

MONTANA DEPARTMENT OF ADMINISTRATION  
State Financial Services Division  
Local Government Services Bureau  
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ENTITY # 11601  
**MONTANA**  
**GALLATIN COUNTY**  
**311 West Main Street**  
**Bozeman, Montan 59715**

**ANNUAL FINANCIAL  
REPORT**



**FISCAL YEAR ENDING JUNE 30, 2016**

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# **INTRODUCTORY SECTION**



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

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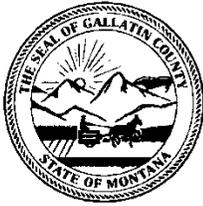
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# *County of Gallatin*

311 W. Main, Courthouse • Bozeman, Montana 59715

December 31, 2016

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

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report (AFR) of Gallatin County (hereafter referred to as County) for the fiscal year ended June 30, 2016.

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

The financial statements of the County have been audited by Anderson ZurMuehlen and Company P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions over the County's basic financial statement opinion units, as listed in the accompanying table of contents for the fiscal year ended June 30, 2016. The independent auditor's report is presented at the front of the financial section of this report.

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

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

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

## **Profile of Gallatin County**

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

The County has a land area of approximately 2,632 square miles and an estimated population of 100,739. The population of the County is predominantly urban with the majority of the residents living within a twenty-mile radius of Bozeman. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

## **Government**

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

The annual budget serves as the foundation for the County's financial planning and control. The County begins the budget process by developing a 'Start-Up' budget that takes into consideration available resources and decisions made in prior years that obligate this year. The 'Start-Up' budget is sent to all agencies. Then Elected Officials, Department Heads and Managers of the County are required to submit requests for appropriation to the Finance Office before June 10<sup>th</sup> of each year, or on a date designated by the County Commission. The Finance Office for the County uses these requests to identify changes requiring additional funding above the 'Start-Up' Budget. The County Commission holds all-day work sessions in mid-June to approve, amend, table, or deny department requests. The Commission adopts, by resolution, the Preliminary Budget in early July and holds public hearings on the Preliminary Budget through July and into August. Upon receipt of the Certified Taxable Valuation and actual cash available,

the Commission makes decisions on any requests received during the public hearings as well as on any items tabled during the work sessions. On the last Tuesday of August, the Final Operating and Capital Budget is adopted along with the approval of the mills needed to fund the budget by resolution. The appropriated budget is prepared by fund (General Fund), function (Public Safety), and department (Sheriff). The Commission approves any increase or decrease in the budget or a transfer of appropriation between personnel, operations, debt, and capital outlay.

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

### **Factors Affecting Economic Condition**

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

The County experienced the effects of the national recession, which began locally in FY 2009 with a significant slowdown in residential and commercial construction throughout the County. This corresponded with a decrease in values for both commercial and residential property of up to 35 percent. In addition, the County saw reductions in document recordings, septic permit applications, addressing, applications for subdivision / zoning / variances and tonnage at the landfill. In the last six years, the County saw steady growth, with FY 2015-2016 construction permits similar to the highest years prior to the recession. In FY 2016-2017 construction and building values have continued to rebound and are estimated to be at pre-recession levels.

Property tax revenues have grown at an average of 5 percent per year since 2008. The largest growth in property taxes occurred in FY 2010 with the beginning of the Detention Center bond, and the lowest change being -0.11 percent in FY 2013. The tax increase for FY 2017 is 6.71 percent compared to 4.36 percent the previous year.

The County has seen unemployment go from the low in 2006 of 2.0 percent to a high in 2009 of 6.0 percent and to 2.7 percent as of June 2016. The County's unemployment rate is significantly below the State's rate of 3.8 percent, and the national rate of 4.9 percent. Bozeman's economy is expanding due to growth at Montana State University, becoming a regional retail center, recognition of the area as a technology hub, increased visitation to Yellowstone National Park, along with the recreational opportunities throughout the year for the area.

