-term debt:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 36,161,250	\$ -	\$ (2,891,250)	\$ 33,270,000	\$ 2,995,000
Special assessment bonds	6,731,780	-	(487,735)	6,244,045	259,678
Bond premiums	3,834,517		(367,004)	3,467,513	367,002
Compensated absences	2,280,094	200,475	-	2,480,569	248,057
Intercap loans	221,985	-	(221,985)	-	-
Capital leases	2,988,762	186,489	(172,188)	3,003,063	932,536
Total	<u>\$ 52,218,388</u>	<u>\$ 386,964</u>	<u>\$ (4,140,162)</u>	<u>\$ 48,465,190</u>	<u>\$ 4,802,273</u>
Business-Type Activities:					
Revenue bonds	\$ 437,500	\$ -	\$ (125,000)	\$ 312,500	\$ 125,000
Compensated absences	380,693	27,256	-	407,949	40,780
Closure/postclosure care costs	2,230,540	186,481	(7,979)	2,409,042	-
Total	<u>\$ 3,048,733</u>	<u>\$ 213,737</u>	<u>\$ (132,979)</u>	<u>\$ 3,129,491</u>	<u>\$ 165,780</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, 2018 were as follows:

Purpose	Issue Date	Interest Rate	Years of Term	Final Maturity	Bonds Issued	Outstanding 6/30/2018	Annual Serial Payment
Detention Center	2/1/2009	3.25 - 4.75%	20	2/1/2029	\$ 32,000,000	\$ 1,530,000	Varies
Detention Center	6/2/2016	3.00 - 5.00%	12	7/1/2029	19,130,000	19,130,000	Varies
Hope House	7/1/2010	2.00 - 4.00%	20	7/1/2030	1,000,000	680,000	Varies
Open Space	4/12/2011	2.30 - 3.25%	10	7/1/2021	2,300,000	765,000	Varies
Open Space	10/23/2012	2.00%	10	7/1/2023	2,450,000	1,260,000	Varies
Open Space	6/9/2013	1.00 - 3.00%	12	7/1/2026	3,390,000	2,685,000	Varies
Open Space	11/19/2015	2.00 - 4.00%	20	7/1/2036	5,830,000	5,275,000	Varies
I-90	12/27/2012	1.00 - 2.25%	10	7/1/2023	2,000,000	1,025,000	Varies
Ice Facility	8/6/2013	0.85 - 4.00%	20	7/1/2033	1,150,000	920,000	Varies
Total G.O. Bonds					<u>\$ 69,250,000</u>	<u>\$ 33,270,000</u>	

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 7. LONG-TERM DEBT (CONTINUED)

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	Years of Term	Final Maturity	Bonds Issued	Outstanding 6/30/2018	Annual Serial Payment
Landfill Land	2010	1.25%	10	2020	\$ 1,250,000	\$ 312,500	Varies
Total Revenue Bonds					<u>\$ 1,250,000</u>	<u>\$ 312,500</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, 2018.

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	Years of Term	Final Maturity	Bonds Issued	Outstanding 6/30/2018	Annual Serial Payment
#378	2001	3.60 - 5.50%	20	2021	\$ 1,188,000	\$ 120,000	Varies
#387	2005	2.10 - 5.00%	15	2020	180,000	20,000	Varies
#391	2006	2.00 - 5.25%	20	2026	395,000	140,000	Varies
#393	2007	4.20 - 5.50%	19	2027	900,000	370,000	Varies
#395	2010	2.00 - 6.00%	20	2030	1,765,000	1,160,000	Varies
#396	2010	2.50 - 6.00%	20	2030	4,715,000	3,325,000	Varies
#605-606	2015	4.00%	20	2035	765,000	686,226	Varies
#607	2016	3.55%	16	2032	107,000	99,529	Varies
#608-610	2017	3.15%	15	2031	363,000	323,290	Varies
					<u>\$ 10,378,000</u>	<u>\$ 6,244,045</u>	

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 7. LONG-TERM DEBT (CONTINUED)

Compensated Absences Payable

Compensated absences payable as of June 30, 2018, which represents vacation and sick leave earned by employees and is payable upon separation, is as follows:

Proprietary Funds	\$ 407,949
General Governmental Activities	2,424,773
Internal Service Funds	<u>55,796</u>
	<u><u>\$ 2,888,518</u></u>

Capital Leases

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

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.

On January 1, 2017, the County entered into a lease for radios. The lease term is 3 years, payable in two installments, with the first payment of \$761,047 at 0% and the second payment of \$738,952 at 2.99%. The total amount capitalized of \$1,499,999 represents the present value of the future lease payments. The City of Bozeman and the County entered into a Memorandum of Understanding whereby the City will use the radios; however, the County will retain control over the radios until the radios are paid off. Once the radios are fully paid off, the title of the assets will then be transferred to the City.

On October 3, 2017, the County entered into a lease for a 911 Phone and Radio System. The lease term is five years payable in annual installments of \$39,991. The total amount capitalized of \$186,488 represents the present value of the future lease payments.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (continued)

Equipment under capital leases in capital assets as of June 30, 2018, includes the following:

Equipment	\$ 3,478,295
Less: Accumulated depreciation	<u>(982,099)</u>
Total	<u><u>\$ 2,496,196</u></u>

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

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, 2018 were as follows:

For Fiscal Year Ended	G. O. Principal	G. O. Interest	Revenue Bond Principal	Revenue Bonds Interest
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	2,985,000	894,921	-	-
2023	3,110,000	786,332	-	-
2024-2028	13,695,000	2,196,358	-	-
2029-2033	3,745,000	364,600	-	-
2034-2036	<u>640,000</u>	<u>51,800</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 33,270,000</u></u>	<u><u>\$ 8,521,440</u></u>	<u><u>\$ 312,500</u></u>	<u><u>\$ 8,719</u></u>

For Fiscal Year Ended	Special Bonds Principal	Special Bonds Interest	Capital Lease Principal	Capital Lease Interest	Grand Total
2019	\$ 259,678	\$ 242,564	\$ 932,536	\$ 45,553	\$ 4,312,214
2020	431,673	326,712	918,794	37,201	4,455,467
2021	428,780	270,342	157,817	27,540	3,769,097
2022	465,927	275,544	993,916	23,287	4,444,843
2023	488,167	251,092	-	-	3,598,167
2024-2028	2,727,451	836,080	-	-	16,422,451
2029-2033	1,335,511	144,907	-	-	5,080,511
2034-2036	<u>106,858</u>	<u>5,386</u>	<u>-</u>	<u>-</u>	<u>746,858</u>
Total	<u><u>\$ 6,244,045</u></u>	<u><u>\$ 2,352,628</u></u>	<u><u>\$ 3,003,063</u></u>	<u><u>\$ 133,581</u></u>	<u><u>\$ 42,829,608</u></u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

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), Sheriffs' Retirement System (SRS), or Teachers' Retirement System (TRS). The plans are established by State law and administered by the State of Montana. The plans are cost-sharing, multi-employer defined benefit plans that provide retirement, disability, and death benefits to plan members and beneficiaries, with the amount determined by the state. The following table presents the County's (Employer) proportion of PERS, SRS, and TRS pension amounts.

	The employer's proportionate share associated with PERS	The employer's proportionate share associated with SRS	The employer's proportionate share associated with TRS	The employer's Total Pension Amounts
Net Pension Liability	\$ 22,555,895	\$ 6,076,555	\$ 87,925	\$ 28,720,375
Deferred Outflows of Resources	4,940,895	\$5,612,955	\$6,097	10,559,947
Deferred Inflows of Resources	210,175	\$7,940,141	\$1,749	8,152,065

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

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 participation in the Public Employees' Retirement System Defined Benefit Retirement Plan (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions.

This report provides information for employers who are using a June 30, 2017 measurement date for the 2018 reporting. If an employer's fiscal year end is after June 30th, the employer will not use the measurements shown in this report but will need to wait for the measurement date as of June 30, 2018.

Pension Amount Totals

Employers are provided guidance in GASB Statement 68, paragraph 74, that pension amounts must be combined as a total or aggregate for reporting. This is true when employees are provided benefits through more than one pension, whether cost-sharing, single-employer, or agent plans.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Net Pension Liability

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). As GASB Statement 68 allows, a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2018, was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

Special Funding

The state of Montana, as the non-employer contributing entity, paid to the Plan additional contributions that qualify as *special funding*. Those employers who received *special funding* are counties; cities & towns; school districts & high schools; and other governmental agencies.

Not Special Funding

Per Montana law, state agencies and universities paid their own additional contributions. These employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions. The state of Montana, as the non-employer contributing entity, also paid to the Plan coal tax contributions that are *not* accounted for as special funding for all participating employers.

The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2018, and 2017, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for a particular employer to the total state contributions paid. The employer recorded a liability of \$22,555,895 and the employer's proportionate share was 1.1581 percent.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Not Special Funding (continued)

	Net Pension Liability as of 6/30/2018	Net Pension Liability as of 6/30/2017	Percent of Collective NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2017	Change in Percent of Collective NPL
Gallatin County Proportionate Share	\$ 22,555,895	\$ 19,828,734	1.1581%	1.1641%	-0.0060%
State of Montana Proportionate Share associated with employer	302,065	242,284	1.5395%	1.4876%	0.5180%
Total	<u>\$ 22,857,960</u>	<u>\$ 20,071,018</u>	<u>2.6976%</u>	<u>2.6517%</u>	<u>0.0459%</u>

Changes in actuarial assumptions and methods:

Effective July 1, 2017, the following assumption changes were used:

- Lowered the interest rate from 7.75% to 7.65%.
- Lowered the inflation rate from 3.00% to 2.75%.
- Updated non-disabled mortality to the RP-2000 Combined Employee and Annuitant Mortality Table projected to 2020 using scale BB, males set back 1 year.
- Increased rates of withdrawal.
- Lowered the merit component of the total salary increase.
- Lowered the wage base component of the total salary increase from 4.00% to 3.50%.
- Decreased the administrative expense load from 0.27% to 0.26%.

Effective July 1, 2017, the following method changes were used:

- Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount will vary from year to year based on the prior year's actual administrative expenses.
- To be consistent with the wage base growth change, the payroll growth assumption for amortization as a level percent of pay was reduced from 4.00% to 3.50%.

Changes in benefit terms:

Effective July 1, 2017, the following benefit changes were:

- The interest rate credited to member accounts increased from 0.25% to 0.77%.
- Lump sum payouts in all systems are limited to the member's accumulated contributions rather than the present value of the member's benefit.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Changes in proportionate share:

Between the measurement date of the collective NPL and the employer's reporting date there were no changes in proportion that would have an effect on the employer's proportionate share of the collective NPL.

Pension Expense

<u>As of measurement date</u>	<u>Pension Expense as of 6/30/2018</u>
Gallatin County Proportionate Share	\$ 2,444,909
Grant Revenue - State of Montana Proportionate Share for employer	16,104
Grant Revenue - State of Montana Coal Tax for employer	322,666
Total	<u>\$ 2,783,679</u>

At June 30, 2018, the employer recognized \$2,444,909 for its proportionate share of the Plan's pension expense and recognized grant revenue of \$16,104 for the state of Montana proportionate share of the pension expense associated with the employer. Additionally, the employer recognized grant revenue of \$322,666 from the Coal Severance Tax fund.

Recognition of Deferred Inflows and Outflows

At June 30, 2018, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Expected vs. Actual Experience	\$ 555,481	\$ 32,648
Projected Investment Earnings vs. Actual Investment Earnings	-	151,487
Changes in Assumptions	3,083,155	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	26,040
Employer contributions subsequent to the measurement date.	1,302,259	-
Total	<u>\$ 4,940,895</u>	<u>\$ 210,175</u>

* the employer's contributions subsequent to the measurement date must be entered by the employer. These are the FY2018 contributions paid to the Plan

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (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 the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2019	\$ 771,445
2020	\$ 1,788,292
2021	\$ 1,348,815
2022	\$ (480,092)
2023	\$ -
Thereafter	\$ -

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, MCA. This plan provides retirement benefits to covered employees of the State and local governments and 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 Defined Contribution Retirement Plan (DCRP) by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Summary of Benefits

Eligibility for benefit

Service retirement:

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

Early retirement, actuarially reduced:

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

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

- 1) Retire before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - a. A refund of member's contributions plus return interest (currently .77% effective July 1, 2017).
 - b. No service credit for second employment;
 - c. Start the same benefit amount the month following termination; and
 - d. Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- 2) Retire before January 1, 2016 and accumulate at least 2 years of additional service credit;
 - a. A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - b. GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- 3) Retire on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - a. The same retirement as prior to the return to service;
 - b. A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - c. GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Summary of Benefits (continued)

Vesting

5 years of membership service

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

- 1) Members hired prior to July 1, 2011:
 - a. Less than 25 years of membership service - 1.785% of HAC per year of service credit
 - b. 25 years of membership service or more - 2% of HAC per year of service credit
- 2) Members hired on or after July 1, 2011:
 - a. Less than 10 years of membership service - 1.5% of HAC per year of service credit
 - b. 10 years or more, but less than 30 years of membership service - 1.785% of HAC per year of service credit
 - c. 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 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%
 - c) 0% whenever the amortization period for PERS is 40 years or more

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Overview of Contributions

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

Fiscal Year	State & Universities Employer		Local Government		School Districts		
	Member		Employer	Employer	State	Employer	State
	Hired <07/01/11	Hired >07/01/11					
2018	7.9000%	7.9000%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.9000%	7.9000%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.9000%	7.9000%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.9000%	7.9000%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.9000%	7.9000%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.9000%	7.9000%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.9000%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.9000%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.9000%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% 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.
2. Employer contributions to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contributions rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Overview of Contributions (continued)

3. Non Employer Contributions:

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

Stand-Alone Statements

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

Actuarial Assumptions

The TPL used to calculate the NPL was determined by taking the results of the June 30, 2016, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2017. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2018, valuation were based on the results of the last actuarial experience study, dated May 2017, for the six-year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

• Investment Return (net of admin expense)	7.65%
• Admin Expense as % of Payroll	0.26%
• General Wage Growth*	3.50%
*includes Inflation at	2.75%
• Merit Increases	0% to 4.8%

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Actuarial Assumptions (continued)

- 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 member's benefit.

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- 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%
 - (c) 0% whenever the amortization period for PERS is 40 years or more
- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among disabled members were based on RP 2000 Combined Mortality Tables with no projections.

Discount Rate

The discount rate used to measure the TPL was 7.65%. 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 0.10% 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 was contributed monthly and the severance tax was contributed quarterly. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2121. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Target Allocations

The long-term expected return on pension plan assets was reviewed as part of the regular experience study prepared for the Plan. The most recent analysis, performed for the period of July 1, 2010 to July 30, 2016, was outlined in a report dated May 2017 and can be located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, are summarized below.

Asset Class	Target Asset Allocation (a)	Real Rate of Return Arithmetic Basis (b)	Long-Term Expected Portfolio Real Rate of Return (a) x (b)
Cash Equivalents	2.60%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	23.40%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	8.00%	4.00%	0.32%
	100.00%		4.37%
Inflation			2.75%
Expected arithmetic nominal return			7.12%

The long-term expected nominal rate of return above of 7.12% is an expected portfolio rate of return provided by Board of Investments (BOI), which differs from the total long-term assumed rate of return of 7.65% in the experience study. The assumed investment rate is comprised of a 2.75% inflation rate and a real rate of return of 4.90%.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sensitivity Analysis

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

<u>As of measurement date</u>	<u>1.0% Decrease (6.65%)</u>	<u>Current Discount Rate</u>	<u>1.0% Increase (8.65%)</u>
Gallatin County proportion of Net Pension Liability	\$ 32,850,733	\$ 22,555,895	\$ 13,914,158

Summary of Significant Accounting Policies

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

PERS Disclosure for the defined contribution plan

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
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JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

PERS Disclosure for the defined contribution plan (continued)

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

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

At the plan level for the measurement period ended June 30, 2017, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 300 employers that have participants in the PERS-DCRP totaled \$396,650.

SHERIFFS' RETIREMENT SYSTEM (SRS)

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 participation in the Sheriffs' Retirement System Defined Benefit Retirement System (the Plan). Employers are required to record and report their proportionate share of the collective Net Pension Liability; Pension Expense; and Deferred Outflows and Deferred Inflows of Resources associated with pensions. This report provides information for employers who are using a June 30, 2017 measurement date for 2018 reporting.

Pension Amount Totals

Employers are provided guidance in GASB Statement 68, paragraph 74, that pension amounts must be combined as a total or aggregate for reporting. This is true when employees are provided benefits through more than one pension, whether cost-sharing, single-employer, or agent plans.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Net Pension Liability

The Total Pension Liability (TPL) minus the Fiduciary Net Position equals the Net Pension Liability (NPL). As GASB Statement 68 allows, a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's TPL. The basis for the TPL as of June 30, 2018, was determined by taking the results of the June 30, 2017, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The proportionate shares of the employer's NPL for June 30, 2018, and 2017, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer contributions during the measurement period. The employer recorded a liability of \$6,076,555 and the employer's proportionate share was 7.9853 percent.

	<u>Net Pension Liability as of 6/30/2018</u>	<u>Net Pension Liability as of 6/30/2017</u>	<u>Percent of Collective NPL as of 6/30/2018</u>	<u>Percent of Collective NPL as of 6/30/2017</u>	<u>Change in Percent of Collective NPL</u>
Gallatin County Proportionate Share	6,076,555	14,072,501	7.9853%	8.0104%	-0.0251%
Total	<u>\$ 6,076,555</u>	<u>\$ 14,072,501</u>	<u>7.9853%</u>	<u>8.0104%</u>	<u>-0.0251%</u>

Changes in actuarial assumptions and methods:

Effective July 1, 2017, the following assumption changes were used:

- Lowered the interest rate from 7.75% to 7.65%.
- Lowered the inflation rate from 3.00% to 2.75%.
- Updated non-disabled mortality to the RP-2000 Combined Employee and Annuitant Mortality Table projected to 2020 using scale BB, males set back 1 year.
- Increased rates of withdrawal.
- Lowered the merit component of the total salary increase.
- Lowered the wage base component of the total salary increase from 4.00% to 3.50%.
- Decreased the administrative expense load from 0.17% to 0.21%.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Changes in actuarial assumptions and methods (continued):

Effective July 1, 2017, the following method changes were used:

- Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount will vary from year to year based on the prior year's actual administrative expenses.
- To be consistent with the wage base growth change, the payroll growth assumption for amortization as a level percent of pay was reduced from 4.00% to 3.50%.

Effective July 1, 2017, the contribution changes were:

- Effective July 1, 2017, SRS employee contributions increase from 9.245% to 10.495% of the member's compensation.
- SRS employer additional contributions increase from 0.58% to 3.58%, for a total employer contribution rate of 13.115%
- SRS employee contributions will return to 9.245% and SRS employer contributions will return to 9.535% when reducing the employee contribution and terminating the additional employer contributions will not cause the amortization period to exceed 25 years.

Changes in benefit terms:

Effective July 1, 2017, the following benefit changes were:

- The interest rate credited to member accounts increased from 0.25% to 0.77%.
- Second Retirement Benefit applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- Lump sum payouts in all systems are limited to the member's accumulated contributions rather than the present value of the member's benefit.

Changes in proportionate share:

There were no changes between the measurement date of the collective NPL and the employer's reporting date that would have a significant effect on the employer's proportionate share of the collective NPL.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Pension Expense

<u>As of measurement date</u>	<u>Pension Expense as of 6/30/2018</u>
Gallatin County Proportionate Share	\$ 318,665
Total	<u>\$ 318,665</u>

At June 30, 2017 measurement date, the employer recognized its proportionate share of the Plan's pension expense.

Recognition of Deferred Inflows and Outflows

At June 30, 2018, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Expected vs. Actual Experience	\$ 39,884	\$ 18,695
Projected Investment Earnings vs. Actual Investment Earnings	-	74,587
Changes in Assumptions	4,742,295	7,756,699
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	90,160
Employer contributions subsequent to the measurement date.	830,776	-
Total	<u>\$ 5,612,955</u>	<u>\$ 7,940,141</u>

* the employer's contributions subsequent to the measurement date must be entered by the employer. These are the FY2018 contributions paid to the Plan

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (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 the employer's pension expense as follows:

For the Measurement Year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2019	\$ (920,030)
2020	\$ (553,867)
2021	\$ (696,689)
2022	\$ (987,377)
2023	\$ -
Thereafter	\$ -

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 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Summary of Benefits

Eligibility for benefit

Service retirement:

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

Early retirement:

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

Vesting

5 years of membership service

Member's compensation period used in benefit calculation

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

Compensation Cap

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

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3% 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, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Overview of Contributions

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

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

Stand-Alone Statements

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

Actuarial Assumptions

The TPL used to calculate the NPL was determined by taking the results of June 30, 2016, actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2017. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of the last actuarial experience study, dated May 2017, for the six-year period July 1, 2010 to June 30, 2016. Among those assumptions were the following:

- | | |
|--|-------------|
| • Investment Return (net of admin expense) | 7.65% |
| • Admin Expense as % of Payroll | 0.21% |
| • General Wage Growth* | 3.50% |
| *includes Inflation at | 2.75% |
| • Merit Increases | 0% to 6.30% |

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Actuarial Assumptions (continued)

- Postretirement Benefit Increases:

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3% for members hired prior to July 1, 2007
- 1.5% for members hired on or before July 1, 2007
- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, set back one year for males.
- Mortality assumptions among Disabled Retirees were based on RP 2000 Combined Mortality Tables.

Discount Rate

The discount rate used to measure the TPL was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members and employers will be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2117. Therefore, the longterm 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, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Target Allocations

The long-term expected return on pension plan assets was reviewed as part of the regular experience study prepared for the Plan. The most recent analysis, performed for the period of July 1, 2010 to June 30, 2016, is outlined in a report dated May 2017 and can be located on the MPERA website. The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, are summarized below.