### **Strategic Process**

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

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

The three mid-term programs started with the creation of the Capital Improvement Plan (CIP). The Capital Improvement Plan Committee (CIPC) asks each department to identify and prioritize future needs along with identifying any potential funding for the request. The CIPC reviews, analyzes, and rates the requests over a two-month period, and then presents their recommendation to the Commission in March of each year as part of the budget process. The CIP provides an essential tool for managing future capital improvements and replacements. Since the CIP is designed to deal with large capital expenditures, valued greater than \$50,000 and with a useful life of 5 years or greater, staff identified several other major areas that needed to be considered. The first was the identification and funding of 'Core' rolling stock – sheriff vehicles, fire engines, road and bridge rolling stock, etc. The County approved the 'Core Rolling Stock' program in 2010. The program identified vehicles that were needed to maintain County operations on an ongoing basis with a minimum value of \$25,000 inclusive of equipment and had a useful life of 5 years or greater. The plan currently funds up to \$671,500 per year from Newly Taxable Property (NTP). The next program, approved in 2012, was the Bridge Replacement Plan. This plan currently funds up to \$400,000 from NTP to replace bridges with a span of greater than 30 feet or to support the Bridge Department's need to replace bridges in an emergency.

## **Finance / Budget**

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

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

The County aggressively collects real and personal property taxes throughout the year. The delinquent real property taxes for the 2015 tax year (collected in FY 2016) were 0.68 percent. The total of all delinquent real property taxes was 0.84 percent of the taxes billed in FY 2016. The County will aggressively pursue opportunities for private, federal and state grants for all activities, which assures citizens that the County is striving to obtain all funds. These grants may reduce the reliance on the local taxpayer in the short-term for the support of needed public services.

The County makes current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt. We set fees and rates at levels which fully recover the total direct and indirect costs, including personnel, operations, capital outlay and debt, within allowances of law. The County recognizes that accounting principles generally accepted for local governments discourage the “earmarking” of General Fund revenues, and accordingly, the practice of designating General Fund revenues for specific programs is minimized in the County’s management of its fiscal affairs. This concept has been extended to the Public Safety fund as well.

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

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

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

Although the County has an expanding economic base, the increased demand for government services that accompanies development has exceeded the growth in revenues. The State increased this shortfall, for Gallatin County, with the approval of House Bill 124, which was to provide major tax reform for local governments. This bill replaced the funding structure dependent on motor vehicle, gaming revenues and banking license tax, with an entitlement from the State. A separate bill, Senate Bill 176, in conjunction with HB 124 transferred the responsibility for District Court, Public Assistance, Youth Probation and Public Defenders to the State. For Gallatin County, which has seen significant growth in all areas, the effect has been a reduction in available revenues from what would have been received before House Bill 124. This is because the entitlement share has been frozen in the past and only grows based on the legislature’s approval of a population and consumer price index adjustment. The legislature recognized that the cost of health insurance for local governments was prohibitive in light of restrictions associated with 15-10-420 Montana Code Annotated (MCA) and authorized increasing mills to cover premium increases.

## **Debt Service**

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

The Detention Center \$32 Million Bond was approved in November, 2008. This bond allowed the County to replace an aging facility with occupancy of 45-60, with a facility constructed with 160 beds and a capacity of 200 before additional construction is necessary. In addition, the voters approved an increase from 1.5 to 5 mills, plus growth allowed by state law, for the County libraries. This allows the County to adequately support the five city/town libraries in the County. The voters also approved the levying of 9 mills, plus growth allowed by state law, for Enhanced Dispatch activities. This allowed for ongoing funding from a reliable revenue source for dispatch operations as well as funding for the dispatch center.

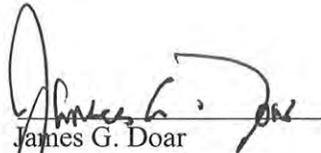
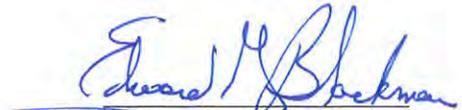
### **Acknowledgements**

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

Respectfully submitted:

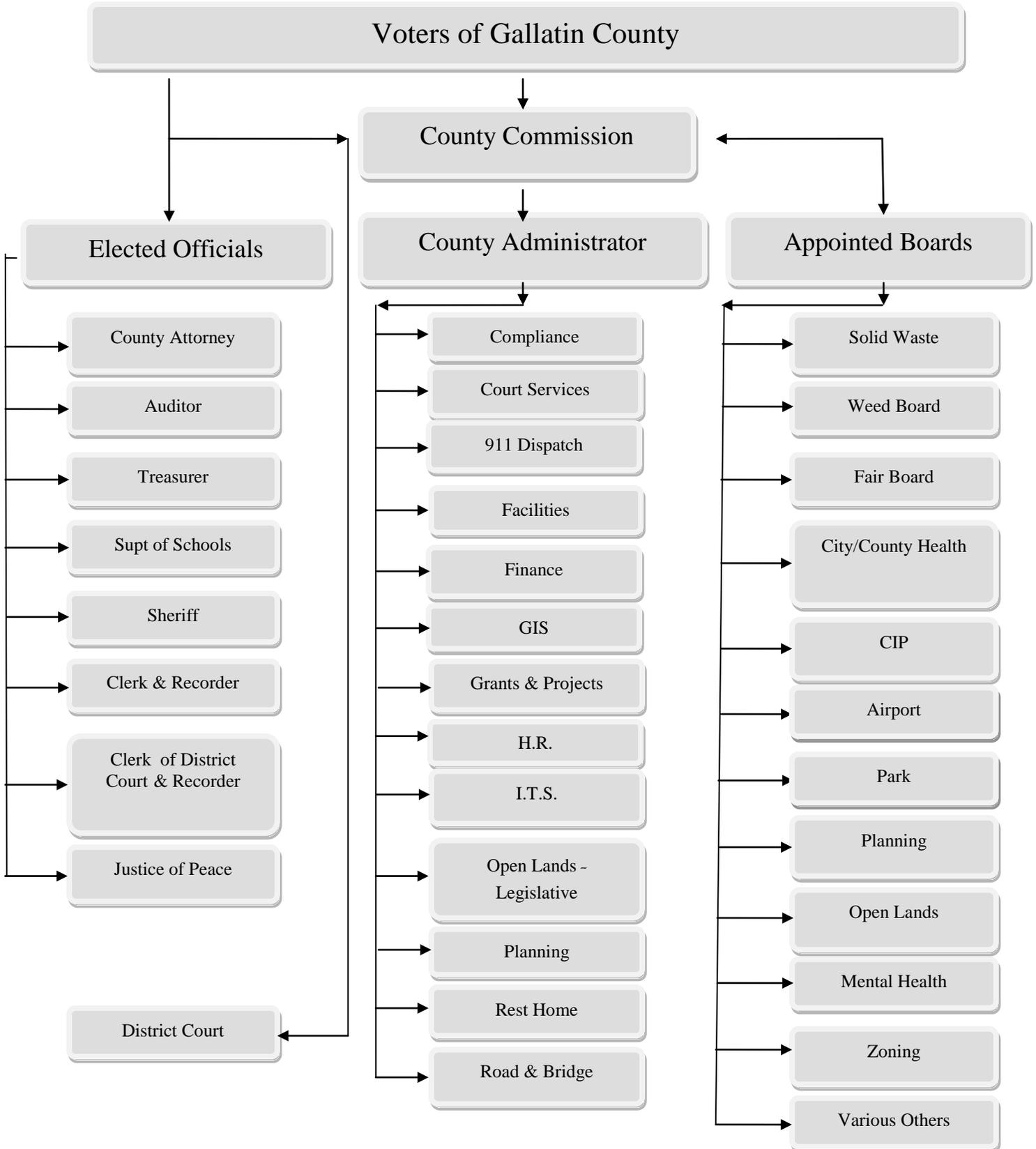


Charlotte Mills  
Clerk and Recorder

  
James G. Doar  
County Administrator

Edward G. Blackman  
Finance Director

# ORGANIZATIONAL CHART



**COUNTY OF GALLATIN  
ELECTED OFFICIALS/OFFICERS**

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

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

Respectfully submitted;

*Charlotte Mills*

County Clerk and Recorder

*12/6/2016*

Date



# **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, State of Montana (the County), as of and for the year ended June 30, 2016, and related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Funding Progress- Other Postemployment Benefits (OPEB), Schedule of Proportionate Net Pension Liability, and Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

## **Other Information**

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Bozeman, Montana  
February 3, 2017

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

The Board of County Commissioners, with assistance from County Elected Officials, the County Administrator and their staffs, present the following Management Discussion and Analysis (MD&A). As management of Gallatin County, Montana, we have prepared Gallatin County's basic financial statements along with this comparative narrative overview and analysis of the financial activities of Gallatin County for the fiscal year ending June 30, 2016. We encourage readers to consider the information in this MD&A in conjunction with the rest of the annual report.

**FINANCIAL HIGHLIGHTS:**

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

- As of June 30, 2016, Gallatin County's governmental funds reported combined ending fund balances of \$48,284,875, compared with \$40,443,097 at June 30, 2015. The fund balance for the General Fund is \$5,752,162 – up \$829,330 from June 30, 2015. The increase is attributed to revenue increases associated with land use and planned use of working capital;
- Gallatin County continues to maintain a good financial standing because of positive growth in the property tax base, adoption of Growth Policy, setting aside most Newly Taxable Property for capital projects, adoption and full funding of 'Core Rolling Stock' Vehicle Replacement Program and Bridge Replacement Program, and setting aside \$500,000 for the Law and Justice Center.
- Gallatin County's primary government assets exceeded its liabilities at June 30, 2016 by \$149.0 million (net position), compared with \$141.1 million at June 30, 2015. Of this amount, \$20.1 million (13.49%) is unrestricted and may be used to meet the government's general obligations to citizens and creditors.
- The total net position increased by \$8.0 million. The current year increase comes from reduction in Net Pension Liability and a significant increase in Cash and Cash Equivalents for Governmental Activities.
- Revenues from Taxes/Assessment were \$34,020,257 for governmental activities, up \$596,055 from fiscal year 2015. This increase primarily comes from an increase in valuations associated with new construction and increases in mill levies as allowed by law.
- The County Health Insurance Fund saw continued positive financial position as represented by unreserved cash in FY 2016 of \$3,682,959 (cash \$3,923,886 – Claims and Accounts Payable \$240,927), compared to unreserved cash in FY 2010 of \$2.4M, FY 2011 of \$2.5M, FY 2012 cash of \$2.5M, FY 2013 at \$2.4M, FY 2014 of \$2.0M and \$2.4M for FY 2015.

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

## OVERVIEW OF THE ANNUAL REPORT:

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

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

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

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

- Governmental Activities – most of the County's basic services are reported here, including general government, public safety, public works, public health and other governmental activities. Property taxes, local option vehicle taxes and state and federal grants finance most of these activities.
- Business-type Activities – the County charges a fee to customers to recover the cost of certain services. These activities include Gallatin County Solid Waste District, Gallatin County Rest Home and West Yellowstone/Hebgen Refuse District.
- Component Units (Activity that the County supports and appoints a majority of the board (Airport Authority was previously a Component Unit)). The County does not have any component units for FY 2016.

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

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

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

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

Gallatin County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the public safety fund, RID maintenance and bond compilation, which are considered major funds. Data from the other 96 non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements elsewhere in this report.

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

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

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

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

**Other information** – The basic financial statements are followed by the supplementary information section. This section includes other information not included in the previous statements.

## **THE COUNTY AS A WHOLE**

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

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

### **General Government:**

#### Elected Offices

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

#### Departments

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

### **Public Safety:**

#### Elected Offices

County Sheriff, Coroner.

#### Departments

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

### **Public Works:**

#### Departments

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

**Public Health:**

Departments/Agencies –

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

**Economic Development:**

Economic Development, Extension Agents.

**Culture and Recreation:**

Library, Fair, and Parks.

**Conservation and Natural Resources:**

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

**Debt Service:**

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Gallatin County's Net Position (assets exceed liabilities) is \$149,029,973 as of June 30, 2016.

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

The County provided condensed financial information for fiscal years 2013 through 2015. Comparative information is available for years 2013, 2014 and 2015 for Gallatin County. The analysis that follows focuses on the County's Net Position for governmental and business activities. Net Position– Unrestricted increased by \$1.5M from carry-over of projects. This indicator requires several years of comparative information to show trends and variances. For Gallatin County, the following table shows the net amount assets exceeded liabilities.

Fiscal Year 2010 (June 30, 2010)	151,075,768
Fiscal Year 2011 (June 30, 2011)	157,349,141
Fiscal Year 2012 (June 30, 2012)	159,047,106
Fiscal Year 2013 (June 30, 2013)	158,232,971
Fiscal Year 2014 (June 30, 2014)	161,190,325
Fiscal Year 2015 (June 30, 2015)	141,050,471
Fiscal Year 2016 (June 30, 2016)	149,029,973

Net Position is separated into 70% Invested in Capital Assets, 20% Restricted, and 10% Unrestricted Net Position. Unrestricted assets are used to meet the County's ongoing obligations. At the end of the current fiscal year Gallatin County is able to report positive balances in all three categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

The County's changes in net assets are shown in the following table. The report shows that primary governmental activities increased net position to \$149,029,973. The Business-Type Activities portion shows an increase in net position to \$19,900,465, an increase of \$1,583,737. A table comparing the County's Net Position from FY 2010-2016 follows.