Asset Class	Target Asset Allocation (a)	Real Rate of Return Arithmetic Basis (b)	Long-Term Expected Portfolio Real Rate of Return (a) x (b)
Cash Equivalents	2.60%	4.00%	0.10%
Domestic Equity	36.00%	4.55%	1.64%
Foreign Equity	18.00%	6.35%	1.14%
Fixed Income	23.40%	1.00%	0.23%
Private Equity	12.00%	7.75%	0.93%
Real Estate	<u>8.00%</u>	4.00%	<u>0.32%</u>
	100.00%		4.37%
Inflation			<u>2.75%</u>
Expected arithmetic nominal return			7.12%

The long-term expected nominal rate of return above of 7.12% is an expected portfolio rate of return provided by Board of Investments (BOI), which differs from the total long-term assumed rate of return of 7.65% in the experience study. The assumed investment rate is comprised of a 2.75% inflation rate and a real rate of return of 4.90%.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Sensitivity Analysis

The sensitivity of the NPL to the discount rate is shown in the table below. A small change in the discount rate can create a significant change to the liability. The NPL was calculated using the discount rate of 7.65%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

<u>As of measurement date</u>	<u>1.0% Decrease (6.65%)</u>	<u>Current Discount Rate</u>	<u>1.0% Increase (8.65%)</u>
Gallatin County proportion of Net Pension Liability	\$ 10,729,731	\$ 6,076,555	\$ 2,269,684

Summary of Significant Accounting Policies

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

TEACHERS' RETIREMENT SYSTEM (TRS)

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. The following table displays the amounts and the percentages of Net Pension Liability for the fiscal years ended June 30, 2018 and June 30, 2017 (reporting dates).

	Net Pension Liability as of 6/30/2018	Net Pension Liability as of 6/30/2017	Percent of Collective NPL as of 6/30/2018	Percent of Collective NPL as of 6/30/2017	Change in Percent of Collective NPL
Gallatin County Proportionate Share	\$ 87,925	\$ 94,963	0.0052%	0.0052%	0.0000%
State of Montana Proportionate Share associated with employer	56,031	65,256	0.0033%	0.0036%	0.0003%
Total	<u>\$ 143,956</u>	<u>\$ 160,219</u>	<u>0.0085%</u>	<u>0.0088%</u>	<u>0.0003%</u>

At June 30, 2018, the employer recorded a liability of \$87,925 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The employer's proportion of the net pension liability was based on the employer's contributions received by TRS during the measurement period July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2018, the employer's proportion was .0052 percent.

Changes in actuarial assumptions and other inputs: There have been no changes in actuarial assumptions and other inputs since the previous measurement date.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Changes in benefit terms:

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

Changes in proportionate share:

There were no changes between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense

<u>As of measurement date</u>	<u>Pension Expense as of 6/30/2018</u>
Gallatin County Proportionate Share	\$ 5,975
Grant Revenue - State of Montana Proportionate Share for employer	1,878
Total	<u>\$ 7,853</u>

At June 30, 2018, the employer recognized a Pension Expense of \$7,853 for its proportionate share of the TRS' pension expense. The employer also recognized grant revenue of \$1,878 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, 2018, the employer reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Expected vs. Actual Experience	\$ 325	\$ 129
Projected Investment Earnings vs. Actual Investment Earnings	-	348
Changes in Assumptions	-	368
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	625	904
Employer contributions subsequent to the measurement date.	5,147	-
Total	<u>\$ 6,097</u>	<u>\$ 1,749</u>

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

* Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

Year ended June 30:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense (a) - (b)
2019	\$ 528	\$ 2,104	\$ (1,576)
2020	\$ 2,192	\$ 412	\$ 1,780
2021	\$ 709	\$ 165	\$ 544
2022	\$ -	\$ 1,552	\$ (1,552)
2023	\$ -	\$ -	\$ -
Thereafter	\$ -	\$ -	\$ -

Plan Description

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

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

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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Summary of Benefits (continued)

Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

- Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One)
- Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with creditable service in 25 years in Tier One)
- Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One)
- Tier Two has a one percent higher normal employee contribution rate (though a temporary 1% supplemental employee contribution rate is also now currently in place for Tier One members), and
- Tier Two provides for an enhanced benefit calculation - $1.85\% \times \text{AFC} \times \text{years of creditable service}$ - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than $1.6667 \times \text{AFC} \times \text{years of creditable service}$)

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 all TRS Employers including State Agency and University System Employers. Finally, the State is also required to contribute \$25 million in perpetuity payable July 1st of each year.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

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

School District and Other Employers			
	Members	Employers	General Fund
			Total employee & employer
Prior to July 1, 2007	7.15%	7.47%	0.11%
July 1, 2007 to June 30, 2009	7.15%	7.47%	2.11%
July 1, 2009 to June 30, 2013	7.15%	7.47%	2.49%
July 1, 2013 to June 30, 2014	8.15%	8.47%	2.49%
July 1, 2014 to June 30, 2015	8.15%	8.57%	2.49%
July 1, 2015 to June 30, 2016	8.15%	8.67%	2.49%
July 1, 2016 to June 30, 2017	8.15%	8.77%	2.49%
July 1, 2017 to June 30, 2018	8.15%	8.87%	2.49%
July 1, 2018 to June 30, 2019	8.15%	8.97%	2.49%
July 1, 2019 to June 30, 2020	8.15%	9.07%	2.49%
July 1, 2020 to June 30, 2021	8.15%	9.17%	2.49%
July 1, 2021 to June 30, 2022	8.15%	9.27%	2.49%
July 1, 2022 to June 30, 2023	8.15%	9.37%	2.49%
July 1, 2023 to June 30, 2024	8.15%	9.47%	2.49%

State and University Employers			
	Members	Employers	General Fund
			Total employee & employer
Prior to July 1, 2007	7.15%	7.47%	0.11%
July 1, 2007 to June 30, 2009	7.15%	9.47%	0.11%
July 1, 2009 to June 30, 2013	7.15%	9.85%	0.11%
July 1, 2013 to June 30, 2014	8.15%	10.85%	0.11%
July 1, 2014 to June 30, 2015	8.15%	10.95%	0.11%
July 1, 2015 to June 30, 2016	8.15%	11.05%	0.11%
July 1, 2016 to June 30, 2017	8.15%	11.15%	0.11%
July 1, 2017 to June 30, 2018	8.15%	11.25%	0.11%
July 1, 2018 to June 30, 2019	8.15%	11.35%	0.11%
July 1, 2019 to June 30, 2020	8.15%	11.45%	0.11%
July 1, 2020 to June 30, 2021	8.15%	11.55%	0.11%
July 1, 2021 to June 30, 2022	8.15%	11.65%	0.11%
July 1, 2022 to June 30, 2023	8.15%	11.75%	0.11%
July 1, 2023 to June 30, 2024	8.15%	11.85%	0.11%

TRS Stand-Alone Statements

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Actuarial Assumptions

The Total Pension Liability as of June 30, 2017, is based on the results of an actuarial valuation date of July 1, 2017. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2017 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% for Non-University Members
and 5.00% for University Members
- Investment Return 7.75%
- Price Inflation 3.25%
- Postretirement Benefit Increases
 - Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
 - Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members, service retired members, and beneficiaries
 - For Males: 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: 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, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No municipal bond rate was incorporated in the Discount rate.

Target Allocations

Asset Class	Target Asset Allocation (a)	Real Rate of Return Arithmetic Basis (b)	Long-Term Expected Portfolio Real Rate of Return (a) x (b)
Broad US Equity	36.00%	4.80%	1.72800%
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>
	100.00%		4.75%
Inflation			<u>3.25%</u>
Expected arithmetic nominal return			8.00%

* 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 2009 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

Target Allocations (continued)

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, 2017, is summarized in the above table.

Sensitivity Analysis

<u>As of measurement date</u>	<u>1.0% Decrease (6.75%)</u>	<u>Current Discount Rate</u>	<u>1.0% Increase (8.75%)</u>
Gallatin County proportion of Net Pension Liability	\$ 121,161	\$ 87,925	\$ 59,930

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Summary of Significant Accounting Policies

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

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 8. EMPLOYEE BENEFIT PLANS (CONTINUED)

LOCAL RETIREMENT PLANS

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and 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 an unforeseeable emergency.

NOTE 9. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments were held by the County for the Gallatin County Landfill as of June 30, 2018 totaling \$2,689,079. These amounts are reported within the cash and investment account on fund financial statements.

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.

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 \$2,409,043 liability for landfill closure and post closure as of June 30, 2018, which represents the cumulative amount reported to date based on the use of 67.80% 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 11. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS
(CONTINUED)

The estimated total current cost of closure and post closure care remaining to be recognized is \$1,143,917. These amounts are based on what it should cost to perform all closure and post closure in 2018. 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 7 years of life remaining from the date of the report – January 2018.

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, 2018, 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 charge for the services it provides other governmental entities.

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, ie., errors and omissions, (d) environmental damage,(e) workers' compensation, ie. 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.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 13. RISK MANAGEMENT (CONTINUED)

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 on Internal Service Fund. Rates are determined in consultation with the administrator based on past claim experience. Incurred but unreported claims at June 30, 2018 were estimated by the plan administrator. Claims payable as of year-end are:

	<u>2018</u>	<u>2017</u>
Beginning claims payable	\$ 234,300	\$ 234,300
Claims incurred	7,401,029	6,303,923
Claims paid	<u>(6,712,309)</u>	<u>(6,303,923)</u>
Ending claims payable	<u>\$ 923,020</u>	<u>\$ 234,300</u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 14. COMMITMENTS

At June 30, 2018, the County had approximate contractual commitments of the following:

Department	Amount	Description
911	\$ 102,463	Maintenance agreement
911	158,954	Equipment purchase and replacement
911	2,100	911 tower lease
911	27,609	System maintenance and equipment replacement
911	533,728	Equipment and support
911	17,888	Maintenance agreement
Facilities	1,831,751	Software and maintenance agreement
Facilities	210,544	Storage facility
Facilities	9,280	Engineering services
Facilities	1,924	Engineering services
Facilities	174,436	Scale House construction
Facilities	12,244	Security contract
Facilities	29,256	Shelving
Facilities	18,525	Landscaping
Facilities	7,130	Generator maintenance
Facilities	25,459	Generator radiator replacement
Facilities	15,734	Mixer replacement
Finance	22,853	Hazard Mitigation Plan
Finance	750,383	Software and maintenance agreement
Finance	9,306	Engineering services
Landfill	102,821	Engineering services
Landfill	5,575	Engineering services
Landfill	1,052,041	Construction Cell 4
Landfill	152,320	Communications services agreement
Road and Bridge	1,413,312	Lease purchase
Road and Bridge	19,107	Snowplowing contract
Road and Bridge	182,630	Distributor Truck
Road and Bridge	109,951	Plow Truck
Road and Bridge	217,036	Two fifth wheel trucks
Road and Bridge	688,000	Road chip sealing and pavement marking
Road and Bridge	966,475	Leveling course and overlay course to various roads
	<u>\$ 8,870,835</u>	

Future appropriations will fund these commitments as work is performed.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

As required by Governmental Accounting Standards Board (GASB) Statement No. 75 Other Postemployment Benefits, the County has calculated and included a postemployment benefit liability for the fiscal year ended June 30, 2018.

Plan Description and Benefits Provided

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, vision, and life coverage. Participation is elected by the retiree at the time of retirement. Benefit provisions are set annually by the Board of the County Commissioners and may be revoked or altered at any time.

Funding Policy

The County's other post-employment benefit (OPEB) consists of the above described post-employment healthcare benefits. The County has accounted for this OPEB cost on a pay-as-you-go basis. The County has utilized the Self-Insurance internal service fund to liquidate these obligations. The County's annual OPEB cost consists of an implied rate subsidy since retirees and current employees are in the same plan as well as a cost for future benefits of current employees. The County's policy at this time is to not fund the OPEB obligation.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

<u>Category</u>	<u>Count</u>
Active employees	416
Inactive employees entitled to but not yet receiving benefit payment	16
Inactive employees or beneficiaries currently receiving benefit payments	<u>27</u>
Total	459

Contributions

Benefit contributions are paid by the County as they come due.

Total OPEB Liability (TOL)

The County's total OPEB liability of \$3,861,237 was measured as of June 30, 2017, and was determined by an actuarial valuation as of January 1, 2017.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability (TOL) (CONTINUED)

Changes in the TOC for the year ended June 30, 2018 are as follows:

Service cost	\$ 289,230
Interest	120,968
Changes in assumptions	(334,351)
Benefit payments	<u>(136,199)</u>
Net change in total OPEB liability	(60,352)
 Total OPEB liability, beginning of year	 <u>3,921,589</u>
Total OPEB liability, end of year	<u><u>\$ 3,861,237</u></u>

There is sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%) or one percentage point higher (4.56%) follows:

	1% Decrease 2.56%	Discount Rate 3.56%	1% Increase 4.56%
Total OPEB liability	\$ 4,403,084	\$ 3,861,237	\$ 3,413,030

There is also sensitivity of the TOL to changes in the healthcare cost trend rates. The total OPEB liability of the County as well as what the County's total OPEB liability would be if it were recalculated using healthcare cost trend rates that are one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current healthcare cost trend rate follows:

	1% Decrease 4.00%	Trend Rate 5.00%	1% Increase 6.00%
Total OPEB liability	\$ 2,976,224	\$ 3,861,237	\$ 5,005,781

For the year ended June 30, 2018, the County recognized OPEB expense of \$374,627. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ 298,781
Contributions made subsequent to the measurement date	<u>161,391</u>	<u>-</u>
Total	<u><u>\$ 161,391</u></u>	<u><u>\$ 298,781</u></u>

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability (TOL) (CONTINUED)

The amount reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date of \$210,219 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year ending June 30:	Recognized Net Deferred Outflows (Inflows) of Resources
2019	\$ (35,570)
2020	(35,570)
2021	(35,570)
2022	(35,570)
2023	(35,570)
Thereafter	(120,931)

Actuarial Methods and Assumptions

The County's actuarial valuation is completed on a biennial frequency, provided no significant events have occurred warranting new measurement. The County completed the valuation with a measurement date of June 30, 2017 for fiscal year end June 30, 2018 financial reporting. This valuation was derived based on the 2017 actual costs and participants. As of January 1, 2017, the most recent valuation date, the County's total OPEB liability was determined using the following significant actuarial assumptions:

1. Asset Valuation Method: Market value of assets (\$0; plan is not yet funded)
2. Discount Rate: 2.50% as of both June 30, 2017 and 2016
3. Participants Valued: Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation.
4. Salary Increase: 4.0% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
5. Assumed Wage Inflation: 3.5% per year; used to determine amortization payments if developed on a level percent of pay basis

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions (Continued)

6. General Inflation Rate: 2.75% per year
7. Healthcare Trend: County plan premiums are assumed to increase annually at the following rates
 - 2018: 5.00%
 - 2019: 6.00%
 - 2020: 5.50%
 - 2021 & later: 5.00%
8. Participation Rates:
 - a. For active employees, 35% of employees retiring prior to age 65 are assumed to elect County healthcare and life insurance coverage in retirement; however, 90% of those assumed to elect coverage prior to 65 are assumed to discontinue their coverage through the County once they become eligible for Medicare. 5% of employees retiring at age 65 or over are assumed to elect County healthcare and life insurance coverage in retirement.
 - b. All retirees under age 65 are assumed to continued their existing coverage until they become eligible for Medicare; however, 905 of these retirees are assumed to discontinue their coverage through the County once they become eligible for Medicare. All retirees currently age 65 and older who retired prior to age 65 are assumed to continue their existing coverage until death. All retirees currently age 65 and older who retired at age 65 or older are assumed to continue their existing coverage until the earlier of their death or their spouse reaching age 65.
 - c. Spouse Coverage: For current active employees, 70% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse in retirement. Husbands are assumed to be 3 years older than their wives. For current retired employees, existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse information is used where available; otherwise husbands are assumed to be 3 years older than their wives.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions (Continued)

- d. Life Insurance Coverage: Employer liabilities relating to life insurance coverage retained during retirement years were calculated as the difference between expected claims and expected premiums.
- e. Medicare Eligibility: Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.
- f. Excise tax on high-cost plans: The expected value of excise taxes for high cost plan coverage for retirees, beginning in 2022, was included in this valuation. A 40% excise tax rate was applied to the portion of premiums projected to exceed the threshold amounts under the Affordable Care Act (ACA). The actual limits may be higher, depending on cost increases prior to the effective date. The thresholds are scheduled to increase by CPI plus 1% in 2019 and by CPI annually thereafter. This report assumes that 100% of any excise tax liability for high cost retiree coverage will be borne by the County.

The discount rate was based on the published change in return for the applicable 20-year municipal bond index.

For PERS members, mortality rates were based on the RP-2014 White Collar Employee mortality (before retirement) and White Collar Health Annuitant mortality (after retirement), male and female tables, and base rates as of 2006. For SRS members, mortality rates were based on the RP-2014 White Collar Employee mortality (before retirement) and White Collar Healthy Annuitant mortality (after retirement) male and female tables, and base rates as of 2006. Mortality rates applied before and after retirement were projected by applying MacLeod Watts Scale 2017 on a fully generational basis from 2006 forward.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

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.

NOTE 17. TAX ABATEMENTS

NEW & EXPANDING INDUSTRIES

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

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

For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$75,633 under this program.

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 17. TAX ABATEMENTS (CONTINUED)

HISTORIC PROPERTY

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

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

For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$481 under this program.

NOTE 18. JOINT VENTURE AGREEMENTS

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

GALLATIN COUNTY, STATE OF MONTANA
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2018

NOTE 19. PRIOR PERIOD RESTATEMENT

For the year ended June 30, 2018, the District has implemented GASB Statement 75, regarding the accounting and financial reporting of for postemployment benefits other than pension (OPEB). Accordingly, beginning net position for the governmental activities has been restated to reflect the increase in the OPEB liability as follows:

Beginning net position, as originally reported	\$	150,208,351
OPEB liability, June 30, 2017		(1,744,478)
Employer implicit contributions		<u>136,199</u>
Net restatement		<u>(1,608,279)</u>
Beginning net position, as restated	\$	<u><u>148,600,072</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Gallatin County, State of Montana
1000 GENERAL
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 7,741,262	\$ 7,741,262	\$ 8,121,388	\$ 380,126
Licenses & Permits	750	750	675	(75)
Intergovernmental Revenues	1,188,000	1,194,421	1,516,530	322,109
Charges for Services	2,296,821	2,296,821	2,513,656	216,835
Fines & Forfeitures	531,000	531,000	548,706	17,706
Miscellaneous	86,400	86,400	78,715	(7,685)
Investment Earnings	110,000	110,000	111,769	1,769
Contributions/Donations	-	-	-	-
Total revenues	<u>11,954,233</u>	<u>11,960,654</u>	<u>12,891,439</u>	<u>930,785</u>
EXPENDITURES				
Current:				
General Government	10,544,656	10,546,453	9,462,510	1,083,943
Public Safety	1,274,356	1,280,777	1,176,373	104,404
Public Works	1,123,462	1,123,462	713,688	409,774
Public Health	-	-	-	-
Social & Economic Services	462,760	462,760	449,960	12,800
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Total current	<u>13,405,234</u>	<u>13,413,452</u>	<u>11,802,531</u>	<u>1,610,921</u>
Debt service:				
Principal retirement	207,825	207,825	214,075	(6,250)
Interest	48,086	48,086	51,555	(3,469)
Total debt service	<u>255,911</u>	<u>255,911</u>	<u>265,630</u>	<u>(9,719)</u>
Capital outlay:				
Capital Expenditures	1,099,413	1,093,266	330,655	762,611
Total expenditures	<u>14,760,558</u>	<u>14,762,629</u>	<u>12,398,816</u>	<u>2,363,813</u>
Excess (deficiency) of revenues over expenditures	<u>(2,806,325)</u>	<u>(2,801,975)</u>	<u>492,623</u>	<u>3,294,598</u>
OTHER FINANCING SOURCES				
Transfers Out	(628,394)	(628,394)	(589,862)	38,532
Transfers In	682,317	682,317	790,896	108,579
Total other financing source (uses)	<u>53,923</u>	<u>53,923</u>	<u>201,034</u>	<u>147,111</u>
Net change in fund balances	(2,752,402)	(2,748,052)	693,657	3,441,709
Fund balances - beginning	5,790,896	5,790,896	5,790,896	-
Fund balances - ending	<u>\$ 3,038,494</u>	<u>\$ 3,042,844</u>	<u>\$ 6,484,553</u>	<u>\$ 3,441,709</u>

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

Gallatin County, State of Montana
2300 PUBLIC SAFETY FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 13,798,176	\$ 13,798,176	\$ 14,235,281	\$ 437,105
Licenses & Permits	30,000	30,000	53,745	23,745
Intergovernmental Revenues	859,085	892,085	1,207,117	315,032
Charges for Services	1,535,742	1,615,742	1,783,743	168,001
Fines & Forfeitures	20,000	20,000	56,400	36,400
Miscellaneous	-	35,000	84,949	49,949
Investment Earnings	25,000	25,000	16,932	(8,068)
Contributions/Donations	-	-	15,000	15,000
Total revenues	16,268,003	16,416,003	17,453,167	1,037,164
EXPENDITURES				
Current:				
Public Safety	16,538,591	16,815,725	16,164,250	651,475
Total current	16,538,591	16,815,725	16,164,250	651,475
Debt service:				
Principal retirement	102,731	102,731	55,388	47,343
Interest	5,019	5,019	688	4,331
Total debt service	107,750	107,750	56,076	51,674
Capital outlay:				-
Capital Expenditures	2,122,202	1,783,585	994,616	389,667
Total expenditures	18,768,543	18,707,060	17,214,942	1,092,816
Excess (deficiency) of revenues over expenditures	(2,500,540)	(2,291,057)	238,225	2,129,980
OTHER FINANCING SOURCES				
Proceeds from Notes/ Loans/	23,400	23,400	-	(23,400)
Transfers Out	(635,048)	(635,048)	(368,891)	266,157
Transfers In	59,959	59,959	187,585	127,626
Total other financing source (uses)	(551,689)	(551,689)	(181,306)	370,383
Net change in fund balances	(3,052,229)	(2,842,746)	56,919	2,500,363
Fund balances - beginning	5,043,799	5,043,799	5,043,799	-
Fund balances - ending	\$ 1,991,570	\$ 2,201,053	\$ 5,100,718	\$ 2,500,363

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 1,767,396	\$ 1,767,396	\$ 1,600,277	\$ (167,119)
Investment Earnings	-	-	30,358	30,358
Total revenues	<u>1,767,396</u>	<u>1,767,396</u>	<u>1,630,635</u>	<u>(136,761)</u>
EXPENDITURES				
Current:				
Public Works	6,957,166	6,958,062	1,191,675	5,766,387
Total expenditures	<u>6,957,166</u>	<u>6,958,062</u>	<u>1,191,675</u>	<u>5,766,387</u>
Excess (deficiency) of revenues over expenditures	<u>(5,189,770)</u>	<u>(5,190,666)</u>	<u>438,960</u>	<u>5,629,626</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	821	821
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>821</u>	<u>821</u>
Net change in fund balances	(5,189,770)	(5,190,666)	439,781	5,630,447
Fund balances - beginning	6,753,309	6,753,309	6,753,309	-
Fund balances - ending	<u>\$ 1,563,539</u>	<u>\$ 1,562,643</u>	<u>\$ 7,193,090</u>	<u>\$ 5,630,447</u>

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

Gallatin County, State of Montana
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

Total OPEB Liability	<u>2018</u>
Service cost	\$ 289,230
Interest	120,967
Change of assumptions	(334,351)
Benefit payments	<u>(136,199)</u>
Net changes in total OPEB liability	(60,353)
Total OPEB liability, beginning of year	<u>3,921,589</u>
Total OPEB liability, end of year	<u>\$ 3,861,236</u>
 Plan Fiduciary Net Position	
Contributions - employer	\$ 136,199
Benefit payments	<u>(136,199)</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position, beginning of year	<u>-</u>
Plan fiduciary net position, end of year	<u>\$ -</u>
Net OPEB liability, end of year	<u>\$ 3,861,236</u>
Covered employee payroll	<u>\$ 19,246,786</u>
County's total OPEB liability as a percentage of covered-employee payroll	<u>20.06%</u>

See Note 15 for additional information on the significant assumptions used in calculating the total OPEB liability.