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

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

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

## **Government Activities**

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

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

The previous statement shows the amount paid by property taxpayers was \$34,020,257 or 68.44% of primary government activity expenses. The following table shows the changes in the percentage taxes are to governmental activity expenses:

### **Governmental Activities**

<b><u>Year</u></b>	<b><u>Taxes</u></b>	<b><u>Expenses</u></b>	<b><u>Percentage</u></b>
2016	\$34,020,257	\$49,705,220	68.44%
2015	33,424,693	48,884,521	68.37%
2014	32,028,092	53,449,292	59.92%
2013	31,087,735	47,014,314	66.12%
2012	30,201,336	43,735,302	69.05%
2011	35,170,629	49,512,015	71.03%
2010	29,436,161	45,205,151	65.12%
2009	24,914,109	37,734,693	67.98%
2008	24,650,399	34,976,300	70.74%
2007	22,671,650	32,326,125	70.13%
2006	21,077,536	32,703,445	64.45%
2005	18,765,212	28,114,640	66.74%
2004	16,482,487	26,270,917	62.77%

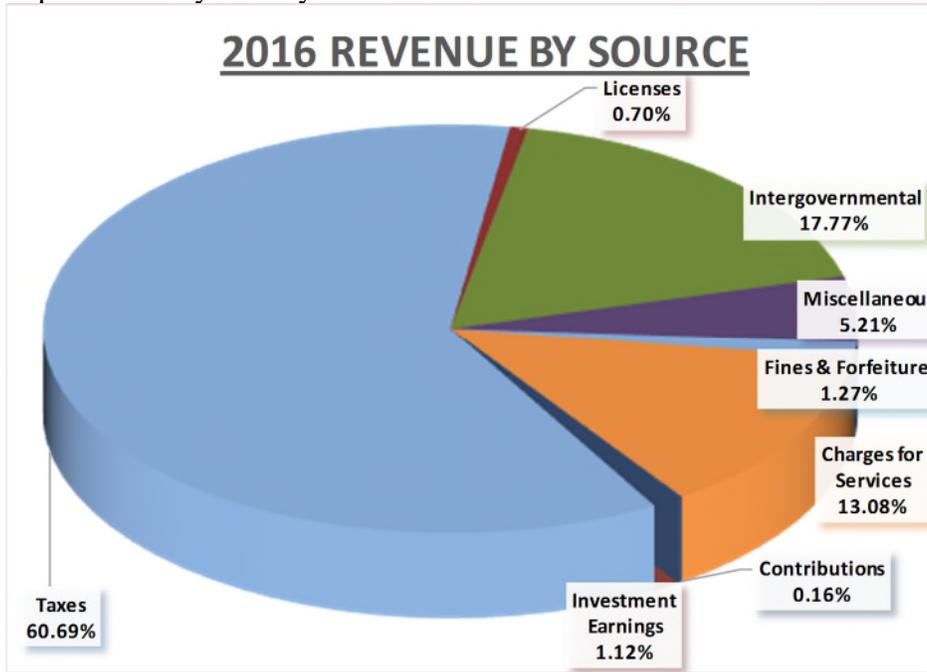
Charges for Services accounted for \$8,521,743 (17.14%) of fiscal year 2016 Governmental Activity expenses. Operating Grants & Contributions and Capital Grants and Contributions (Intergovernmental Revenues) generated \$7,164,003, accounting for 14.41% of expenses. Other Revenue sources generated the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