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

Gallatin County, State of Montana
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
FOR THE YEAR ENDED JUNE 30, 2018

Schedule of Proportionate Share of the Net Pension Liability:	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employers' proportion of the Net Pension Liability (percentage)	1.1581%	1.1641%	1.1518%	1.1651%
Employer's Net Pension Liability (amount)	\$ 22,555,895	\$ 19,828,734	\$ 16,100,567	\$ 14,517,810
State's Net Pension Liability (amount)	\$ 302,065	\$ 242,284	\$ 197,768	\$ 177,285
Total	\$ 22,857,960	\$ 20,071,018	\$ 16,298,335	\$ 14,695,095
Employer's Covered Payroll	\$ 14,364,135	\$ 13,943,938	\$ 13,441,636	\$ 13,281,095
Employer's Proportionate Share as a percent of Covered Payroll	157.03%	142.20%	119.78%	111.22%
Plan Fiduciary Net Position as a percent of Total Pension Liability	73.75%	74.71%	78.40%	79.87%

Schedule of Contributions:	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contributions	\$ 1,302,259	\$ 1,347,763	\$ 1,165,511	\$ 1,107,645
Plan Choice Rate Required Contributions	-	-	39,240	57,877
Contributions in relation to the contractually required contributions	1,302,259	1,347,763	1,204,751	1,165,522
Contribution deficiency (excess)	-	-	-	-
Employer's covered-employee payroll	\$ 15,374,571	\$ 14,402,470	\$ 13,943,937	\$ 13,441,636
Contributions of covered-employee payroll (as a percentage)	8.47%	9.36%	8.64%	8.67%

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

Gallatin County, State of Montana
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND SCHEDULE OF CONTRIBUTIONS
SHERIFFS' RETIREMENT SYSTEM (SRS)
FOR THE YEAR ENDED JUNE 30, 2018

Schedule of Proportionate Share of the Net Pension Liability:	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employers' proportion of the Net Pension Liability (percentage)	7.9853%	8.0104%	8.1856%	8.0812%
Employer's Net Pension Liability (amount)	\$ 6,076,555	\$ 14,072,501	\$ 7,890,821	\$ 3,363,154
Total	\$ 6,076,555	\$ 14,072,501	\$ 7,890,821	\$ 3,363,154
Employer's Covered Payroll	\$ 5,974,560	\$ 5,654,808	\$ 5,569,930	\$ 5,226,324
Employer's Proportionate Share as a percent of Covered Payroll	101.71%	248.86%	141.67%	64.35%
Plan Fiduciary Net Position as a percent of Total Pension Liability	81.30%	63.00%	75.40%	87.24%
Schedule of Contributions:	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contributions	\$ 830,776	\$ 603,751	\$ 586,095	\$ 565,006
Contributions in relation to the contractually required contributions	830,776	603,751	586,095	565,006
Contribution deficiency (excess)	-	-	-	-
Employer's covered-employee payroll	\$ 6,334,530	\$ 5,974,560	\$ 5,654,808	\$ 5,569,930
Contributions of covered-employee payroll (as a percentage)	13.12%	10.11%	10.36%	10.14%

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

Gallatin County, State of Montana
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM (TRS)
FOR THE YEAR ENDED JUNE 30, 2018

Schedule of Proportionate Share of the Net Pension Liability:	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's proportion of the net pension liability	0.0052%	0.0052%	0.5100%	0.5100%
Employer's proportionate share of the net pension liability associated with the Employer	\$ 87,924	\$ 94,963	\$ 83,154	\$ 78,229
State of Montana's proportionate share of the net pension liability associated with the Employer	\$ 56,031	\$ 65,256	\$ 63,117	\$ 56,237
Total	\$ 143,955	\$ 160,219	\$ 146,271	\$ 134,466
Employer's Covered-employee Payroll	\$ 68,779	\$ 67,473	\$ 64,595	\$ 64,108
Employer's Proportionate Share as a percent of Covered-employee Payroll	127.84%	140.74%	128.73%	122.03%
Plan Fiduciary Net Position as a percent of Total Pension Liability	70.09%	66.69%	69.30%	70.36%

Schedule of Contributions:	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contributions	\$ 5,147	\$ 6,032	\$ 5,850	\$ 5,536
Contributions in relation to the contractually required contributions	5,147	6,032	5,850	5,536
Contribution deficiency (excess)	-	-	-	-
Employer's covered-employee payroll	\$ 58,027	\$ 68,779	\$ 67,473	\$ 64,595
Contributions of covered-employee payroll (as a percentage)	8.87%	8.77%	8.67%	8.57%

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

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

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

2015 Legislative Changes:

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

Second Retirement Benefit - for PERS

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

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

Employer Contributions and the Defined Contribution Plan – for PERS and MUS-RP

The PCR was paid off effective March 2016 and the contributions of 2.37%, .47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Public Employees' Retirement System (PERS) (continued)

2017 Legislative Changes:

General Revisions -House Bill 101, effective July 1, 2017

Working Retiree Limitations -for PERS

If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Terminating Employers - Recovery of actuarial costs -for PERS

Employers who terminate participation in PERS must pay the actuarial liability associated with that termination. Starting July 1, 2017, the terminating employer must also pay for the cost of the actuarial study used to determine that liability.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Family Law Orders

If a Family Law Order (FLO) is silent regarding the apportionment of post-retirement benefit adjustments such as the Guaranteed Annual Benefit Adjustment (GABA), the FLO is presumed to require apportionment of the post-retirement benefit adjustment in the same percentage as the monthly retirement benefit is apportioned.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Public Employees' Retirement System (PERS) (continued)

PERS Statutory Appropriation - House Bill 648, effective July 1, 2017

Revenue from coal severance taxes and interest income from the coal severance tax permanent fund previously statutorily-appropriated to the PERS defined benefit trust fund will be replaced with the following statutory appropriations:

1. FY2018 - \$31.386 million
2. FY2019 - \$31.958 million
3. Beginning July 1, 2019 through at least June 30, 2025, 101 % of the contribution from the previous year from the general fund to the PERS defined benefit trust fund, as follows:
 - a. FY2020 - \$32.277 million
 - b. FY2021 - \$32.6 million
 - c. FY2022 - \$32.926 million
 - d. FY2023 - \$33.255 million
 - e. FY2024 - \$33.588 million
 - f. FY2025 - \$33.924 million

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2017 actuarial valuation:

General wage growth	3.50%
Investment rate of return*	7.65%
*includes inflation at	2.75%
Merit salary increases	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (healthy members)	For males and females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.26%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. The amount varies from year to year based on the prior year's actual administrative expenses.

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Sheriff's Retirement System (SRS)

Changes of Benefit Terms

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

2015 Legislative Changes: none

2017 Legislative Changes:

General Revisions -House Bill 101, effective July 1, 2017

Second Retirement Benefit -for SRS

- 1) Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- 2) If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
 - a. Is not awarded service credit for the period of reemployment;
 - b. Is refunded the accumulated contributions associated with the period of reemployment;
 - c. Starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
 - d. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- 3) If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
 - a. Is awarded service credit for the period of reemployment;
 - b. Starting the first month following termination of service, receives:
 - i. The same retirement benefit previously paid to the member, and
 - ii. A second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
 - c. Does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
 - i. On the initial retirement benefit in January immediately following second retirement, and
 - ii. On the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- 4) A member who returns to covered service is not eligible for a disability benefit.

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Sheriff's Retirement System (SRS) (continued)

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Family Law Orders

If a Family Law Order (FLO) is silent regarding the apportionment of post-retirement benefit adjustments such as the Guaranteed Annual Benefit Adjustment (GABA), the FLO is presumed to require apportionment of the post-retirement benefit adjustment in the same percentage as the monthly retirement benefit is apportioned.

SRS Funding – House Bill 383, effective July 1, 2017

Increase in SRS Employee and Employer Contributions

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

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Sheriff's Retirement System (SRS) (continued)

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 30, 2017 actuarial valuation

General wage growth	3.50%
Investment rate of return*	7.65%
*includes inflation at	2.75%
Merit salary increases	0% to 6.30%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (healthy members)	For males and females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year.
Mortality (disabled members)	For Males and Females: RP 2000 Combined Mortality Table
Admin Expense as % of Payroll	0.21%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Teacher's Retirement System (TRS)

Changes of Benefit Terms:

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

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

The second tier benefit structure for members hired on or after July 1, 2013 is summarized below.

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

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Teacher's Retirement System (TRS) (continued)

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

- Annual State contribution equal to \$25 million paid to the System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in FY 2014.
- 1% supplemental employer contribution. This will increase the current employer rates:
 - School Districts contributions will increase from 7.47% to 8.47%
 - The Montana University System and State Agencies will increase from 9.85% to 10.85%.
 - The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 thru fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.

Changes in actuarial assumptions and other inputs:

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

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

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

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members "to account for larger than average annual compensation increases observed in the years immediately preceding retirement" is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Teacher's Retirement System (TRS) (continued)

- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to “retain membership in the System” are covered by the \$500 death benefit after termination.

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

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

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

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

- Mortality among disabled members was updated to the following:

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

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

GALLATIN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Teacher's Retirement System (TRS) (continued)

Method and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay, open
Remaining amortization period	22 years
Asset valuation method	4-year smoothed market
Inflation	3.25 percent
Salary increase	4.00 to 8.51 percent, including inflation for Non-University Members and 5.00% for University Members;
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

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

River Rock
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

Levied or Assessment Funds (Continued):

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

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 Water / Sewer
Hebgen Lake
El Dorado
Sourdough Creek
Middle Creek Meadows #2
Mountainview Subd. #1
Rocky Creek
Clover Meadows
Mystic Heights
Sweetgrass Hills
Hyalite Foothills
Mystic Heights #2 and #3
Cimarron Subd.
Godfrey Canyon
Harvest Hills
Meadow Subd.
Canary Lane
Andesite
Bear Creek #2 and #3
Firelight Subd.
Skywood
Franklin Hills
Olive Tree Way

Riverside
Middle Creek Meadows
Gardner Park
Middle Creek #2
Silverbow Circle #1
Rae Subdivision
Mountainview Subd. #2
Wheatland Hills
Riverside Water Tower
Baxter Creek #2
Williams Buckskin Park
Sypes Canyon
Ranch Subd.
Middle Creek #1 and #3
Outlaw South
Blue Grass Meadows
Wildhorse
Hyalite Meadows Subd.
Evergreen Way
Alder Court Land
Hyalite Canyon Estates
Silverado
Sourdough Creek
Sir George Way

Hitching Post
Hyalite Heights
Big Sky Meadow
Glacier Condo
Silverbow Circle #2
Sunset Heights
Sourdough Ridge
Pineview Subd.
Thorpe / Mount View
Baxter Creek #1
Springvale
Wildflower
Arrowleaf Hills
Royal / Thorpe
Wheatland Hills #2
Painted Hills
Looking Glass
Lake
Triple Tree Ranch
Ousel Falls
Garden Center
Firelight
Summer Ridge Subd.

GALLATIN COUNTY, STATE OF MONTANA

SPECIAL REVENUE FUNDS

Levied or Assessment Funds (Continued):

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

Grant Funds (Continued):

Other Grants (Continued)

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

GALLATIN COUNTY, STATE OF MONTANA

SPECIAL REVENUE FUNDS

Grant Funds (Continued):

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

Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2110	2111	2140	2153	2160
	ROAD	ROAD IMPACT FEE FUND	NOXIOUS WEED	PREDATORY CONTROL FOR SHEEP	FAIR FUND
ASSETS					
Cash & Investments	\$ 5,125,955	\$ 199,223	\$ 184,366	\$ 9,494	\$ 434,465
Real Estate	92,047	-	829	47	10,874
Personal	19,505	-	313	1,973	2,371
Protested	2,945	-	-	-	358
Accounts Receivable-Net	15,227	-	1,212	-	29,738
Due from Advance to Other fund	9,312	-	-	-	-
Inventories	63,974	-	-	-	-
Total assets	<u>\$ 5,328,965</u>	<u>\$ 199,223</u>	<u>\$ 186,720</u>	<u>\$ 11,514</u>	<u>\$ 477,806</u>
LIABILITIES					
Accounts Payable	\$ 58,425	\$ -	\$ 4,790	\$ -	\$ 74,050
Other Accrued Payables	73,861	-	8,953	-	15,854
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>132,286</u>	<u>-</u>	<u>13,743</u>	<u>-</u>	<u>89,904</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	1,212	-	-
Unavailable Revenue, Property Taxes	114,497	-	1,142	2,020	13,603
Total deferred inflows of resources	<u>114,497</u>	<u>-</u>	<u>2,354</u>	<u>2,020</u>	<u>13,603</u>
Inventories	63,974	-	-	-	-
Restricted for:					
Grants	1,176,628	-	16,636	-	26,689
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	3,841,580	199,223	153,987	-	-
Public Health	-	-	-	9,494	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	347,610
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:	-	-	-	-	-
Total fund balance	<u>5,082,182</u>	<u>199,223</u>	<u>170,623</u>	<u>9,494</u>	<u>374,299</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,196,679</u>	<u>\$ 199,223</u>	<u>\$ 172,977</u>	<u>\$ 11,514</u>	<u>\$ 387,902</u>

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

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2200	2210	2220	2250	2251
	MOSQUITO DISTRICT	PARK	LIBRARY	COUNTY WIDE PLANNING	ZONING DISTRICTS
ASSETS					
Cash & Investments	\$ 115,863	\$ 152,863	\$ 525,239	\$ 301,603	\$ 568
Real Estate	4,598	-	27,074	6,477	1,169
Personal	457	-	5,855	1,279	-
Protested	3	-	874	287	-
Accounts Receivable-Net	-	-	-	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 120,921</u>	<u>\$ 152,863</u>	<u>\$ 559,042</u>	<u>\$ 309,646</u>	<u>\$ 1,737</u>
LIABILITIES					
Accounts Payable	\$ 10,208	\$ 2,141	\$ -	\$ 381	\$ -
Other Accrued Payables	3,772	5,734	-	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>13,980</u>	<u>7,875</u>	<u>-</u>	<u>381</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	5,058	-	33,803	8,043	1,169
Total deferred inflows of resources	<u>5,058</u>	<u>-</u>	<u>33,803</u>	<u>8,043</u>	<u>1,169</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	27,075	144,988	38,069	22,278	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	568
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	74,808	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	487,170	278,944	-
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:	-	-	-	-	-
Total fund balance	<u>101,883</u>	<u>144,988</u>	<u>525,239</u>	<u>301,222</u>	<u>568</u>
Total liabilities and fund balances (deficits)	<u>\$ 106,941</u>	<u>\$ 144,988</u>	<u>\$ 559,042</u>	<u>\$ 309,265</u>	<u>\$ 1,737</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2255	2260	2270	2361	2372
	OPEN SPACE LANDS FUND	COUNTY EMERGENCY FUND	HEALTH	HISTORIC PRESERVATION	PERMISSIVE MEDICAL LEVY
ASSETS					
Cash & Investments	\$ 365,458	\$ 6,325	\$ 1,252,033	\$ 8,199	\$ 166,996
Real Estate	-	-	33,216	-	45,232
Personal	-	-	7,456	-	9,640
Protested	-	-	1,079	-	1,487
Accounts Receivable-Net	6,509	-	43,618	-	-
Due from Advance to Other fund	-	-	125,491	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 371,967</u>	<u>\$ 6,325</u>	<u>\$ 1,462,893</u>	<u>\$ 8,199</u>	<u>\$ 223,355</u>
LIABILITIES					
Accounts Payable	\$ 94	\$ -	\$ 235,143	\$ 42	\$ -
Other Accrued Payables	-	(22)	86,824	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	0	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>94</u>	<u>(22)</u>	<u>321,967</u>	<u>42</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	41,751	-	56,359
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>41,751</u>	<u>-</u>	<u>56,359</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	86,649	-	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	6,347	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	166,996
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	1,012,526	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	8,157	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	371,873	-	-	-	-
Assigned for:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total fund balance	<u>371,873</u>	<u>6,347</u>	<u>1,099,175</u>	<u>8,157</u>	<u>166,996</u>
Total liabilities and fund balances (deficits)	<u>\$ 371,873</u>	<u>\$ 6,347</u>	<u>\$ 1,140,926</u>	<u>\$ 8,157</u>	<u>\$ 223,355</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2390	2393	2395	2398	2420
	DRUG FORFEITURES	CLK & REC. RECORDS PRESERVATION	ECONOMIC DEVELOPMENT	COUNTY FIRE CONTROL PERMIT FUND	LIGHT DISTRICTS
ASSETS					
Cash & Investments	\$ 22,148	\$ 204,800	\$ 210,390	\$ 39,104	\$ 26,518
Real Estate	-	-	-	-	682
Personal	-	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	-	-	150,000	294	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 22,148</u>	<u>\$ 204,800</u>	<u>\$ 360,390</u>	<u>\$ 39,398</u>	<u>\$ 27,200</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 631	\$ -	\$ 203	\$ 796
Other Accrued Payables	-	490	-	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,121</u>	<u>-</u>	<u>203</u>	<u>796</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	682
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	360,390	-	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	203,679	-	-	-
Public Safety	22,148	-	-	39,195	-
Public Works	-	-	-	-	25,722
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:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>22,148</u>	<u>203,679</u>	<u>360,390</u>	<u>39,195</u>	<u>25,722</u>
Total liabilities and fund balances (deficits)	<u>\$ 22,148</u>	<u>\$ 203,679</u>	<u>\$ 360,390</u>	<u>\$ 39,195</u>	<u>\$ 26,404</u>