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

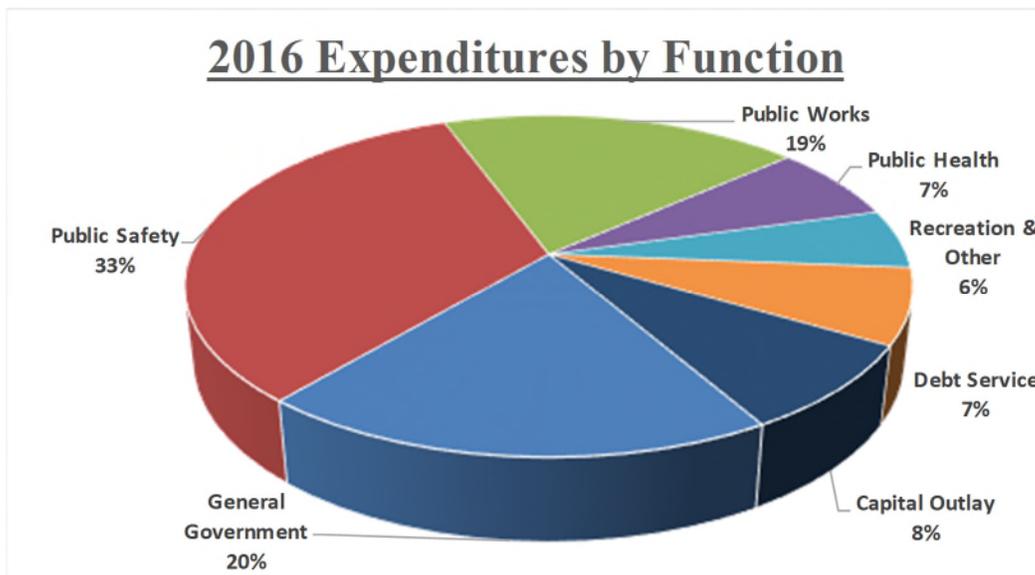
**Graph of Revenues by Source – Activities**

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

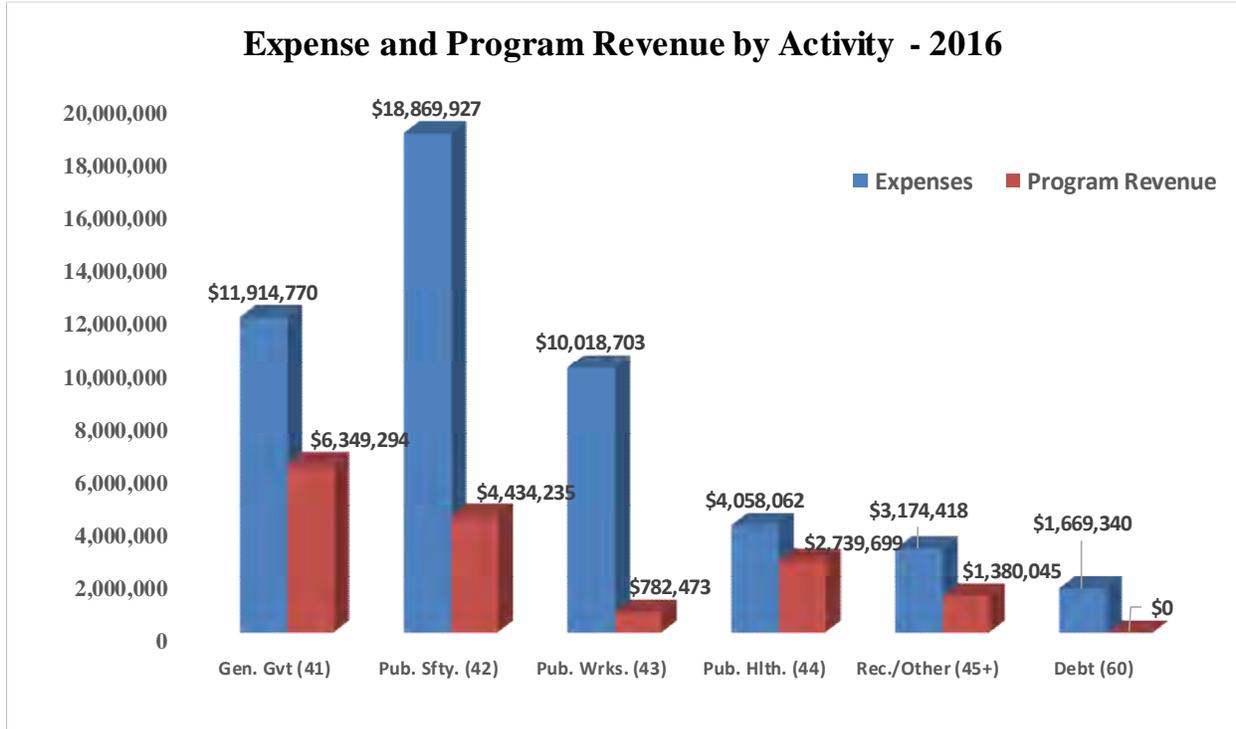
After all activities are considered, net position increased from \$141,050,471 to \$149,029,973 for governmental activities and business type activities. The graphs that follow show revenues by source and expenditures by activity for all activities.