The notes to financial statements are an integral part of

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2790	2800	2801	2820	2821
	WATER QUALITY DISTRICT	ALCOHOL REHABILITATION	STATE GRANTS	GAS TAX	GAS TAX-ROAD AND STREET
ASSETS					
Cash & Investments	\$ 446,441	\$ -	\$ 29,020	\$ 273,769	\$ -
Real Estate	5,344	-	-	-	-
Personal	11,568	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	1,323	39,793	135,000	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 464,676</u>	<u>\$ 39,793</u>	<u>\$ 164,020</u>	<u>\$ 273,769</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable	\$ 1,078	\$ 39,793	\$ 165,145	\$ -	\$ -
Other Accrued Payables	8,880	-	-	-	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>9,958</u>	<u>39,793</u>	<u>165,145</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	16,912	-	-	-	-
Total deferred inflows of resources	<u>16,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	23,098	-	(1,125)	273,769	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	414,708	-	-	-	-
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:	-	-	-	-	-
Total fund balance	<u>437,806</u>	<u>-</u>	<u>(1,125)</u>	<u>273,769</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ 454,718</u>	<u>\$ -</u>	<u>\$ (1,125)</u>	<u>\$ 273,769</u>	<u>\$ -</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2830	2836	2840	2850	2859
	JUNK VEHICLE	MTUPP	NOXIOUS WEED TRUST FUND GRANTS	911 EMERGENCY	COUNTY LAND INFORMATION FUND
ASSETS					
Cash & Investments	\$ 2,358	\$ 25,877	\$ 16,809	\$ 758,999	\$ 4,084
Real Estate	-	-	-	-	-
Personal	-	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	-	37,521	-	156,358	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 2,358</u>	<u>\$ 63,398</u>	<u>\$ 16,809</u>	<u>\$ 915,357</u>	<u>\$ 4,084</u>
LIABILITIES					
Accounts Payable	\$ 391	\$ 18,972	\$ -	\$ 39,322	\$ -
Other Accrued Payables	1,967	2,581	-	2,838	-
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>2,358</u>	<u>21,553</u>	<u>-</u>	<u>42,160</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	41,845	16,809	873,197	4,084
Debt Service Obligations	-	-	-	-	-
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:	-	-	-	-	-
Total fund balance	<u>-</u>	<u>41,845</u>	<u>16,809</u>	<u>873,197</u>	<u>4,084</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 41,845</u>	<u>\$ 16,809</u>	<u>\$ 873,197</u>	<u>\$ 4,084</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2865 DNRC GRANT - COMPOST FACILITY	2870 COMMUNITY CORRECTIONS	2871 SW REGIONAL YTH. DET. FACILITY	2900 PILT	2902 FOREST RECEIPTS - TITLE III
ASSETS					
Cash & Investments	\$ 69	\$ -	\$ 1,516	\$ 4,687,531	\$ 1,620
Real Estate	-	-	-	-	-
Personal	-	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	-	8,037	12,670	-	-
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 69</u>	<u>\$ 8,037</u>	<u>\$ 14,186</u>	<u>\$ 4,687,531</u>	<u>\$ 1,620</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 9,990	\$ 37,983	\$ -
Other Accrued Payables	-	-	-	21,462	-
Due To Other Funds	-	8,036	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>8,036</u>	<u>9,990</u>	<u>59,445</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	69	1	4,196	-	1,620
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	4,628,086	-
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:	-	-	-	-	-
Total fund balance	<u>69</u>	<u>1</u>	<u>4,196</u>	<u>4,628,086</u>	<u>1,620</u>
Total liabilities and fund balances (deficits)	<u>\$ 69</u>	<u>\$ 1</u>	<u>\$ 4,196</u>	<u>\$ 4,628,086</u>	<u>\$ 1,620</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2915 OPERATION FREEDOM FROM FEAR	2916 COPS GRANT	2917 VICTIM WITNESS	2918 LAW ENFORCEMENT BLOCK GRANT	2927 HOMELAND SECURITY GRANT
ASSETS					
Cash & Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate	-	-	-	-	-
Personal	-	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	10,567	25,660	61,364	-	14,703
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 10,567</u>	<u>\$ 25,660</u>	<u>\$ 61,364</u>	<u>\$ -</u>	<u>\$ 14,703</u>
LIABILITIES					
Accounts Payable	\$ 392	\$ -	\$ 1,149	\$ -	\$ 4,170
Other Accrued Payables	5,570	6231	14,560	-	-
Due To Other Funds	4,604	19,415	42,915	-	13,405
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>10,566</u>	<u>25,646</u>	<u>58,624</u>	<u>-</u>	<u>17,575</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	1	14	2,740	-	(2,872)
Debt Service Obligations	-	-	-	-	-
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:	-	-	-	-	-
Total fund balance	<u>1</u>	<u>14</u>	<u>2,740</u>	<u>-</u>	<u>(2,872)</u>
Total liabilities and fund balances (deficits)	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 2,740</u>	<u>\$ -</u>	<u>\$ (2,872)</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2940	2950	2968	2969	2971
	CDBG GRANTS	D.U.I. PROGRAM	CANCER PREVENTION	PUBLIC HEALTH EMERGENCY PREPAR	W.I.C.
ASSETS					
Cash & Investments	\$ 247	\$ 148,637	\$ 323,572	\$ 209,037	\$ 5,485
Real Estate	-	-	-	-	-
Personal	-	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	-	-	35,476	22,568	25,637
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 247	\$ 148,637	\$ 359,048	\$ 231,605	\$ 31,122
LIABILITIES					
Accounts Payable	\$ -	\$ 209	\$ 944	\$ 53	\$ 1,272
Other Accrued Payables	-	1,442	5,953	2,829	11,609
Due To Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	-	1,651	6,897	2,882	12,881
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Inventories	-	-	-	-	-
Restricted for:					
Grants	247	146,986	352,084	228,723	11,827
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	67	-	6,414
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:	-	-	-	-	-
Total fund balance	247	146,986	352,151	228,723	18,241
Total liabilities and fund balances (deficits)	\$ 247	\$ 146,986	\$ 352,151	\$ 228,723	\$ 18,241

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	2973	2976	2979	2987	2990
	MATERNAL CHILD	COMMUNICABLE DISEASE FUND	FEDERAL HEALTH GRANT FUND	FEDERAL GRANT FUND	DRUG ENFORCEMENT GRANT
ASSETS					
Cash & Investments	\$ -	\$ 188,686	\$ -	\$ 274,727	\$ 5,347
Real Estate	-	-	-	-	-
Personal	-	-	-	-	-
Protested	-	-	-	-	-
Accounts Receivable-Net	170,081	55,420	118,338	347	640
Due from Advance to Other fund	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 170,081</u>	<u>\$ 244,106</u>	<u>\$ 118,338</u>	<u>\$ 275,074</u>	<u>\$ 5,987</u>
LIABILITIES					
Accounts Payable	\$ 10,972	\$ 4,268	\$ 55,828	\$ 2,356	\$ 1,608
Other Accrued Payables	27,132	7,318	4,045	-	7,321
Due To Other Funds	62,374	-	63,118	-	-
Deferred Revenue	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Total liabilities	<u>100,478</u>	<u>11,586</u>	<u>122,991</u>	<u>2,356</u>	<u>8,929</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-
Unavailable Revenue, Property Taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	-	-	-	-	-
Restricted for:					
Grants	61,135	36,610	(4,653)	272,718	(2,942)
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	8,468	195,910	-	-	-
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:	-	-	-	-	-
Total fund balance	<u>69,603</u>	<u>232,520</u>	<u>(4,653)</u>	<u>272,718</u>	<u>(2,942)</u>
Total liabilities and fund balances (deficits)	<u>\$ 69,603</u>	<u>\$ 232,520</u>	<u>\$ (4,653)</u>	<u>\$ 272,718</u>	<u>\$ (2,942)</u>

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Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	Total Non-Major Special Revenue Funds
ASSETS	
Cash & Investments	\$ 16,755,441
Real Estate	227,589
Personal	60,417
Protested	7,033
Accounts Receivable-Net	1,178,101
Due from Advance to Other fund	134,803
Inventories	63,974
Total assets	<u>\$ 18,427,358</u>
LIABILITIES	
Accounts Payable	\$ 782,799
Other Accrued Payables	327,204
Due To Other Funds	213,867
Deferred Revenue	-
Unearned Grant Revenue	-
Total liabilities	<u>1,323,870</u>
DEFERRED INFLOWS OF RESOURCES	-
Unavailable Revenue, Fines and Forfeitures, Fees	1,212
Unavailable Revenue, Property Taxes	295,039
Total deferred inflows of resources	<u>296,251</u>
Inventories	63,974
Restricted for:	
Grants	4,239,583
Debt Service Obligations	-
RID Debt Services	-
Construction Projects	-
General Government	6,347
Public Safety	-
Committed for:	
Contractual Obligations	-
RID Maintenance	568
General Government	4,998,761
Public Safety	61,343
Public Works	4,220,512
Public Health	1,722,395
Social & Economic Services	-
Culture & Recreation	355,767
Housing & Community Development	766,114
Conservation Of Natural Resources	371,873
Assigned for:	
General Government	-
Public Safety	-
Public Works	-
Public Health	-
Social & Economic Services	-
Culture & Recreation	-
Housing & Community Development	-
Conservation Of Natural Resources	-
Unassigned:	<u>-</u>
Total fund balance	<u>16,807,237</u>
Total liabilities and fund balances (deficits)	<u>\$ 17,103,488</u>

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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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 3,046,139	\$ 3,046,139	\$ 3,402,363	\$ 356,224
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	955,358	955,358	1,073,311	117,953
Charges for Services	14,000	14,000	31,868	17,868
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	10,000	10,000	57,498	47,498
Contributions/Donations	-	-	-	-
Total revenues	<u>4,025,497</u>	<u>4,025,497</u>	<u>4,565,040</u>	<u>539,543</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	4,949,139	4,929,139	3,588,712	1,340,427
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	87,534	846,933
Total expenditures	<u>5,863,606</u>	<u>5,863,606</u>	<u>3,676,246</u>	<u>2,187,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,838,109)</u>	<u>(1,838,109)</u>	<u>888,794</u>	<u>2,726,903</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(94,743)	(94,743)	-	94,743
Sale of Fixed Assets	-	-	-	-
Transfers In	38,204	38,204	70,888	32,684
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(56,539)</u>	<u>(56,539)</u>	<u>70,888</u>	<u>127,427</u>
Net change in fund balances	(1,894,648)	(1,894,648)	959,682	2,854,330
Fund balances - beginning	4,122,500	4,122,500	4,122,500	-
Fund balances - ending	<u>\$ 2,227,852</u>	<u>\$ 2,227,852</u>	<u>\$ 5,082,182</u>	<u>\$ 2,854,330</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	15,000	15,000	34,880	19,880
Investment Earnings	150	150	2,278	2,128
Contributions/Donations	-	-	-	-
Total revenues	<u>15,150</u>	<u>15,150</u>	<u>37,158</u>	<u>22,008</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	76,198	76,198	1,459	74,739
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>76,198</u>	<u>76,198</u>	<u>1,459</u>	<u>74,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,048)</u>	<u>(61,048)</u>	<u>35,699</u>	<u>96,747</u>
OTHER FINANCING SOURCES (USES)				
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	(61,048)	(61,048)	35,699	96,747
Fund balances - beginning	163,524	163,524	163,524	-
Fund balances - ending	<u>\$ 102,476</u>	<u>\$ 102,476</u>	<u>\$ 199,223</u>	<u>\$ 96,747</u>

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

Gallatin County, State of Montana
2140 NOXIOUS WEED
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ 105	\$ 105
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	15,000	15,000	31,330	16,330
Charges for Services	5,900	5,900	10,528	4,628
Fines and Forfeitures	-	-	-	-
Miscellaneous	1,785	1,785	1,786	1
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>22,685</u>	<u>22,685</u>	<u>43,749</u>	<u>21,064</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	349,446	349,446	317,420	32,026
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	28,036	28,036	-	28,036
Total expenditures	<u>377,482</u>	<u>377,482</u>	<u>317,420</u>	<u>60,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354,797)</u>	<u>(354,797)</u>	<u>(273,671)</u>	<u>81,126</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	290,563	290,563	277,575	(12,988)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>290,563</u>	<u>290,563</u>	<u>277,575</u>	<u>(12,988)</u>
Net change in fund balances	(64,234)	(64,234)	3,904	68,138
Fund balances - beginning	166,719	166,719	166,719	-
Fund balances - ending	<u>\$ 102,485</u>	<u>\$ 102,485</u>	<u>\$ 170,623</u>	<u>\$ 68,138</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 13,297	\$ 14,075	\$ 13,706	\$ (369)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>13,297</u>	<u>14,075</u>	<u>13,706</u>	<u>(369)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	15,436	16,214	9,300	6,914
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>15,436</u>	<u>16,214</u>	<u>9,300</u>	<u>6,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,139)</u>	<u>(2,139)</u>	<u>4,406</u>	<u>6,545</u>
OTHER FINANCING SOURCES (USES)				
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	(2,139)	(2,139)	4,406	6,545
Fund balances - beginning	5,088	5,088	5,088	-
Fund balances - ending	<u>\$ 2,949</u>	<u>\$ 2,949</u>	<u>\$ 9,494</u>	<u>\$ 6,545</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 439,879	\$ 439,879	\$ 486,347	\$ 46,468
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	35,000	42,000	41,302	(698)
Charges for Services	896,589	896,589	874,475	(22,114)
Fines and Forfeitures	-	-	-	-
Miscellaneous	65,577	65,577	64,467	(1,110)
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>1,437,045</u>	<u>1,444,045</u>	<u>1,466,591</u>	<u>22,546</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	1,041,836	1,033,140	1,233,027	(199,887)
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:	-	-	-	-
Principal	76,496	83,496	45,000	38,496
Interest	-	-	36,138	(36,138)
Capital outlay	<u>85,020</u>	<u>93,716</u>	<u>63,776</u>	<u>29,940</u>
Total expenditures	<u>1,203,352</u>	<u>1,210,352</u>	<u>1,377,941</u>	<u>(167,589)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>233,693</u>	<u>233,693</u>	<u>88,650</u>	<u>(145,043)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	5,690	5,690	15,069	9,379
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>5,690</u>	<u>5,690</u>	<u>15,069</u>	<u>9,379</u>
Net change in fund balances	239,383	239,383	103,719	(135,664)
Fund balances - beginning	270,580	270,580	270,580	-
Fund balances - ending	<u>\$ 509,963</u>	<u>\$ 509,963</u>	<u>\$ 374,299</u>	<u>\$ (135,664)</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 84,287	\$ 84,287	\$ 36,054	\$ (48,233)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	5,000	5,000	9,748	4,748
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	400	400	580	180
Contributions/Donations	-	-	-	-
Total revenues	<u>89,687</u>	<u>89,687</u>	<u>46,382</u>	<u>(43,305)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	180,212	180,212	91,082	89,130
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	45,600	45,600	-	45,600
Total expenditures	<u>225,812</u>	<u>225,812</u>	<u>91,082</u>	<u>134,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(136,125)</u>	<u>(136,125)</u>	<u>(44,700)</u>	<u>91,425</u>
OTHER FINANCING SOURCES (USES)				
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)	(44,700)	91,425
Fund balances - beginning	146,583	146,583	146,583	-
Fund balances - ending	<u>\$ 10,458</u>	<u>\$ 10,458</u>	<u>\$ 101,883</u>	<u>\$ 91,425</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	2,766	2,766
Fines and Forfeitures	-	-	-	-
Miscellaneous	11,000	11,000	255	(10,745)
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	11,000	11,000	3,021	(7,979)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	78,248	78,248	132,081	(53,833)
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	14,000	14,000	25,390	(11,390)
Total expenditures	92,248 #	92,248 #	157,471	(65,223)
Excess (deficiency) of revenues over (under) expenditures	(81,248)	(81,248)	(154,450)	(73,202)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	42,598	42,598	168,382	125,784
Bond Proceeds	-	-	-	-
Total other financing source (uses)	42,598	42,598	168,382	125,784
Net change in fund balances	(38,650)	(38,650)	13,932	52,582
Fund balances - beginning	131,056	131,056	131,056	-
Fund balances - ending	\$ 92,406	\$ 92,406	\$ 144,988	\$ 52,582

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 908,877	\$ 908,877	\$ 1,001,873	\$ 92,996
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	61,500	61,500	78,290	16,790
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>970,377</u>	<u>970,377</u>	<u>1,080,163</u>	<u>109,786</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	1,136,563	1,136,563	1,022,723	113,840
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	157,664	154,164	-	154,164
Total expenditures	<u>1,294,227</u>	<u>1,290,727</u>	<u>1,022,723</u>	<u>268,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(323,850)</u>	<u>(320,350)</u>	<u>57,440</u>	<u>377,790</u>
OTHER FINANCING SOURCES (USES)				
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	(323,850)	(320,350)	57,440	377,790
Fund balances - beginning	467,799	467,799	467,799	-
Fund balances - ending	<u>\$ 143,949</u>	<u>\$ 147,449</u>	<u>\$ 525,239</u>	<u>\$ 377,790</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 158,132	\$ 158,132	\$ 207,426	\$ 49,294
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	10,500	10,500	16,566	6,066
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>168,632</u>	<u>168,632</u>	<u>223,992</u>	<u>55,360</u>
EXPENDITURES				
Current:				
General Government	238,290	238,290	14,522	223,768
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>238,290</u>	<u>238,290</u>	<u>14,522</u>	<u>223,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,658)</u>	<u>(69,658)</u>	<u>209,470</u>	<u>279,128</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(162,800)	(162,800)	(162,800)	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(162,800)</u>	<u>(162,800)</u>	<u>(162,800)</u>	<u>-</u>
Net change in fund balances	(232,458)	(232,458)	46,670	279,128
Fund balances - beginning	254,552	254,552	254,552	-
Fund balances - ending	<u>\$ 22,094</u>	<u>\$ 22,094</u>	<u>\$ 301,222</u>	<u>\$ 279,128</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 43,861	\$ 43,861	\$ 39,473	\$ (4,388)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	114	114
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	218	218
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>43,861</u>	<u>43,861</u>	<u>39,805</u>	<u>(4,056)</u>
EXPENDITURES				
Current:				
General Government	16,722	16,722	16,294	428
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	27,672	27,672	24,158	3,514
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>44,394</u>	<u>44,394</u>	<u>40,452</u>	<u>3,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533)</u>	<u>(533)</u>	<u>(647)</u>	<u>(114)</u>
OTHER FINANCING SOURCES (USES)				
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	(533)	(533)	(647)	(114)
Fund balances - beginning	1,215	1,215	1,215	-
Fund balances - ending	<u>\$ 682</u>	<u>\$ 682</u>	<u>\$ 568</u>	<u>\$ (114)</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	85,000	85,000	57,825	(27,175)
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	3,000	3,000	5,794	2,794
Contributions/Donations	-	-	-	-
Total revenues	<u>88,000</u>	<u>88,000</u>	<u>63,619</u>	<u>(24,381)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resource	598,112	598,112	47,834	550,278
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>598,112</u>	<u>598,112</u>	<u>47,834</u>	<u>550,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(510,112)</u>	<u>(510,112)</u>	<u>15,785</u>	<u>525,897</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(61,382)	(61,382)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(61,382)</u>	<u>(61,382)</u>
Net change in fund balances	(510,112)	(510,112)	(45,597)	464,515
Fund balances - beginning	417,470	417,470	417,470	-
Fund balances - ending	<u>\$ (92,642)</u>	<u>\$ (92,642)</u>	<u>\$ 371,873</u>	<u>\$ 464,515</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
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 Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,325	6,325	-	6,325
Excess (deficiency) of revenues over (under) expenditures	(6,325)	(6,325)	-	(6,325)
OTHER FINANCING SOURCES (USES)				
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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 1,317,222	\$ 1,317,222	\$ 1,461,172	\$ 143,950
Licenses and Permits	180,000	180,000	242,117	62,117
Intergovernmental Revenues	217,969	219,469	143,286	(76,183)
Charges for Services	259,847	259,847	342,739	82,892
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	39,722	39,722
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>1,975,038</u>	<u>1,976,538</u>	<u>2,229,036</u>	<u>252,498</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	2,074,505	2,076,005	2,091,310	(15,305)
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	141,076	141,076	-	141,076
Interest	-	-	-	-
Capital outlay	403,124	403,124	-	403,124
Total expenditures	<u>2,618,705</u>	<u>2,620,205</u>	<u>2,091,310</u>	<u>528,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(643,667)</u>	<u>(643,667)</u>	<u>137,726</u>	<u>781,393</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(146,820)	(146,820)	(147,038)	(218)
Sale of Fixed Assets	-	-	-	-
Transfers In	17,883	17,883	69,060	51,177
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(128,937)</u>	<u>(128,937)</u>	<u>(77,978)</u>	<u>50,959</u>
Net change in fund balances	(772,604)	(772,604)	59,748	832,352
Fund balances - beginning	1,039,427	1,039,427	1,039,427	-
Fund balances - ending	<u>\$ 266,823</u>	<u>\$ 266,823</u>	<u>\$ 1,099,175</u>	<u>\$ 832,352</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	2,000	2,000	1,271	(729)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	500	500	900	400
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,171</u>	<u>(329)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	12,089	12,089	8,688	3,401
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>12,089</u>	<u>12,089</u>	<u>8,688</u>	<u>3,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,589)</u>	<u>(9,589)</u>	<u>(6,517)</u>	<u>3,072</u>
OTHER FINANCING SOURCES (USES)				
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)	(517)	3,072
Fund balances - beginning	8,674	8,674	8,674	-
Fund balances - ending	<u>\$ 5,085</u>	<u>\$ 5,085</u>	<u>\$ 8,157</u>	<u>\$ 3,072</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,752,952	\$ 1,752,952	\$ 2,090,418	\$ 337,466
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>2,090,418</u>	<u>327,466</u>
EXPENDITURES				
Current:				
General Government	9,184	9,184	6,331	2,853
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>6,331</u>	<u>2,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,753,768</u>	<u>1,753,768</u>	<u>2,084,087</u>	<u>330,319</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,792,815)	(1,792,815)	(2,096,519)	(303,704)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(1,792,815)</u>	<u>(1,792,815)</u>	<u>(2,096,519)</u>	<u>(303,704)</u>
Net change in fund balances	(39,047)	(39,047)	(12,432)	26,615
Fund balances - beginning	179,428	179,428	179,428	-
Fund balances - ending	<u>\$ 140,381</u>	<u>\$ 140,381</u>	<u>\$ 166,996</u>	<u>\$ 26,615</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	10,000	10,000	18,917	8,917
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>18,917</u>	<u>8,917</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	725	725	736	(11)
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>725</u>	<u>725</u>	<u>736</u>	<u>(11)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,275</u>	<u>9,275</u>	<u>18,181</u>	<u>8,906</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(23,322)	(23,322)	-	23,322
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(23,322)</u>	<u>(23,322)</u>	<u>-</u>	<u>23,322</u>
Net change in fund balances	(14,047)	(14,047)	18,181	32,228
Fund balances - beginning	3,967	3,967	3,967	-
Fund balances - ending	<u>\$ (10,080)</u>	<u>\$ (10,080)</u>	<u>\$ 22,148</u>	<u>\$ 32,228</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	130,000	130,000	154,638	24,638
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>154,638</u>	<u>24,638</u>
EXPENDITURES				
Current:				
General Government	181,595	191,966	101,594	90,372
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	24,999	35,401
Total expenditures	<u>241,995</u>	<u>252,366</u>	<u>126,593</u>	<u>125,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,995)</u>	<u>(122,366)</u>	<u>28,045</u>	<u>150,411</u>
OTHER FINANCING SOURCES (USES)				
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>(12,262)</u>
Net change in fund balances	(124,257)	(134,628)	28,045	138,149
Fund balances - beginning	175,634	175,634	175,634	-
Fund balances - ending	<u>\$ 51,377</u>	<u>\$ 41,006</u>	<u>\$ 203,679</u>	<u>\$ 138,149</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	365,564	365,564	5,000	360,564
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	365,564	365,564	5,000	360,564
Excess (deficiency) of revenues over (under) expenditures	(365,564)	(365,564)	(5,000)	360,564
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(365,564)	(365,564)	(5,000)	360,564
Fund balances - beginning	365,390	365,390	365,390	-
Fund balances - ending	\$ (174)	\$ (174)	\$ 360,390	\$ 360,564

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

Gallatin County, State of Montana
2398 COUNTY FIRE CONTROL PERMIT FND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	15,000	15,000	24,156	9,156
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>24,156</u>	<u>9,156</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	54,548	54,548	44,189	(10,359)
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>54,548</u>	<u>54,548</u>	<u>44,189</u>	<u>(10,359)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,548)</u>	<u>(39,548)</u>	<u>(20,033)</u>	<u>19,515</u>
OTHER FINANCING SOURCES (USES)				
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	(39,548)	(39,548)	(20,033)	19,515
Fund balances - beginning	59,228	59,228	59,228	-
Fund balances - ending	<u>\$ 19,680</u>	<u>\$ 19,680</u>	<u>\$ 39,195</u>	<u>\$ 19,515</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 19,655	\$ 19,655	\$ 23,372	\$ 3,717
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	7	7
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	19,655	19,655	23,379	3,724
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	36,700	36,700	22,291	14,409
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	22,291	14,409
Excess (deficiency) of revenues over (under) expenditures	(17,045)	(17,045)	1,088	18,133
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(17,045)	(17,045)	1,088	18,133
Fund balances - beginning	24,634	24,634	24,634	-
Fund balances - ending	\$ 7,589	\$ 7,589	\$ 25,722	\$ 18,133

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 249,176	\$ 249,176	\$ 270,160	\$ 20,984
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	8,500	16,700	8,200
Charges for Services	60,965	60,965	21,583	(39,382)
Fines and Forfeitures	-	-	-	-
Miscellaneous	150	150	1,194	1,044
Investment Earnings	400	400	6,900	6,500
Contributions/Donations	-	-	-	-
Total revenues	<u>310,691</u>	<u>319,191</u>	<u>316,537</u>	<u>(2,654)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	321,776	326,779	273,914	52,865
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>118,575</u>	<u>122,075</u>	<u>-</u>	<u>(122,075)</u>
Total expenditures	<u>440,351</u>	<u>448,854</u>	<u>273,914</u>	<u>(69,210)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,660)</u>	<u>(129,663)</u>	<u>42,623</u>	<u>172,286</u>
OTHER FINANCING SOURCES (USES)				
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	(129,660)	(129,663)	42,623	172,286
Fund balances - beginning	<u>395,183</u>	<u>395,183</u>	<u>395,183</u>	<u>-</u>
Fund balances - ending	<u>\$ 265,523</u>	<u>\$ 265,520</u>	<u>\$ 437,806</u>	<u>\$ 172,286</u>

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

Gallatin County, State of Montana
2800 ALCOHOL REHABILITATION
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	125,000	189,127	156,213	(32,914)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>125,000</u>	<u>189,127</u>	<u>156,213</u>	<u>(32,914)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	125,000	189,127	156,213	32,914
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>125,000</u>	<u>189,127</u>	<u>156,213</u>	<u>32,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
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	-	-	-	-
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
2801 STATE GRANTS FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	202,500	239,691	37,191
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	202,500	239,691	37,191
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	202,500	240,816	(38,316)
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	202,500	240,816	(38,316)
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,125)	(1,125)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	(1,125)	(1,125)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ (1,125)	\$ (1,125)

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

Gallatin County, State of Montana
2820 GAS TAX
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	315,600	315,600	330,523	14,923
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>315,600</u>	<u>315,600</u>	<u>330,523</u>	<u>14,923</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	905,551	905,551	578,224	(327,327)
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>905,551</u>	<u>905,551</u>	<u>578,224</u>	<u>(327,327)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(589,951)</u>	<u>(589,951)</u>	<u>(247,701)</u>	<u>(312,404)</u>
OTHER FINANCING SOURCES (USES)				
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	(589,951)	(589,951)	(247,701)	(312,404)
Fund balances - beginning	521,470	521,470	521,470	-
Fund balances - ending	<u>\$ (68,481)</u>	<u>\$ (68,481)</u>	<u>\$ 273,769</u>	<u>\$ (312,404)</u>

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

Gallatin County, State of Montana
2821 GAS TAX-SPECIAL ROAD & STREET
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	135,342	-	(135,342)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	135,342	-	(135,342)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	135,342	-	(135,342)
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	-	135,342	-	(135,342)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(270,684)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	-	(270,684)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ (270,684)

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	24,228	24,228	51,418	27,190
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>24,228</u>	<u>24,228</u>	<u>51,418</u>	<u>27,190</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	69,093	69,093	38,547	30,546
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>69,093</u>	<u>69,093</u>	<u>38,547</u>	<u>30,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,865)</u>	<u>(44,865)</u>	<u>12,871</u>	<u>57,736</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(51,795)	(51,795)	(132,213)	(80,418)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(51,795)</u>	<u>(51,795)</u>	<u>(132,213)</u>	<u>(80,418)</u>
Net change in fund balances	(96,660)	(96,660)	(119,342)	(22,682)
Fund balances - beginning	119,342	119,342	119,342	-
Fund balances - ending	<u>\$ 22,682</u>	<u>\$ 22,682</u>	<u>\$ -</u>	<u>\$ (22,682)</u>

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	113,769	113,769	191,789	78,020
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>113,769</u>	<u>113,769</u>	<u>191,789</u>	<u>78,020</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	143,069	143,069	179,046	(35,977)
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>143,069</u>	<u>143,069</u>	<u>179,046</u>	<u>(35,977)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,300)</u>	<u>(29,300)</u>	<u>12,743</u>	<u>42,043</u>
OTHER FINANCING SOURCES (USES)				
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	(29,300)	(29,300)	12,743	42,043
Fund balances - beginning	29,102	29,102	29,102	-
Fund balances - ending	<u>\$ (198)</u>	<u>\$ (198)</u>	<u>\$ 41,845</u>	<u>\$ 42,043</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
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	7,500	7,500	7,500	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	2,833	4,413	218	4,195
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	13,000	14,420	-	14,420
Total expenditures	15,833	18,833	218	18,615
Excess (deficiency) of revenues over (under) expenditures	(8,333)	(11,333)	7,282	18,615
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	3,000	-	(3,000)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	3,000	-	(3,000)
Net change in fund balances	(8,333)	(8,333)	7,282	15,615
Fund balances - beginning	9,527	9,527	9,527	-
Fund balances - ending	\$ 1,194	\$ 1,194	\$ 16,809	\$ 15,615

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	650,000	650,000	842,858	192,858
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	12,496	12,496
Contributions/Donations	-	-	-	-
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>855,354</u>	<u>205,354</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	774,613	774,613	568,507	206,106
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	41,351	(41,351)
Interest	-	-	-	-
Capital outlay	<u>937,219</u>	<u>937,219</u>	<u>236,607</u>	<u>700,612</u>
Total expenditures	<u>1,711,832</u>	<u>1,711,832</u>	<u>846,465</u>	<u>865,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,061,832)</u>	<u>(1,061,832)</u>	<u>8,889</u>	<u>1,070,721</u>
OTHER FINANCING SOURCES (USES)				
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)	8,889	1,070,721
Fund balances - beginning	864,308	864,308	864,308	-
Fund balances - ending	<u>\$ (197,524)</u>	<u>\$ (197,524)</u>	<u>\$ 873,197</u>	<u>\$ 1,070,721</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	25,000	25,000	32,736	7,736
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	245	245
Contributions/Donations	-	-	-	-
Total revenues	25,000	25,000	32,981	7,981
EXPENDITURES				
Current:				
General Government	8,858	8,858	1,345	7,513
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	8,858	8,858	1,345	7,513
Excess (deficiency) of revenues over (under) expenditures	16,142	16,142	31,636	15,494
OTHER FINANCING SOURCES (USES)				
Transfers Out	(30,000)	(30,000)	(42,317)	(12,317)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	(30,000)	(30,000)	(42,317)	(12,317)
Net change in fund balances	(13,858)	(13,858)	(10,681)	3,177
Fund balances - beginning	14,765	14,765	14,765	-
Fund balances - ending	\$ 907	\$ 907	\$ 4,084	\$ 3,177

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	43,337	156,452	7,818	(148,634)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	43,337	156,452	7,818	(148,634)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	89,272	156,420	8,251	148,169
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	-	8,489	-	8,489
Total expenditures	89,272	164,909	8,251	156,658
Excess (deficiency) of revenues over (under) expenditures	-	(8,457)	(433)	8,024
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	8,457	433	(8,024)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	8,457	433	(8,024)
Net change in fund balances	(45,935)	-	-	-
Fund balances - beginning	1	1	1	-
Fund balances - ending	\$ (45,934)	\$ 1	\$ 1	\$ -

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	161,112	161,112	104,200	(56,912)
Charges for Services	8,823	8,823	2,784	(6,039)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>169,935</u>	<u>169,935</u>	<u>106,984</u>	<u>(62,951)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	256,064	256,064	209,622	46,442
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>256,064</u>	<u>256,064</u>	<u>209,622</u>	<u>46,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(86,129)</u>	<u>(86,129)</u>	<u>(102,638)</u>	<u>(16,509)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	89,126	89,126	102,638	13,512
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>89,126</u>	<u>89,126</u>	<u>102,638</u>	<u>13,512</u>
Net change in fund balances	2,997	2,997	-	(2,997)
Fund balances - beginning	4,196	4,196	4,196	-
Fund balances - ending	<u>\$ 7,193</u>	<u>\$ 7,193</u>	<u>\$ 4,196</u>	<u>\$ (2,997)</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	1,929,677	1,929,677
Charges for Services	100	100	-	(100)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	100	100	1,929,677	1,929,577
EXPENDITURES				
Current:				
General Government	1,241,285	1,373,261	535,200	838,061
Public Safety	113,000	113,000	67,144	45,856
Public Works	10,000	10,000	45,068	(35,068)
Public Health	-	-	-	-
Social and Economic Services	95,000	95,000	61,865	33,135
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	654,211	654,211	327,176	327,035
Interest	23,000	23,000	54,311	(31,311)
Capital outlay	549,474	417,798	52,145	365,653
Total expenditures	2,685,970	2,686,270	1,142,909	1,543,361
Excess (deficiency) of revenues over (under) expenditures	(2,685,870)	(2,686,170)	786,768	3,472,938
OTHER FINANCING SOURCES (USES)				
Transfers Out	(339,404)	(339,404)	(214,590)	124,814
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	(339,404)	(339,404)	(214,590)	124,814
Net change in fund balances	(3,025,274)	(3,025,574)	572,178	3,597,752
Fund balances - beginning	4,055,908 #	4,055,908	4,055,908	-
Fund balances - ending	\$ 1,030,634	\$ 1,030,334	\$ 4,628,086	\$ 3,597,752

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
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 Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,620	1,620	-	1,620
Excess (deficiency) of revenues over (under) expenditures	(1,620)	(1,620)	-	1,620
OTHER FINANCING SOURCES (USES)				
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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	51,000	51,000	90,393	39,393
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>51,000</u>	<u>51,000</u>	<u>90,393</u>	<u>39,393</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	96,797	98,378	162,240	(63,862)
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>96,797</u>	<u>98,378</u>	<u>162,240</u>	<u>(63,862)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,797)</u>	<u>(47,378)</u>	<u>(71,847)</u>	<u>(24,469)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	37,811	39,392	71,847	32,455
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>37,811</u>	<u>39,392</u>	<u>71,847</u>	<u>32,455</u>
Net change in fund balances	(7,986)	(7,986)	-	7,986
Fund balances - beginning	1	1	1	-
Fund balances - ending	<u><u>\$ (7,985)</u></u>	<u><u>\$ (7,985)</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 7,986</u></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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	71,179	107,744	36,565
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	71,179	107,744	36,565
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	100,055	161,117	(61,062)
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	-	100,055	161,117	(61,062)
Excess (deficiency) of revenues over (under) expenditures	-	(28,876)	(53,373)	(24,497)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	28,876	53,373	24,497
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	28,876	53,373	24,497
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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	123,467	129,370	254,092	124,722
Charges for Services	-	-	-	-
Fines and Forfeitures	45,000	45,000	57,117	12,117
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>168,467</u>	<u>174,370</u>	<u>311,209</u>	<u>136,839</u>
EXPENDITURES				
Current:				
General Government	277,390	294,151	376,132	(81,981)
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	4,000	4,000	-	4,000
Total expenditures	<u>281,390</u>	<u>298,151</u>	<u>376,132</u>	<u>(77,981)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,923)</u>	<u>(123,781)</u>	<u>(64,923)</u>	<u>58,858</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	113,433	118,933	67,663	(51,270)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>113,433</u>	<u>118,933</u>	<u>67,663</u>	<u>(51,270)</u>
Net change in fund balances	510	(4,848)	2,740	7,588
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 510</u>	<u>\$ (4,848)</u>	<u>\$ 2,740</u>	<u>\$ 7,588</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	7,000	7,000	1,848	(5,152)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>1,848</u>	<u>(5,152)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	10,768	10,768	3,908	6,860
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>10,768</u>	<u>10,768</u>	<u>3,908</u>	<u>6,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,768)</u>	<u>(3,768)</u>	<u>(2,060)</u>	<u>1,708</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,108)	(5,108)	-	5,108
Sale of Fixed Assets	-	-	-	-
Transfers In	8,876	8,876	2,060	(6,816)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>3,768</u>	<u>3,768</u>	<u>2,060</u>	<u>(1,708)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	129,000	203,709	223,312	19,603
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	129,000	203,709	223,312	19,603
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	76,207	57,445	107,910	(50,465)
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	96,410	187,660	29,937	157,723
Total expenditures	172,617	245,105	137,847	107,258
Excess (deficiency) of revenues over (under) expenditures	(43,617)	(41,396)	85,465	126,861
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	701	2,996	11,750	8,754
Bond Proceeds	-	-	-	-
Total other financing source (uses)	701	2,996	11,750	8,754
Net change in fund balances	(42,916)	(38,400)	97,215	135,615
Fund balances - beginning	(100,087)	(100,087)	(100,087)	-
Fund balances - ending	\$ (143,003)	\$ (138,487)	\$ (2,872)	\$ 135,615

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	30,441	30,441	-	(30,441)
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>-</u>	<u>(36,517)</u>
EXPENDITURES				
Current:				
General Government	60,348	60,348	-	60,348
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>60,348</u>	<u>60,348</u>	<u>-</u>	<u>60,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,831)</u>	<u>(23,831)</u>	<u>-</u>	<u>23,831</u>
OTHER FINANCING SOURCES (USES)				
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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	73,000	63,151	-	(63,151)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	2,852	52,580	49,728
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>73,000</u>	<u>66,003</u>	<u>52,580</u>	<u>(13,423)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	73,425	66,428	56,061	10,367
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	73,114	73,114	-	73,114
Total expenditures	<u>146,539</u>	<u>139,542</u>	<u>56,061</u>	<u>83,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,539)</u>	<u>(73,539)</u>	<u>(3,481)</u>	<u>70,058</u>
OTHER FINANCING SOURCES (USES)				
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)	(3,481)	70,058
Fund balances - beginning	150,467	150,467	150,467	-
Fund balances - ending	<u>\$ 76,928</u>	<u>\$ 76,928</u>	<u>\$ 146,986</u>	<u>\$ 70,058</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	147,200	163,867	199,271	35,404
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	38	38
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>147,200</u>	<u>163,867</u>	<u>199,309</u>	<u>35,442</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	147,168	147,433	219,541	(72,108)
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>-</u>	<u>214,716</u>
Total expenditures	<u>361,884</u>	<u>362,149</u>	<u>219,541</u>	<u>142,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(214,684)</u>	<u>(198,282)</u>	<u>(20,232)</u>	<u>178,050</u>
OTHER FINANCING SOURCES (USES)				
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	(214,684)	(198,282)	(20,232)	178,050
Fund balances - beginning	<u>372,383</u>	<u>372,383</u>	<u>372,383</u>	<u>-</u>
Fund balances - ending	<u>\$ 157,699</u>	<u>\$ 174,101</u>	<u>\$ 352,151</u>	<u>\$ 178,050</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	114,458	114,458	100,302	(14,156)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>114,458</u>	<u>114,458</u>	<u>100,302</u>	<u>(14,156)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	260,957	260,957	103,008	157,949
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>141,818</u>	<u>141,818</u>	<u>-</u>	<u>141,818</u>
Total expenditures	<u>402,775</u>	<u>402,775</u>	<u>103,008</u>	<u>299,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(288,317)</u>	<u>(288,317)</u>	<u>(2,706)</u>	<u>285,611</u>
OTHER FINANCING SOURCES (USES)				
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	(288,317)	(288,317)	(2,706)	285,611
Fund balances - beginning	<u>231,429</u>	<u>231,429</u>	<u>231,429</u>	<u>-</u>
Fund balances - ending	<u>\$ (56,888)</u>	<u>\$ (56,888)</u>	<u>\$ 228,723</u>	<u>\$ 285,611</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	258,870	270,388	242,657	(27,731)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	1,346	1,346
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>258,870</u>	<u>270,388</u>	<u>244,003</u>	<u>(26,385)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	357,083	366,433	356,361	10,072
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	3,000	5,168	-	5,168
Total expenditures	<u>360,083</u>	<u>371,601</u>	<u>356,361</u>	<u>15,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,213)</u>	<u>(101,213)</u>	<u>(112,358)</u>	<u>(11,145)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	100,284	100,284	130,599	30,315
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>100,284</u>	<u>100,284</u>	<u>130,599</u>	<u>30,315</u>
Net change in fund balances	(929)	(929)	18,241	19,170
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ (929)</u>	<u>\$ (929)</u>	<u>\$ 18,241</u>	<u>\$ 19,170</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	368,500	368,500	527,920	159,420
Charges for Services	11,000	11,000	56,681	45,681
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>379,500</u>	<u>379,500</u>	<u>584,601</u>	<u>205,101</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	454,427	451,298	558,235	(106,937)
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	3,129	-	3,129
Total expenditures	<u>454,427</u>	<u>454,427</u>	<u>558,235</u>	<u>(103,808)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,927)</u>	<u>(74,927)</u>	<u>26,366</u>	<u>101,293</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	46,536	46,536	16,439	(30,097)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>46,536</u>	<u>46,536</u>	<u>16,439</u>	<u>(30,097)</u>
Net change in fund balances	(28,391)	(28,391)	42,805	71,196
Fund balances - beginning	26,798	26,798	26,798	-
Fund balances - ending	<u>\$ (1,593)</u>	<u>\$ (1,593)</u>	<u>\$ 69,603</u>	<u>\$ 71,196</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	42,963	51,064	85,024	33,960
Charges for Services	506,675	671,675	433,234	(238,441)
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	549,638	722,739	518,258	(204,481)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	540,616	715,179	528,266	186,913
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	200,263	200,263	-	200,263
Total expenditures	740,879	915,442	528,266	387,176
Excess (deficiency) of revenues over (under) expenditures	(191,241)	(192,703)	(10,008)	182,695
OTHER FINANCING SOURCES (USES)				
Transfers Out	(12,542)	(12,542)	-	12,542
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	(12,542)	(12,542)	-	12,542
Net change in fund balances	(203,783)	(205,245)	(10,008)	195,237
Fund balances - beginning	242,528	242,528	242,528	-
Fund balances - ending	\$ 38,745	\$ 37,283	\$ 232,520	\$ 195,237

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	539,597	558,097	541,557	(16,540)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>539,597</u>	<u>558,097</u>	<u>541,557</u>	<u>(16,540)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	516,772	535,722	546,525	(10,803)
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>519,272</u>	<u>538,222</u>	<u>546,525</u>	<u>(8,303)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,325</u>	<u>19,875</u>	<u>(4,968)</u>	<u>(24,843)</u>
OTHER FINANCING SOURCES (USES)				
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	20,325	19,875	(4,968)	(24,843)
Fund balances - beginning	315	315	315	-
Fund balances - ending	<u>\$ 20,640</u>	<u>\$ 20,190</u>	<u>\$ (4,653)</u>	<u>\$ (24,843)</u>

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

Gallatin County, State of Montana
2987 FEDERAL GRANT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	1,272,925	348	(1,272,577)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	3,467	3,467
Contributions/Donations	-	-	-	-
Total revenues	-	1,272,925	3,815	(1,269,110)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	308,044	308,044	8,343	299,701
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	1,272,925	43	1,272,882
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	308,044	1,580,969	8,386	1,572,583
Excess (deficiency) of revenues over (under) expenditures	(308,044)	(308,044)	(4,571)	303,473
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(308,044)	(308,044)	(4,571)	303,473
Fund balances - beginning	277,289	277,289	277,289	-
Fund balances - ending	\$ (30,755)	\$ (30,755)	\$ 272,718	\$ 303,473

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	234,164	234,164	208,279	(25,885)
Charges for Services	-	-	-	-
Fines and Forfeitures	12,626	12,626	19,662	7,036
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	246,790	246,790	227,941	(18,849)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	394,987	394,987	357,673	37,314
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	409,987	409,987	357,673	52,314
Excess (deficiency) of revenues over (under) expenditures	(163,197)	(163,197)	(129,732)	33,465
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	161,425	161,425	126,789	(34,636)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	161,425	161,425	126,789	(34,636)
Net change in fund balances	(1,772)	(1,772)	(2,943)	(1,171)
Fund balances - beginning	1	1	1	-
Fund balances - ending	\$ (1,771)	\$ (1,771)	\$ (2,942)	\$ (1,171)

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
Ousel Falls Road
Franklin Hills
Olive Tree Way

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

Meadow Subd.
Lake Subd
Evergreen Way
Trail Creek Road
Firelight
Summer Ridge Subd.

Gallatin County, State of Montana
Combining Balance Sheet
Nonmajor Debt service funds
June 30, 2018

	3040	3050	3205	3400	Total Nonmajor Debt Service Funds
	OPEN SPACE BOND	DETENTION CENTER BOND	INTERCAP LOAN FUND	RURAL REVOLVING	
ASSETS					
Cash & Investments	\$ 60,344	\$ 137,668	\$ 20	\$ 1,096,521	\$ 1,294,553
Real Estate Taxes Receivable	33,142	50,469	-	82	83,693
Personal Taxes Receivable	7,675	11,306	-	1	18,982
Protested Taxes Receivable	3	1,807	-	-	1,810
Accounts Receivable-Net	-	-	-	3,251	3,251
Total assets	<u>\$ 101,164</u>	<u>\$ 201,250</u>	<u>\$ 20</u>	<u>\$ 1,099,855</u>	<u>\$ 1,402,289</u>
LIABILITIES					
Other Accrued Payables	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue, Property Taxes	40,820	63,582	-	83	104,485
Total Deferred Inflows of Resources	<u>40,820</u>	<u>63,582</u>	<u>-</u>	<u>83</u>	<u>104,485</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	-	-	-
Debt Service Obligations	60,344	137,668	20	1,099,772	1,297,804
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:					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>60,344</u>	<u>137,668</u>	<u>20</u>	<u>1,099,772</u>	<u>1,297,804</u>
Total liabilities and fund balances (deficits)	<u>\$ 101,164</u>	<u>\$ 201,250</u>	<u>\$ 20</u>	<u>\$ 1,099,855</u>	<u>\$ 1,297,804</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 1,186,193	\$ 1,186,193	\$ 1,465,097	\$ 278,904
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	10,000	10,000	-	(10,000)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	6,972	6,972
Contributions/Donations	-	-	-	-
Total revenues	<u>1,196,193</u>	<u>1,196,193</u>	<u>1,472,069</u>	<u>275,876</u>
EXPENDITURES				
Current:				
General Government	1,400	1,400	1,701	(301)
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	1,005,402	1,145,000	(139,598)
Interest	293,474	293,474	316,136	(22,662)
Capital outlay	-	-	-	-
Total expenditures	<u>1,244,874</u>	<u>1,300,276</u>	<u>1,462,837</u>	<u>(162,561)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,681)</u>	<u>(104,083)</u>	<u>9,232</u>	<u>113,315</u>
OTHER FINANCING SOURCES (USES)				
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)	(104,083)	9,232	113,315
Fund balances - beginning	51,112	51,112	51,112	-
Fund balances - ending	<u>\$ 2,431</u>	<u>\$ (52,971)</u>	<u>\$ 60,344</u>	<u>\$ 113,315</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ 2,292,712	\$ 2,292,712	\$ 2,351,658	\$ 58,946
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	15,000	15,000	-	(15,000)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	10,516	10,516
Contributions/Donations	-	-	-	-
Total revenues	<u>2,307,712</u>	<u>2,307,712</u>	<u>2,362,174</u>	<u>54,462</u>
EXPENDITURES				
Current:				
General Government	350	350	700	(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	1,460,000	(135,000)
Interest	1,073,796	1,073,796	886,775	187,021
Capital outlay	-	-	-	-
Total expenditures	<u>2,399,146</u>	<u>2,399,146</u>	<u>2,347,475</u>	<u>51,671</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,434)</u>	<u>(91,434)</u>	<u>14,699</u>	<u>106,133</u>
OTHER FINANCING SOURCES (USES)				
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)	14,699	106,133
Fund balances - beginning	122,969	122,969	122,969	-
Fund balances - ending	<u>\$ 31,535</u>	<u>\$ 31,535</u>	<u>\$ 137,668</u>	<u>\$ 106,133</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
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	-	512,285
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	512,285	512,285	-	512,285
Excess (deficiency) of revenues over (under) expenditures	(512,285)	(512,285)	-	512,285
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	512,285	512,285	-	(512,285)
Bond Proceeds	-	-	-	-
Total other financing source (uses)	512,285	512,285	-	(512,285)
Net change in fund balances	-	-	-	-
Fund balances - beginning	20	20	20	-
Fund balances - ending	\$ 20	\$ 20	\$ 20	\$ -

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	15,000	15,000	14,465	(535)
Contributions/Donations	-	-	-	-
Total revenues	15,000	15,000	14,465	(535)
EXPENDITURES				
Current:				
General Government	26,345	26,345	7,509	18,836
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	26,345	26,345	7,509	18,836
Excess (deficiency) of revenues over (under) expenditures	(11,345)	(11,345)	6,956	18,301
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,019,414)	(1,019,414)	-	1,019,414
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	(1,019,414)	(1,019,414)	-	1,019,414
Net change in fund balances	(1,030,759)	(1,030,759)	6,956	1,037,715
Fund balances - beginning	1,092,816	1,092,816	1,092,816	-
Fund balances - ending	\$ 62,057	\$ 62,057	\$ 1,099,772	\$ 1,037,715

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.

Community Development Block Grant (CDBG) Fund – Tracks federal grant revenue received for approved CDBG projects for expenses approved for the individual projects.

Stimulus Activity Program Fund – Accounts for receipt of dedicated federal grant revenues for the tracking of expenses approved by the federal granting agency.

Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Capital Project Funds
June 30, 2018

	4140 OPEN SPACE BOND PROGRAM FUND	4200 CP - RID FUNDS	4310 CTEP PROJECTS	4320 INFRASTRUC- TURE LOAN PROGRAM	4331 JUNK VEHICLE- CAPITAL IMPROVEMENT
ASSETS					
Cash & Investments	\$ 1,960,014	\$ 214,400	\$ 2,236	\$ -	\$ 133,338
Accounts Receivable-Net	53,683	-	-	-	-
Total assets	<u>2,013,697</u>	<u>214,400</u>	<u>2,236</u>	<u>-</u>	<u>133,338</u>
LIABILITIES					
Accounts Payable	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	-	-	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	2,013,697	214,400	2,236	-	133,338
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:	-	-	-	-	-
Total fund balance	<u>2,013,697</u>	<u>214,400</u>	<u>2,236</u>	<u>-</u>	<u>133,338</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,013,697</u>	<u>\$ 214,400</u>	<u>\$ 2,236</u>	<u>\$ -</u>	<u>\$ 133,338</u>

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

Gallatin County, State of Montana
Combining Balance Sheet (Continued)
Nonmajor Capital Project Funds
June 30, 2018

	4350 TSEP - CONSTRUCTION FUND	4430 CDBG - GRANTS	4990 STIMULUS ACTIVITIES	Total Nonmajor Capital projects funds
ASSETS				
Cash & Investments	\$ 1,750	\$ -	\$ -	\$ 2,311,738
Accounts Receivable-Net	-	9,222	-	62,905
Total assets	<u>1,750</u>	<u>9,222</u>	<u>-</u>	<u>2,374,643</u>
LIABILITIES				
Accounts Payable	4,215	-	-	4,215
Due To Other Funds	-	9,312	-	9,312
Total liabilities	<u>4,215</u>	<u>9,312</u>	<u>-</u>	<u>13,527</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Grants	-	-	-	-
Debt Service Obligations	-	-	-	-
RID Debt Services	-	-	-	-
Construction Projects	(2,465)	(90)	-	2,361,116
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:	-	-	-	-
Total fund balance	<u>(2,465)</u>	<u>(90)</u>	<u>-</u>	<u>2,361,116</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,750</u>	<u>\$ 9,222</u>	<u>\$ -</u>	<u>\$ 2,374,643</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	68,000	68,000	52,578	(15,422)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	7,500	7,500	25,125	17,625
Contributions/Donations	-	-	-	-
Total revenues	<u>75,500</u>	<u>75,500</u>	<u>77,703</u>	<u>2,203</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	28,666	28,666	3,389	25,277
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,375,012	1,375,012	285,853	1,089,159
Total expenditures	<u>1,403,678</u>	<u>1,403,678</u>	<u>289,242</u>	<u>1,114,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,328,178)</u>	<u>(1,328,178)</u>	<u>(211,539)</u>	<u>1,116,639</u>
OTHER FINANCING SOURCES (USES)				
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	(1,328,178)	(1,328,178)	(211,539)	1,116,639
Fund balances - beginning	2,225,236	2,225,236	2,225,236	-
Fund balances - ending	<u>\$ 897,058</u>	<u>\$ 897,058</u>	<u>\$ 2,013,697</u>	<u>\$ 1,116,639</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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	157,000	-	(157,000)
Investment Earnings	-	-	72	72
Contributions/Donations	-	-	-	-
Total revenues	-	157,000	72	(156,928)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	902,848	902,848	-	902,848
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	4,191	4,191	-	4,191
Total expenditures	907,039	907,039	-	907,039
Excess (deficiency) of revenues over (under) expenditures	(907,039)	(750,039)	72	750,111
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	344,850	-	344,850
Bond Premium	-	-	-	-
Total other financing source (uses)	-	344,850	-	344,850
Net change in fund balances	(907,039)	(405,189)	72	1,094,961
Fund balances - beginning	214,328	214,328	214,328	-
Fund balances - ending	\$ (692,711)	\$ (190,861)	\$ 214,400	\$ 1,094,961

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	343,269	343,269	-	(343,269)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	53,207	53,207	-	(53,207)
Total revenues	<u>396,476</u>	<u>396,476</u>	<u>-</u>	<u>(396,476)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	225,272	225,272	-	225,272
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>-</u>	<u>396,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
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	-	-	-	-
Interest	-	-	-	-
Capital outlay	24	-	-	-
Total expenditures	24	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(24)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	(24)	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (24)	\$ -	\$ -	\$ -

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

Gallatin County, State of Montana
4331 JUNK VEHICLE-CAPITAL IMPROVEMT
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	14	14
Contributions/Donations	-	-	-	-
Total revenues	-	-	14	14
EXPENDITURES				
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	-	-	-	-
Interest	-	-	-	-
Capital outlay	135,206	135,206	-	135,206
Total expenditures	135,206	135,206	-	135,206
Excess (deficiency) of revenues over (under) expenditures	(135,206)	(135,206)	14	135,220
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	132,213	132,213
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	-	-	132,213	132,213
Net change in fund balances	(135,206)	(135,206)	132,227	267,433
Fund balances - beginning	1,111	1,111	1,111	-
Fund balances - ending	\$ (134,095)	\$ (134,095)	\$ 133,338	\$ 267,433

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, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	15,000	10,448	(4,552)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	15,000	10,448	(4,552)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	1,617	3,416	(1,799)
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	36,184	39,780	(3,596)
Total expenditures	-	37,801	43,196	(5,395)
Excess (deficiency) of revenues over (under) expenditures	-	(22,801)	(32,748)	(9,947)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	22,801	30,283	7,482
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	-	22,801	30,283	7,482
Net change in fund balances	-	-	(2,465)	(2,465)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ (2,465)	\$ (2,465)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	440,708	440,708	158,340	(282,368)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>440,708</u>	<u>440,708</u>	<u>158,340</u>	<u>(282,368)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Community Development	450,000	450,000	167,722	282,278
Conservation of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>167,722</u>	<u>282,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,292)</u>	<u>(9,292)</u>	<u>(9,382)</u>	<u>(90)</u>
OTHER FINANCING SOURCES (USES)				
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	(9,292)	(9,292)	(9,382)	(90)
Fund balances - beginning	<u>9,292</u>	<u>9,292</u>	<u>9,292</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (90)</u>	<u>\$ (90)</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
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	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(749)	-	749
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Total other financing source (uses)	-	(749)	-	749
Net change in fund balances	-	(749)	-	749
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (749)	\$ -	\$ 749

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 telephone, cell phone or computer usage charges, along with the payment of expenses associated with the telephone and computer infrastructure.

Copier Reserve Fund – Tracks receipt of per copy charges for departments paying for expenses associated with the purchase, maintenance and operations of most copiers in the county.

Liability Insurance Fund – Used to account for receipt of deductible reserve 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, 2018

	6010	6050	6070	6090	6110	6120	Total Nonmajor Internal Service Funds
	MOTOR POOL	EMPLOYEE HEALTH INS. FUND	CENTRAL MAINTENANCE	COMMUNICATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	
ASSETS							
Current assets:							
Cash & Investments	\$ 54,885	\$ 4,529,931	\$ 1,298,067	\$ 577,108	\$ 234,281	\$ 1,056,957	\$ 7,751,229
Noncurrent assets:							
Accounts Receivable-Net	-	25,496	5,575	1,736	-	3,180	35,987
Capital Assets-Net of Accumulation	47,227	-	24,519	557,699	29,752	-	659,197
Total assets	102,112	4,555,427	1,328,161	1,136,543	264,033	1,060,137	8,446,413
DEFERRED OUTFLOWS OF RESOURCES							
Other Postemployment Health Benefit Contributions	-	-	2,235	-	-	-	2,235
Total deferred outflows of resources	-	-	2,235	-	-	-	2,235
LIABILITIES							
Current liabilities:							
Accounts Payable	925	1,366	111,895	47,357	1,554	135	163,232
Other Accrued Payables	-	923,020	21,296	2,944	-	-	947,260
Compensated Absences	-	-	5,580	-	-	-	5,580
Total current liabilities	925	924,386	138,771	50,301	1,554	135	1,116,072
Noncurrent liabilities:							
Other Postemployment health benefits	-	-	51,337	-	-	-	51,337
Compensated Absences	-	-	50,216	-	-	-	50,216
Total noncurrent liabilities	-	-	101,553	-	-	-	101,553
Total liabilities	925	924,386	240,324	50,301	1,554	135	1,217,625
DEFERRED INFLOWS OF RESOURCES							
Other Postemployment Health Benefits assumption changes	-	-	4,138	-	-	-	4,138
Total deferred inflows of resources	-	-	4,138	-	-	-	4,138
NET POSITION							
Net investment in capital assets	47,227	-	24,519	557,699	29,752	-	659,197
Unrestricted	53,960	3,631,041	1,061,415	528,543	232,727	1,060,002	6,567,688
Total net position	\$ 101,187	\$ 3,631,041	\$ 1,085,934	\$ 1,086,242	\$ 262,479	\$ 1,060,002	\$ 7,226,885

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, 2018

	6010	6050 EMPLOYEE HEALTH INSURANCE	6070 CENTRAL MAINTENANCE	6090 COMMUNICATIONS (PHONE SYSTEM)	6110 COPIER RESERVE FUND	6120 LIABILITY INSURANCE FUND	Total Internal Service Funds
OPERATING REVENUES	MOTOR POOL						
Charges for Services	\$ 23,377	\$ -	\$ 136,840	\$ 455,014	\$ -	\$ -	\$ 615,231
Miscellaneous	-	-	2,473	-	-	-	2,473
Internal Services	-	6,413,463	1,429,515	-	62,625	266,382	8,171,985
Total operating revenues	<u>23,377</u>	<u>6,413,463</u>	<u>1,568,828</u>	<u>455,014</u>	<u>62,625</u>	<u>266,382</u>	<u>8,789,689</u>
OPERATING EXPENSES							
Internal Service-Personnel	-	292	501,753	70,417	-	-	572,462
Internal Service-Supplies	7,828	1,089	140,887	17,607	7,684	-	175,095
Internal Service-Purchased Services	665	97,755	882,962	273,006	35,225	42,529	1,332,142
Internal Service-Fixed Charges	2,070	624,898	59,872	24,559	3,012	123,608	838,019
Internal Service-Depreciation	9,501	-	1,304	125,066	12,411	-	148,282
Internal Service-Benefit Payments	-	6,712,309	-	-	-	-	6,712,309
Total operating expenses	<u>20,064</u>	<u>7,436,343</u>	<u>1,586,778</u>	<u>510,655</u>	<u>58,332</u>	<u>166,137</u>	<u>9,778,309</u>
Operating income (loss)	<u>3,313</u>	<u>(1,022,880)</u>	<u>(17,950)</u>	<u>(55,641)</u>	<u>4,293</u>	<u>100,245</u>	<u>(988,620)</u>
NONOPERATING REVENUES (EXPENSES)							
Investment Earnings	-	8,161	6,514	2,808	747	3,950	22,180
Sale of Fixed Assets	-	-	1,250	-	-	-	1,250
Transfers Out	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>8,161</u>	<u>7,764</u>	<u>2,808</u>	<u>747</u>	<u>3,950</u>	<u>23,430</u>
Income (loss) before contributions and transfers	<u>3,313</u>	<u>(1,014,719)</u>	<u>(10,186)</u>	<u>(52,833)</u>	<u>5,040</u>	<u>104,195</u>	<u>(965,190)</u>
Transfers In	-	1,172,773	-	-	-	-	1,172,773
Change in net position	<u>3,313</u>	<u>158,054</u>	<u>(10,186)</u>	<u>(52,833)</u>	<u>5,040</u>	<u>104,195</u>	<u>207,583</u>
Total net position - beginning	97,874	3,472,987	1,118,394	1,139,075	257,439	955,807	7,041,576
GASB 75 Restatement	-	-	(22,274)	-	-	-	(22,274)
Total net position - ending	<u>\$ 101,187</u>	<u>\$ 3,631,041</u>	<u>\$ 1,085,934</u>	<u>\$ 1,086,242</u>	<u>\$ 262,479</u>	<u>\$ 1,060,002</u>	<u>\$ 7,226,885</u>

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

Gallatin County, State of Montana
Comparative Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended June 30, 2018

	6010	6050	6070	6090	6110	6120	
	MOTOR POOL	EMPLOYEE HEALTH INS. FUND	CENTRAL MAINTENANCE	COMMUNICATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash from interfund	\$ 23,377	\$ 6,413,463	\$ 1,429,515	\$ 455,014	\$ 62,625	\$ 266,381	\$ 8,650,375
Cash receipts from customer	-	36,543	138,137	(558)	211	1,860	176,193
Payments to employees	(1,727)	-	(489,406)	(70,169)	-	-	(561,302)
Payments to interfund	(905)	-	(821,619)	-	-	-	(822,524)
Payments to suppliers	(7,454)	(6,745,508)	(199,606)	(290,611)	(48,724)	(166,721)	(7,458,624)
Net cash provided (used) by operating activities	13,291	(295,502)	57,021	93,676	14,112	101,520	(15,882)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from (to) other funds	-	1,172,773	-	-	-	-	1,172,773
Net cash provided (used) by noncapital financing activities	-	1,172,773	-	-	-	-	1,172,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases/acquisition/construction of capital assets	(20,639)	-	(22,684)	(43,461)	-	-	(86,784)
Proceeds from sale of capital assets	-	-	1,250	-	-	-	1,250
Net cash provided (used) by capital and related financing activities	(20,639)	-	(21,434)	(43,461)	-	-	(85,534)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Earnings	-	8,161	6,514	2,808	747	3,950	22,180
Net cash provided (used) by investing activities	-	8,161	6,514	2,808	747	3,950	22,180
Net increase (decrease) in cash and cash equivalents	(7,348)	885,432	42,101	53,023	14,859	105,470	1,093,537
Balances - beginning of year	62,233	3,644,499	1,255,966	524,085	219,422	951,487	6,657,692
Balances - end of year	54,885	4,529,931	1,298,067	577,108	234,281	1,056,957	7,751,229
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	\$ 3,313	\$ (1,022,880)	\$ (17,950)	\$ (55,641)	\$ 4,293	\$ 100,245	\$ (988,620)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation Expense	9,501	-	1,304	125,066	12,411	-	148,282
Changes in assets and liabilities:							
Customer Receivables	-	36,542	(1,176)	(558)	211	1,860	36,879
Accounts payable	477	2,116	61,343	24,561	(2,803)	(585)	85,109
Other accrued payables	-	688,720	1,153	248	-	-	690,121
Compensated absences	-	-	9,395	-	-	-	9,395
Other Postemployment health benefits and related deferred inflows and outflows	-	-	2,952	-	-	-	2,952
Net cash provided (used) by operating activities	\$ 13,291	\$ (295,502)	\$ 57,021	\$ 93,676	\$ 14,112	\$ 101,520	\$ (15,882)

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

STATISTICAL SECTION

GALLATIN COUNTY, MONTANA
NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Investment in capital assets, net of related debt	69,632	89,086	96,440	98,593	94,609	94,357	94,046	90,225	91,771	94,356
Restricted	1,588	815	1,391	1,391	-	17,260	16,826	26,890	16,211	18,878
Unrestricted	59,486	43,467	40,045	38,720	43,114	28,346	11,862	12,014	22,057	19,398
Total governmental activities net position	130,706	133,368	137,876	138,704	137,723	139,963	122,734	129,130	130,039	132,632
Business-type activities										
Investment in capital assets, net of related debt	8,130	8,646	9,016	9,036	7,889	9,015	9,463	9,482	9,527	9,679
Restricted	2,189	2,339	2,339	2,339	2,115	2,115	2,161	2,329	2,503	2,689
Unrestricted	6,126	6,723	8,118	8,969	10,507	10,098	6,692	8,089	9,150	9,625
Total business-type activities net position	16,444	17,707	19,473	20,344	20,510	21,227	18,316	19,900	21,180	21,993
Primary government										
Investment in capital assets, net of related debt	77,762	97,732	105,457	107,629	102,498	103,372	103,509	99,707	101,298	104,035
Restricted	3,777	3,154	3,730	3,730	2,115	19,375	18,987	29,220	18,714	21,567
Unrestricted	65,612	50,190	48,163	47,689	53,621	38,444	18,554	20,103	31,207	29,023
Total primary government net position	147,150	151,076	157,349	159,048	158,233	161,190	141,050	149,030	151,219	154,625

GALLATIN COUNTY, MONTANA

CHANGE IN NET POSITION

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	9,916	10,046	10,718	9,473	9,838	10,139	10,200	10,027	12,529	12,324
Public safety	12,400	14,183	17,456	16,489	16,934	17,621	17,954	17,293	20,488	21,131
Public works	8,236	8,735	9,312	9,496	11,043	17,215	12,192	5,629	13,396	10,138
Public health	3,224	3,315	3,241	3,392	3,606	3,597	3,899	4,179	5,268	5,540
Social and economic	439	536	523	486	495	492	471	472	537	518
Culture and recreation	1,683	2,763	1,822	1,823	1,899	2,000	1,972	1,976	2,446	2,609
Housing & Comm. Dev.	73	3,316	3,842	90	414	156	108	490	1,161	436
Conservation of Nat. Res.	81	118	139	111	146	147	114	132	127	62
Miscellaneous / Unallocated	63	8	35	-	-	-	-	-	-	-
Interest on long-term debt	1,620	2,185	2,424	2,376	2,638	2,082	1,975	3,559	1,708	1,546
Total governmental activities	37,735	45,205	49,512	43,735	47,014	53,449	48,885	43,758	57,660	54,303
Business-type activities:										
Gallatin county landfill										
Rest home	2,646	2,941	3,165	3,159	3,019	3,041	2,708	2,581	2,814	3,052
West Yellowstone Refuse	5,169	5,426	5,676	5,736	5,813	5,921	5,978	6,112	6,064	6,871
Total business-type activities	823	756	760	829	859	992	949	979	1,182	1,126
Total primary government expenses	8,638	9,122	9,601	9,724	9,691	9,953	9,635	9,672	10,060	11,049
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,806	2,043	2,073	2,001	2,032	2,342	2,828	3,657	3,611	4,403
Public safety	2,525	1,639	1,506	1,763	2,708	3,981	3,760	2,845	4,139	2,275
Public works	587	329	169	157	83	101	80	102	74	77
Public health	270	303	310	342	357	441	480	614	612	1,111
Social and economic	64	68	78	30	-	-	-	-	-	-
Culture and recreation	475	612	510	503	560	588	570	643	752	859
Housing & Comm. Dev.	226	193	311	180	231	487	537	589	592	2
Conservation of Nat. Res.	125	87	149	117	106	95	85	70	63	61
Operating Grants and contributions	5,369	5,232	6,584	5,597	7,205	5,573	5,465	7,017	6,451	6,258
Capital grants and contributions	804	4,414	4,209	479	244	6,658	3,046	147	190	830
Total governmental activity revenue	12,251	14,921	15,898	11,170	13,526	20,266	16,851	15,686	16,484	15,876
Business-type activities										
Charges for services:										
Gallatin county landfill	4,014	3,637	4,374	3,976	3,536	3,823	4,254	4,444	4,738	5,286
Rest home	5,352	5,725	5,788	5,324	5,283	5,227	4,827	5,211	5,398	5,506
West Yellowstone Refuse	874	789	839	886	786	863	804	770	789	947
Operating Grants and contributions	75	91	206	295	420	180	141	208	222	253
Total business-type activity revenue	10,315	10,241	11,207	10,480	10,025	10,092	10,026	10,633	11,147	11,991
Total primary government revenue	22,565	25,162	27,105	21,650	23,551	30,358	26,877	26,319	27,631	27,868
Net (expense) revenue										
Governmental activities:	(25,484)	(30,285)	(33,614)	(32,565)	(33,488)	(33,184)	(32,034)	(28,072)	(41,176)	(38,426)
Business-type activities	1,676	1,119	1,605	757	334	139	391	961	1,087	942
Total primary government (expense) revenue	(23,808)	(29,166)	(32,008)	(31,809)	(33,154)	(33,044)	(31,643)	(27,110)	(40,089)	(37,484)

GALLATIN COUNTY, MONTANA
CHANGE IN NET POSITION (Continued)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	24,914	29,436	35,171	30,201	31,088	32,028	33,425	34,018	35,674	37,073
Local option tax	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants/contributions	2,072	2,148	2,144	2,346	2,444	2,692	3,009	3,185	3,189	3,199
Investment earnings	975	837	559	316	(579)	628	527	628	262	394
Miscellaneous	600	262	85	543	569	104	(20)	2,531	3,002	2,795
Sale/disposal of Fixed assets	7	6	163	(15)	(1,014)	11	18	53	(41)	(105)
Other	-	-	-	-	-	-	-	-	-	(9)
Total governmental activities	28,569	32,689	38,121	33,392	32,508	35,464	36,959	40,415	42,086	43,346
Business-type activities:										
Taxes	65	-	-	-	-	1	-	2	-	(0)
Unrestricted grants/contributions	-	-	-	-	-	-	84	214	242	65
Investment earnings	240	157	157	115	(161)	276	162	190	59	79
Miscellaneous / Other	-	(13)	3	(1)	(8)	261	39	217	(108)	20
Sale/disposal of Fixed assets	-	(13)	3	(1)	(8)	261	39	217	(108)	(2)
Total business-type activities	305	144	160	114	(168)	538	285	622	193	163
Total primary government expenses	28,874	32,833	38,281	33,505	32,340	36,002	37,244	41,038	42,279	43,509
Change in Net Position										
Governmental activities:	3,085	2,405	4,508	826	(980)	2,280	4,925	12,343	910	4,920
Business-type activities	1,981	1,263	1,765	871	166	677	676	1,584	1,280	1,105
Total primary government	5,066	3,668	6,273	1,697	(814)	2,957	5,601	13,927	2,190	6,025

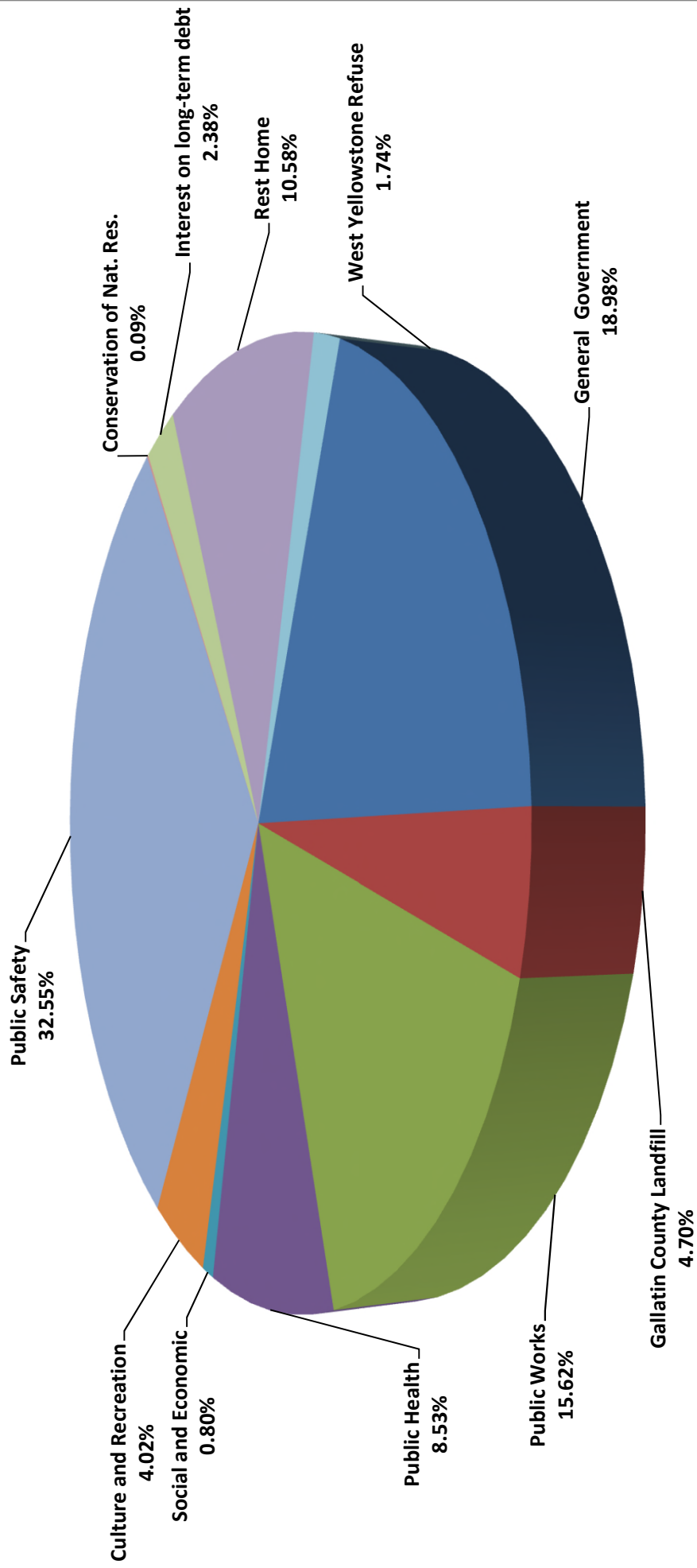
GALLATIN COUNTY, MONTANA
GOVERNMENT-WIDE EXPENSES BY FUNCTION

(accrual basis of accounting)

(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018
General Government	9,473	9,838	10,139	10,200	10,027	12,529	12,324
Gallatin County Landfill	3,159	3,019	3,041	2,708	2,581	2,814	3,052
Public Works	9,496	11,043	17,215	12,192	5,629	13,396	10,138
Public Health	3,392	3,606	3,597	3,899	4,179	5,268	5,540
Social and Economic	486	495	492	471	472	537	518
Culture and Recreation	1,823	1,899	2,000	1,972	1,976	2,446	2,609
Public Safety	16,489	16,934	17,621	17,954	17,293	20,488	21,131
Conservation of Nat. Res.	201	146	147	114	132	127	62
Interest on long-term debt	2,376	2,638	2,082	1,975	3,559	1,708	1,546
Rest Home	5,736	5,813	5,921	5,978	6,112	6,064	6,871
West Yellowstone Refuse	829	859	992	949	979	1,182	1,126
	<u>\$ 53,549</u>	<u>\$ 56,705</u>	<u>\$ 63,402</u>	<u>\$ 58,520</u>	<u>\$ 53,429</u>	<u>\$ 67,720</u>	<u>\$ 65,352</u>

Government-Wide Expenses by Function



GALLATIN COUNTY, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS

(accrual basis of accounting)

(amounts expressed in thousands)

	2009	2010	2013	2014	2015	2016	2017	2018
General fund								
Nonspendable	-	-	142	131	129	137	112	118
Restricted	-	-	409	488	563	702	710	833
Unrestricted								
Committed	1,112	1,106	2,529	3,078	3,753	4,285	4,420	4,946
Assigned	-	-	328	306	477	628	548	588
Unassigned	-	-					-	-
Total general fund	1,112	1,106	3,408	4,003	4,922	5,752	5,790	6,485
All other governmental funds								
Nonspendable	181	217	68	65	70	67	1,075	64
Restricted	1,588	815	8,341	9,233	9,212	18,751	8,195	11,257
Unrestricted								
Committed			19,912	21,760	26,163	23,555	33,714	34,581
Assigned	33,569	15,482	101	36	76	160	84	81
Unassigned	16,938	17,618	-	-	-	-	-	-
Total all other governmental funds	52,276	34,132	28,422	31,094	35,521	42,533	43,068	45,983
Total all governmental funds	53,388	35,238	31,830	35,097	40,443	48,285	48,858	52,468

GALLATIN COUNTY, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes/assessments	25,730	27,226	30,973	31,312	31,790	32,635	34,705	33,775	35,876	37,574
Licenses and permits	274	244	281	291	308	300	316	390	384	378
Intergovernmental	7,982	11,280	11,527	8,217	9,786	14,845	11,402	9,637	10,222	11,401
Charges for services	3,626	3,800	3,797	3,779	4,947	6,405	6,996	7,329	7,010	6,606
Fines and forfeitures	1,271	409	609	634	540	598	664	728	669	701
Miscellaneous	997	1,548	492	1,121	581	538	271	2,923	3,002	2,847
Interest earnings	878	762	492	276	(179)	509	411	558	237	372
Contributions/donations	773	38	1,430	4	22	102	22	90	65	16
Total revenues	41,531	45,306	49,602	45,635	47,795	55,931	54,787	55,429	57,465	59,895
Expenditures:										
General government	8,965	8,778	9,681	8,574	8,902	9,139	9,625	10,027	10,537	10,611
Public safety	11,663	12,717	16,735	14,342	14,735	15,498	16,490	17,293	17,959	19,088
Public works	4,457	5,667	6,281	6,237	7,612	13,342	8,247	5,629	7,777	5,820
Public health	3,209	3,059	3,157	3,264	3,439	3,410	3,866	4,179	4,745	5,113
Social and economic	442	473	504	456	456	447	461	472	529	512
Culture and recreation	1,571	2,629	1,688	1,680	1,755	1,854	1,835	1,976	2,261	2,400
Housing & Comm. Dev.	77	3,211	3,812	41	349	74	86	490	1,128	406
Conservation of Nat. Res.	81	102	132	102	136	134	110	139	110	47
Miscellaneous	63	8	35	-	-	-	-	-	-	-
Debt Service					85		-	-	-	-
Principal	2,169	2,091	5,397	5,263	3,584	3,693	3,946	3,559	4,397	3,776
Interest	1,620	2,185	2,424	2,376	2,158	2,082	1,975	4,062	1,874	1,704
Capital outlay	15,509	24,784	13,469	4,339	1,901	3,224	2,698	4,677	6,822	5,628
Total expenditures	49,826	65,704	63,314	46,674	45,112	52,897	49,339	52,503	58,139	55,105
Excess of revenues over (under) expenditures	(8,294)	(20,399)	(13,712)	(1,039)	2,683	3,034	5,448	2,926	(674)	4,790
Other financing source (uses)										
Transfers in	894	1,165	3,449	2,713	2,463	2,904	3,024	2,336	3,941	2,635
Transfers out	(1,712)	(1,946)	(4,233)	(3,552)	(3,161)	(3,851)	(3,911)	(3,384)	(4,750)	(3,816)
Proceeds from long-term debt	38,504	2,765	8,315	300	2,140	1,150	765	5,807	1,863	-
Proceeds from sale of capital assets	8	6	212	2	12	11	-	-	-	1
Gain (Loss) on sale of investments	407	1	-	-	-	20	20	156	193	-
Total other financing sources (uses)	38,101	1,990	7,743	(537)	1,454	233	(102)	4,915	1,247	(1,180)
Net Change in fund balances	29,807	(18,408)	(5,969)	(1,575)	4,137	3,267	5,346	7,842	573	3,610
Debt service as a percentage of noncapital expenditures	11.04%	10.45%	15.69%	18.04%	13.29%	11.63%	12.69%	15.93%	12.22%	11.08%

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

(amounts expressed in thousands)

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	MOBILE HOMES	CENTRALLY ASSESSED	TAX INCREMENT DISTRICT	TOTAL TAXABLE ASSESSED VALUE
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)	250,118
2018	253,159	3,069	1,121	34,644	(5,030)	286,963

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

Source: Department of Revenue Montana Certified Values - Online CSV

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

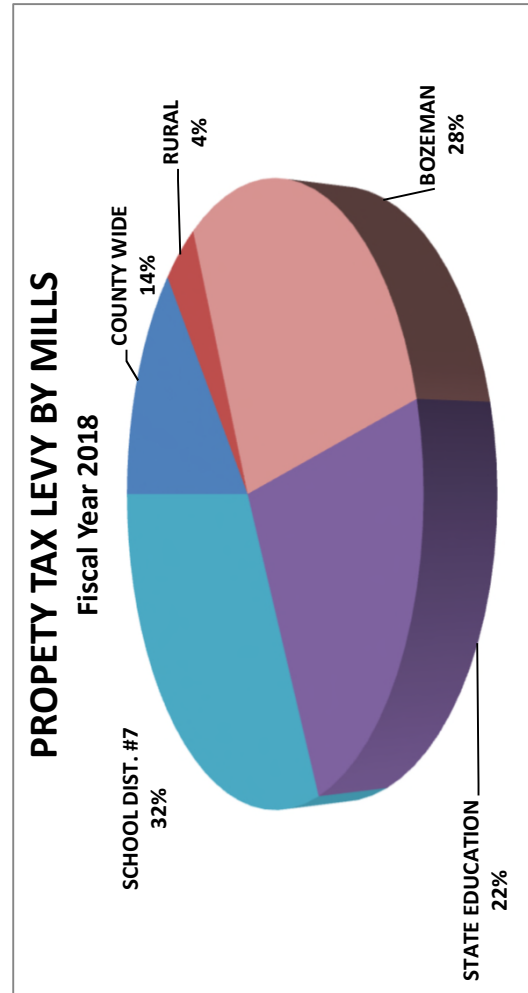
FISCAL YEAR	TOTAL COUNTY MARKET VALUE	TOTAL COUNTY TAXABLE VALUE	COUNTY OPEN SPACE TAXABLE VALUE
2006	5,004,202,230	166,681,835	160,125,399
2007	5,526,323,702	181,081,364	174,462,565
2008	6,105,440,980	196,866,339	190,388,900
2009	6,641,798,174	209,638,913	203,197,000
2010	7,303,040,362	223,244,509	217,532,000
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	248,044,610	244,626,407
2018	18,137,153,478	286,963,165	283,501,505

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

Source: Department of Revenue Montana Certified Values - Online CSV

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

FISCAL YEAR	GALLATIN COUNTY						OVERLAPPING LEVIES			TOTAL DIRECT & OVERLAPPING LEVIES
	GENERAL FUND	DEBT SERVICE	PUBLIC SAFETY	OTHER LEVIES	SUBTOTAL COUNTY WIDE LEVIES	RURAL (Road / Library) Levies	TOTAL DIRECT	STATE EDUCATION LEVIES	SCHOOL DISTRICT NO. 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	26.00	106.27	30.31	136.58	151.39	232.06	725.33
2018	19.89	13.27	41.07	22.13	96.36	27.30	123.66	145.67	220.02	676.68



GALLATIN COUNTY, MONTANA

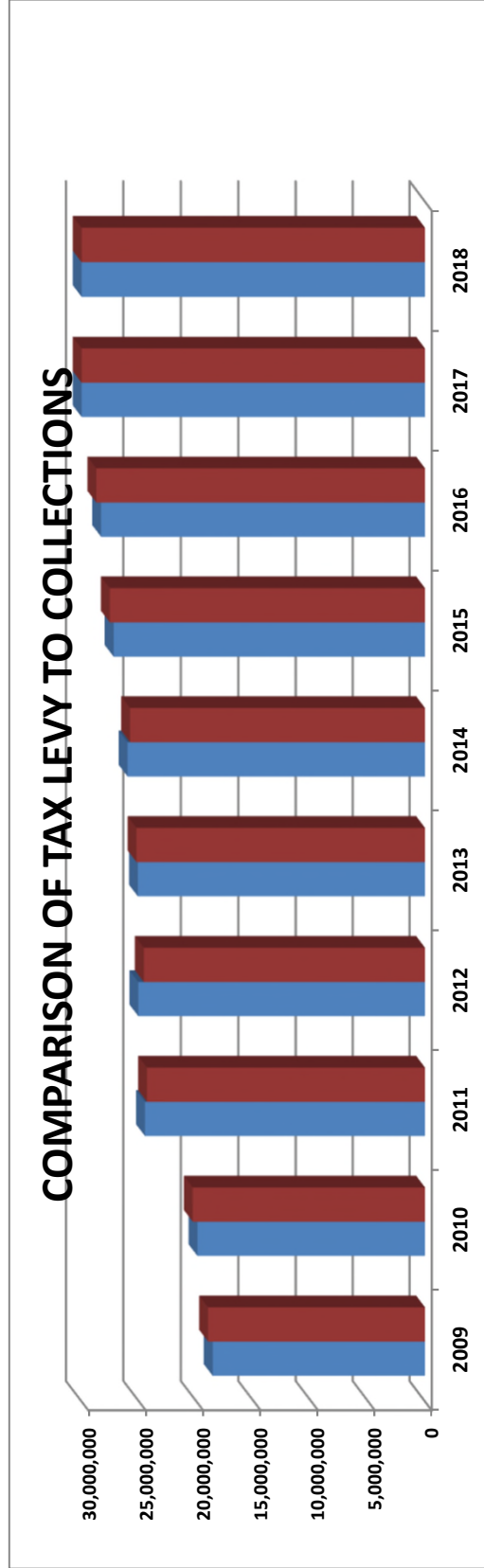
REAL PROPERTY TAXES AND COLLECTIONS

GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (1)	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY		DELINQUENT TAX COLLECTIONS	TOTAL COLLECTIONS FOR YEAR	
		AMOUNT COLLECTED	PERCENTAGE OF LEVY		TOTAL TAXES RECEIVED	PERCENTAGE OF LEVY (1)
2009	18,587,687	17,884,756	96.22%	1,104,396	18,989,152	102.16%
2010	19,915,058	18,904,174	94.92%	1,417,728	20,321,902	102.04%
2011	24,479,020	23,112,451	94.42%	1,191,274	24,303,725	99.28%
2012	25,058,721	23,822,021	95.06%	760,631	24,582,652	98.10%
2013	25,103,215	24,357,848	97.03%	862,873	25,220,721	100.47%
2014	25,997,048	25,163,044	96.79%	609,982	25,773,026	99.14%
2015	27,212,974	26,652,121	97.94%	888,759	27,540,880	101.20%
2016	28,299,020	28,107,443	99.32%	609,982	28,717,425	101.48%
2017	30,133,188	29,381,709	97.51%	699,510	30,081,219	99.83%
2018	31,473,112	30,847,587	98.01%	571,469	31,419,056	99.83%

SOURCE: Gallatin County Finance Department



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

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Funds	Total	% of Taxable Value ¹	Per Capita ²
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%	\$ 51.92
2011	44,710	129	44,581	19.00%	\$ 48.83
2012	42,825	417	42,408	17.71%	\$ 45.84
2013	43,099	495	42,604	17.28%	\$ 45.12
2014	41,872	344	41,528	16.42%	\$ 42.80
2015	39,410	440	38,970	16.37%	\$ 38.84
2016	38,953	278	38,675	16.24%	\$ 37.16
2017	35,435	278	35,157	14.06%	\$ 32.61
2018	33,270	198	33,072	11.52%	\$ 29.65

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

¹ See Schedule "Assessed Value and Actual Value of Taxable Property for data.

² Populations data can be found in schedule, "Demographic Statistics".

GALLATIN COUNTY, MONTANA

LEGAL DEBT MARGIN CALCULATIONS

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Calculation of Legal Debt Margins										
Assessed Value	6,104,449	6,641,798	7,303,040	8,217,172	8,712,241	9,834,392	9,834,392	15,030,550	15,409,943	18,137,153
Allowed debt percentage	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	152,611	166,045	182,576	205,429	217,806	245,860	245,860	375,764	385,249	453,429
Outstanding debt applicable to limit	55,626	54,968	53,946	49,689	49,151	47,114	43,691	41,457	39,372	39,740
Legal Debt margin	96,985	111,077	128,630	155,740	168,655	198,746	202,169	334,307	345,877	413,689
Outstanding debt applicable to limit as a percentag of debt limit	36.45%	33.10%	29.55%	24.19%	22.57%	19.16%	17.77%	11.03%	10.22%	8.76%

(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 SPECIAL DISTRICT ASSESSMENTS BILLING & COLLECTIONS

FISCAL YEAR	RID ASSESSMENTS BILLING	RID SPECIAL ASSESSMENT COLLECTIONS	RID CURRENT YEAR DELINQUENCY	%
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%
2017	886,947	816,613	70,334	7.93%
2018	824,153	834,597	(10,444)	-1.27%

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

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

	Audited 2013/14	Audited 2014/15	Audited 2015/16	Audited 2016/17	6/30/2018 2017/18
Beginning Balance July 1	\$ 1,094,147	\$ 1,078,923	\$ 1,099,311	\$ 1,088,017	\$ 1,092,817
Property Taxes	1	7	-	-	-
Investment Earnings	7,738	8,329	9,701	11,662	14,665
Transfer In, Bond Proceeds	3,229	38,250	5,350	18,150	-
Expenditures	26,192	26,198	26,345	25,012	7,509
Receipts Over Disbursements	(15,224)	20,388	(11,294)	4,800	7,156
Ending Balance - June 30	\$ 1,078,923	\$ 1,099,311	\$ 1,088,017	\$ 1,092,817	\$ 1,099,973

Assets:

Cash / Investments	\$ 1,077,706	\$ 1,098,133	\$ 1,088,016	\$ 1,090,382	\$ 1,096,521
Receivables	1,217	1,178	1,788	2,527	3,334
Total Assets	\$ 1,078,923	\$ 1,099,311	\$ 1,089,804	\$ 1,092,909	\$ 1,099,855

Total Liabilities	\$ 40	\$ -	\$ 1,788	\$ 93	\$ 83
Fund Blance (Restricted)	1,078,883	1,090,503	1,090,503	1,090,503	1,099,772
Fund Balance (Committed)	-	8,808	(2,487)	2,313	-
TOTAL FUND BALANCE	1,078,883	1,099,311	1,088,016	1,092,816	1,099,772
TOTAL LIABILITIES/FUND BALANCE	\$ 1,078,923	\$ 1,099,311	\$ 1,089,804	\$ 1,092,909	\$ 1,099,855

No Rural Improvement District Bonds were issued in FY 2018

GALLATIN COUNTY, MONTANA

Summary of Outstanding Rural Special Improvement Districts

June 30, 2018

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Cash Balance</u>	<u>Assessments Outstanding</u>	<u>Delinquent Assessments</u>
RSID 371	1999	2020	63,000	-	-	-	-
RSID 378	2001	2021	1,188,000	120,000	57,949	122,118	1,183
RSID 382	2002	2017	199,000	-	-	-	-
RSID 383	2002	2022	200,200	-	-	-	-
RSID 386	2003	2018	300,000	-	3,797	-	421
RSID 387	2005	2020	180,000	20,000	10,215	-	220
RSID 388	2005	2020	160,000	-	204	-	181
RSID 391	2006	2026	395,000	140,000	8,389	142,875	220
RSID 392	2006	2026	60,000	-	-	-	333
RSID 393	2007	2028	900,000	370,000	6,607	402,061	4,299
RSID 395	2010	2030	1,765,000	1,160,000	88,276	1,182,535	7,392
RSID 396	2010	2030	4,715,000	3,325,000	98,420	3,365,507	67,210
RSID 605	2015	2035	610,000	547,217	19,394	539,474	764
RSID 606	2015	2035	155,000	139,009	10,805	131,286	264
RSID 607	2016	2032	107,000	99,529	1,685	96,779	-
RSID 608-610	2017	2031	363,000	323,289	7,003	318,691	-
TOTAL			11,360,200	6,244,044	312,744	6,301,326	82,487

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

FUNCTION / PROGRAM	Last Ten Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL GOVERNMENT										
Legislative services	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.50	4.52	4.50
Judicial services	23.12	34.57	33.90	33.98	33.87	33.90	34.90	35.40	35.90	36.88
Administrative services	23.25	21.75	21.00	20.90	21.59	21.90	23.15	23.15	21.90	22.78
Financial services	24.46	24.96	24.96	24.61	25.81	25.63	26.17	27.50	29.50	30.50
Election & record services	17.25	13.75	13.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75
Planning services	10.50	7.75	7.25	6.90	6.90	7.10	8.15	9.07	9.65	9.90
Legal services	20.75	21.00	21.00	21.00	21.00	21.00	21.00	21.83	22.75	23.36
Other general government	6.77	2.57	4.26	0.14	0.44	0.19	-	1.00	1.00	1.00
PUBLIC SAFETY										
Law enforcement services	55.00	59.41	56.59	60.65	58.26	59.84	63.51	64.00	68.00	66.33
Detention services	32.00	30.43	44.00	53.00	52.00	52.00	53.50	53.83	55.50	65.25
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	29.00	30.00	29.50	29.50	30.50	31.75	32.75	32.50	33.50	35.25
Other public safety services	6.67	2.57	4.26	0.14	0.44	0.19	-	2.79	2.79	2.79
PUBLIC WORKS										
Bridge maintenance	7.36	7.36	7.36	7.36	7.36	7.41	7.41	7.41	7.06	7.06
Road and street maintenance	26.11	25.11	25.11	25.39	26.14	26.14	26.14	26.14	26.99	27.49
Facilities administration	3.62	3.12	5.54	6.74	6.74	6.49	6.74	6.74	6.74	7.00
Solid waste	20.50	20.50	18.00	18.00	19.00	18.00	18.00	18.00	19.00	19.00
Weed spraying services	3.00	2.25	3.00	3.00	2.88	2.75	2.75	2.75	2.75	2.75
PUBLIC HEALTH										
Health administration	3.00	3.83	3.83	3.00	3.00	3.00	3.00	3.00	4.25	4.50
Health environmental services	11.34	10.17	10.00	9.75	10.00	10.00	10.00	10.92	11.75	12.75
Health human services	17.47	16.80	18.02	19.22	20.56	19.45	21.40	24.30	26.87	28.60
Nursing home	97.90	102.90	102.90	104.67	105.58	105.58	107.68	98.88	85.28	73.09
RECREATION AND OTHER										
Extension	4.00	4.00	4.00	3.50	3.00	3.00	3.00	3.00	3.25	3.25
Fair	10.50	10.00	10.00	10.00	10.25	10.00	9.00	8.50	7.50	7.10
Parks	1.10	1.10	1.10	1.10	1.10	1.10	1.06	1.06	1.06	1.06
TOTAL	460.66	461.89	475.33	480.30	484.18	484.16	497.06	500.02	501.26	505.94

Source: Gallatin County Finance Office

SINGLE AUDIT SECTION

GALLATIN COUNTY, MONTANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through	CFDA Number	Grant Term	Pass-Through Number	Award Amount	Federal Revenue	Federal Expenditures	Awards to Subrecipients
U.S. Department of Agriculture							
<i>Passed through the State Department of Public Health and Human Services</i>							
Special Supplement Food Program - WIC BFPC 10/01/16-09/30/17	10.557	10/01/16-09/30/17	17-07-5-21-009-0	\$ 12,675	\$ -	\$ -	\$ -
Special Supplement Food Program - WIC BFPC 10/01/16-09/30/17	10.557	10/01/16-09/30/17	17-07-5-21-009-0	253,230	22,202	22,202	-
Special Supplement Food Program - WIC BFPC 10/01/17-09/30/18	10.557	10/01/17-09/30/18	18-07-5-21-009-0	12,596	8,046	8,046	-
Special Supplement Food Program - WIC 10/01/19-09/30/18	10.557	10/01/17-09/30/18	18-07-5-21-009-0	209,871	213,538	213,538	-
Total Passed through the State Department of Public Health and Human Services:				488,372	243,786	243,786	-
<i>Passed through the U.S. Forest Service</i>							
Western States Wildland Urban Interface - DNRC - Big Sky Fuels Mitigation	10.664	3/30/17 - 12/31/19	WSF-17-001	270,000	348	348	-
Total Passed through the U.S. Forest Service				270,000	348	348	-
<i>Passed through the State Department of Administration</i>							
Schools and Roads - Grants to State - Forest Reserve - ⁴	10.665	n/a	n/a	207,256	207,256	207,256	-
Total Passed through the State Department of Administration				207,256	207,256	207,256	-
Total U.S. Department of Agriculture				\$ 965,628	\$ 451,389	\$ 451,389	\$ -
U.S. Environmental Protection Agency							
<i>Passed through the State Department of Environmental Quality</i>							
2017 National Water Quality Initiative Monitoring in Camp Creek and Godfrey Creek Watersheds	66.454	6/23/17 - 12/31/17	217039	7,700	7,700	7,700	-
Total Passed through the State Department of Environmental Quality				7,700	7,700	7,700	-
<i>Passed through the Greater Gallatin Watershed Council</i>							
Clean Water Act Section 319 - Story Mill MOU	66.460	1/13/16 - 11/30/17	216002-MOA-001	6,500	1,000	1,000	-
Total Passed through the Greater Gallatin Watershed Council				6,500	1,000	1,000	-
Total U.S. Environmental Protection Agency				\$ 14,200	\$ 8,700	\$ 8,700	\$ -
U.S. Department of Housing and Urban Development							
<i>Passed through the State Department of Commerce</i>							
Community Development Block Grant - Gallatin Gateway Water Sewer District CDBG Grant ⁸	14.228	10/18/16	MT-CDBG-12PF-02	450,000	158,340	158,340	136,092
Total Passed through the State Department of Commerce				450,000	158,340	158,340	136,092
Total U.S. Department of Housing and Urban Development				\$ 450,000	\$ 158,340	\$ 158,340	\$ 136,092
U.S. Department of Interior - National Park Service							
<i>Passed through the Montana Fish Wildlife and Parks</i>							
Land & Water Conservation Fund Grant - Regional Park ⁶	15.916	12/31/16	30-00728	65,850	4,738	4,738	-
Total Passed through Montana Fish Wildlife and Parks				65,850	4,738	4,738	-
Total U.S. Department of Interior				\$ 65,850	\$ 4,738	\$ 4,738	\$ -
U.S. Department of Health and Human Services							
<i>Passed through MT DPHHS to Yellowstone City/County Health Dept/Riverstone Health to Gallatin County</i>							
Ryan White C Outpatient STD/HIV Early Intervention Services	93.917	07/01/17-06/30/18	18-07-4-51-105-0	10,000	10,926	10,926	-
Total Passed through Yellowstone City/County Health Dept/Riverstone Health:				10,000	10,926	10,926	-
<i>Passed through the State Department of Public Health and Human Services:</i>							
HIV Care Formula Grants - Early Intervention Services	93.917	01/01/17-09/30/18	17-07-4-51-110-0	63,926	32,010	32,010	-
Immunization Cooperative Agreements - Immunization Action Plan - LAP	93.268	01/01/17-06/30/18	17-07-4-31-116-0	57,798	38,532	38,532	-
Linking Actions for Unmet Needs in Children's Health - LAUNCH	93.243	10/01/16-09/30/17	1702PROS0254	632,746	182,587	182,587	116,914
Linking Actions for Unmet Needs in Children's Health - LAUNCH	93.243	10/01/17-09/30/18	1802PROS0254	529,553	350,221	350,221	238,736
Montana Cancer Control Programs - MCCC	93.800,	07/01/17-06/30/18	18-07-3-07-007-0	159,180	159,180	159,180	-
Maternal & Child Health Services Block Grant - MCH	93.994	07/01/17-06/30/18	18-07-5-01-017-0	101,129	101,129	101,129	-
Maternal, Infant & Early Childhood Home Visiting Infrastructure Development - MIECHV	93.870	06/30/18	17-07-5-41-174-0	353,270	353,270	353,270	-
Maternal, Infant & Early Childhood Home Visiting Infrastructure Development - MIECHV	93.870	12/31/16	16-07-6-01-174-0	5,735	5,735	5,735	-
Public Health Emergency Preparedness - PHEP	93.069	07/01/17-06/30/18	18-07-6-11-021-0	100,302	100,302	100,302	-
(PHIS/Promotors) ⁷	93.758	09/01/17-08/31/18	18-07-1-01-175-0	30,500	25,625	18,402	-
Total Passed through the State Department of Public Health and Human Services				2,034,139	1,348,590	1,341,367	355,650

Total U.S. Department of Public Health and Human Services									
								\$ 2,044,139	\$ 1,352,293
U.S. Department of Homeland Security									
<i>Passed through the Montana Disaster & Emergency Services</i>									
Homeland Security Grant Program - Situational Awareness								67,410	67,410
Homeland Security Grant Program - Mobile Command Vehicle Upgrade								127,941	31,551
Federal Emergency Management Agency (FEMA) - Hazard Mitigation Plan								40,000	28,199
Emergency Management Performance Grant - Emergency Services								74,000	30,953
Emergency Management Performance Grant - Emergency Services								82,009	82,009
Total Passed through the Montana Disaster & Emergency Services:								393,508	240,122
Total U.S. Department of Homeland Security								\$ 393,508	\$ 240,122
U.S. Department of Justice									
Direct:									
LLBEG Bulletproof Vest Partnership Program								4,043	1,848
COPS I Hiring Grant								375,000	78,218
COPS II Hiring Grant								125,000	29,526
Total Direct:								504,043	109,592
<i>Passed through the State Department of Justice - Montana Board of Crime Control:</i>									
Crime Victim Assistance								389,382	193,143
Operation Freedom from Fear								90,393	90,393
Edward Byrne Memorial Justice Assistance Grant - Missouri River Drug Task Force ⁸								208,279	208,279
Total Passed through the State Department of Justice - Montana Board of Crime Control:								688,054	491,815
<i>Passed through the City of Bozeman</i>									
Gallatin Project Consortium: Rural Project to End Violence Against Women								82,561	3,150
Total Passed through the City of Bozeman:								82,561	3,150
Total U.S. Department of Justice								\$ 1,274,658	\$ 604,556
U.S. Department of Transportation									
<i>Passed through the State Department of Transportation:</i>									
Montana Department of Transportation - Highway Traffic Safety STEP Overtime								23,000	5,694
Montana Department of Transportation - Highway Traffic Safety STEP Overtime								20,000	5,899
Total Passed through the State Department of Transportation:								43,000	11,593
Direct - Federal Aviation Administration									
FAA - Pogueba Airport Improvements Taxilane								66,355	29
FAA - Pogueba Airport Airfield Pavement & Electrical Rehabilitation								638,472	600,753
Total Direct - Federal Aviation Administration								704,827	600,782
Total U.S. Department of Transportation								\$ 747,827	\$ 612,375
Total Federal Assistance								\$ 5,955,809	\$ 3,432,514
									\$ 648,153

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, 2018. 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 minimis indirect cost rate in Sec. 200.414 Indirect Costs under Uniform Guidance.

Note 3: Indirect Cost Rate

Gallatin County has elected not to use the 10-percent de minimis indirect cost rate in Sec. 200.414 Indirect Costs under the Uniform Guidance.

Note 4: Schools and Roads - Forest Reserve:

\$207,256.08 was reported in the Road Fund and represents 66 2/3 percent of the total amount of \$310,884.12 received by the County.

The remaining \$103,628.04 which represents 33 1/3 percent was distributed directly to the countywide school levy funds as required by state statute. \$141,110.60 from FY17 is included in the FY18 revenue. This is due to a change in statute.

Note 5:

Homeland Security Grant revenue of \$100,000 was reported on the FY17 SEFA. This was booked as deferred revenue as the revenue was not expected to be received in FY18. We did, however, receive \$96,191.20, which was payment in full.

Note 6:

Open Space Bond Program received \$61,886.00 in FY18. \$47,870.44 of this amount is from an FY16 A/R. \$9,308.04 is from an A/R in FY17. The remainder of these funds is revenue for FY18, \$4,738.00.

Note 7:

PHSI and Promotoras is split between two different funds (revenue & expenditures) -2979 & 2968. Funds are paid as task orders are delivered.

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, 2018, which collectively comprise the County's basic financial statements and have issued our report thereon as of April 15, 2019.

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 have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2018-01, which we consider to be a material weaknesses.

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*.

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.

Andersen Zuercher + Co, P.C.

Bozeman, Montana
April 15, 2019

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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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 that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2018.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Andersen Zuercher + Co, P.C.

Bozeman, Montana
April 15, 2019

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 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, 2018

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	FAA Progreba Airport Improvement Grant
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

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

Auditee qualified as low-risk auditee? No

Financial Statement Findings
See Finding 2018-01

Federal Award Findings and Questioned Costs:
None Reported

Prior Year Financial Statement Findings
None Reported

Prior Year Federal Award Findings and Questioned Costs:
None Reported

GALLATIN COUNTY, STATE OF MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section II – Financial Statement Finding

2018-01 Cash Reconciliation

Criteria:

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

Condition:

The County's processes and systems for recording cash transactions are insufficient to ensure timely and accurate reconciling of cash transactions. Cash balances between the Treasurer's office and the general ledger accounting records were not reconciled until eight months after year end, which is not timely for detecting errors.

Context:

The County has six deposit accounts in local banks, with balances totaling approximately \$25 million as of June 30, 2018.

Effect:

Cash balances between the Treasurer's office and general ledger accounting records were not reconciled until eight months after year end, which is not timely for detecting errors.

Cause:

The County utilizes software to record cash receipts. This software is not utilized for reconciling cash balances. The County also enters all cash receipts into spreadsheets used to summarize cash position. The extensive use of spreadsheets in an entity's financial reporting process and control structure increases the risk of manual errors. Spreadsheets can be modified, may contain formula errors, lack an audit trail, and may not have adequate access controls. The process to ensure completeness of cash transactions is insufficient to meet the reporting objectives for cash. High volume, reliance on spreadsheets, complexity of transactions, existing systems, and heavy workload all contributed to difficulties in reconciling the cash balances between the Treasurer's office and the general ledger accounting records in a timely manner.

Recommendation:

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



GALLATIN COUNTY

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

County Commission

Joe P. Skinner
Donald F. Seifert
Scott MacFarlane

Phone (406) 582-3000

April 22, 2019

Anderson Zurmuehlen & Co., P.C.
Attn: Heather Walstad
1019 East Main Street Suite 201
Bozeman, MT 59715

Re: Official Responses to Findings:

Dear Heather Walstad:

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

Gallatin County is committed to correcting the weaknesses in our control activities and methodologies to ensure proper financial reporting. The following is our response to the finding identified by Anderson Zurmuehlen.

Section II – Financial Statement Finding 2018-01 Cash Reconciliation

Condition:

The County's processes and systems for recording cash transactions are insufficient to ensure timely and accurate reconciling of cash transactions. Cash balances between the Treasurer's Office and the general ledger accounting records were not reconciled until eight months after year end, which is not timely for detecting errors.

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 Treasurer's Office is currently in the process of migrating to the County's new accounting system, MUNIS, with the expectation of being fully operational in the new system by June 30, 2019. As soon as we are fully integrated, all cash will be receipted into the new software. The past processes used to record and reconcile cash are currently being reviewed and adjusted to address inefficiencies, minimize the potential for errors, and strengthen controls. These measures will allow for more timely reporting and reconciliations.

Respectfully submitted:

A blue ink signature of Jennifer Blossom, Gallatin County Treasurer, is written over a horizontal line. Below the signature, the name and title are printed.

Jennifer Blossom
Gallatin County Treasurer