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



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



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

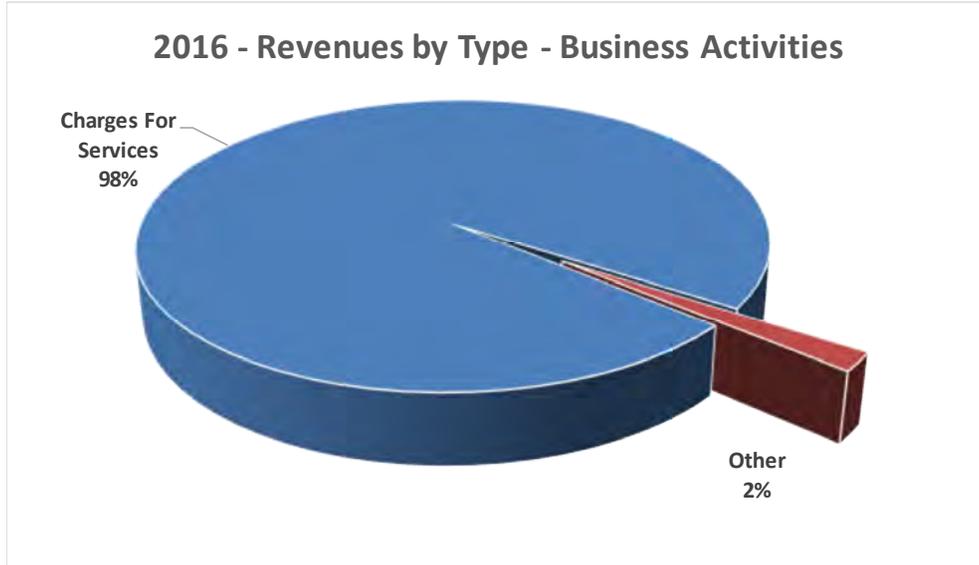
As a local government, Gallatin County uses tax revenues to support mandated services, as is the case with all county governments in Montana. To some extent, the County will need to increase tax levies from the inflationary mill, just to maintain service levels. In order to increase service levels, the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

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

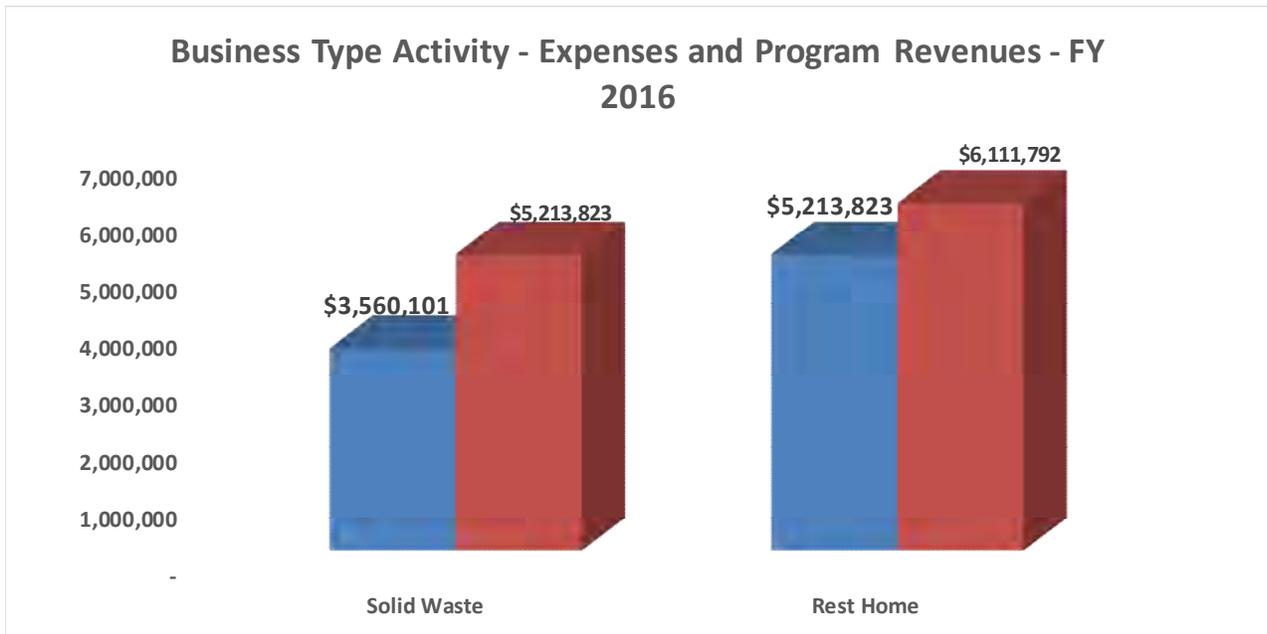
**Business Type Activities**

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

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



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



## Funds of the County

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

### General Major Governmental Functions

The information below compares revenues in FY 2016 to FY 2015:

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

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

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

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

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

## Proprietary Funds

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

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

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

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

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

**Debt Administration**

Gallatin County maintained its bond rating from Standard and Poor at AA+, based on the 2016 General Obligation Bond, bonds, lease/purchase instruments, and similar obligations of Gallatin County are considered a liability of governmental activities. As a whole, Governmental Activities debt increased in fiscal year 2016 by \$3,367,846 because of refinancing detention center; adding final Open Space bond; change to capital lease; and RID bonds.

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

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

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

The County, by statute, can have debt of 2.50% of Assessed Valuation. For fiscal year 2016 this equals \$375,763,746. County debt of \$47,813,097 (\$54,994,722 less Special Assessment Bonds (RID) \$7,181,625) means the County has used 12.72% of its borrowing capacity through fiscal year 2016, with unused borrowing capacity being \$327,950,649. Special assessment bonds (RID Bonds) are not included when calculating debt limit. Debt from business-type activities does not affect the County’s debt limit.

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

## Capital Assets

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

### Capital Assets

(net of depreciation)

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

At the end of 2016 the County had invested in a broad range of capital assets, including law enforcement equipment, roads and road equipment, bridges, County facilities, and other infrastructure. Major additions during 2016 included:

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

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

**Budgets and Budgetary Accounting**

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

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

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

Beg. Balance	+/-	Supplemental Changes	=	Final Budget
<u>\$27,981,014</u>	+	<u>\$654,420</u>	=	<u>\$ 28,635,434</u>

The beginning to final budget shows an increase of 2.04% from budget amendments. Changes were caused by receipt of detention center inmate revenues from the state and other counties, land use revenues and changes associated with normal budget amendments for grants and increases in fee revenue.

**Budget Changes – FY 2016 Compared to FY 2017**

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

No major changes in operational budgets occurred between fiscal year 2016 and fiscal year 2017 by the County Commission. Changes in staffing were:

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

The following Capital Projects table identifies estimated costs of projects, amount expended through June 30, 2016 and the amount budgeted for FY 2017. The table includes ‘Capital Equipment (County accounts)’ for capital outlay funded through tax supported funds, ‘Capital Equipment (grants/misc.)’ which summarizes authorized capital purchases from Grants and misc. funds and ‘Capital Equipment (special districts)’ for capital items funded from fire districts, etc.

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

Capital Projects increased to \$161.1 million for FY 2017 including full funding for the Law and Justice Building, with \$32.8M funded in FY 2016. The previous table shows funding for all capital projects, capital outlay, capital equipment and those projects included in the long-term capital plan but not funded in the FY 2017 Budget. The Commission authorized \$1,901,801 for Core Rolling Stock, \$1,600,000 for the Bridge Replacement Program, \$951,522 for repair, remodeling and updating of County Facilities, \$2,683,536 for the Law / Judicial Building, \$530,009 for 9-1-1 Radio Project, \$100,000 for Rest Home Addition, CTEP Projects of \$396,476 and \$2,607,481 reserved for Detention Center remodel and expansion.

## Summary

The fiscal year 2017 budget sees increases in taxes for operations and decreases in taxes for debt service. A comparison of budgeted taxes and mill levies for fiscal year 2010 through fiscal year 2016 shows:

### Comparison of Budgeted Taxes

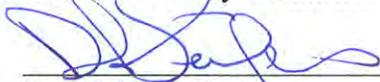
<u>Taxes Budgeted</u>	<u>FY 2010</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
County Operating Taxes	\$16,343,857	\$ 17,362,033	\$ 18,282,663	\$ 18,808,855	\$ 19,702,783	\$ 20,957,110
Road and Library Taxes	3,153,566	3,563,417	3,686,493	3,762,770	3,944,991	4,224,927
Debt Service/Insurance Taxes	3,941,648	4,719,997	4,696,891	5,077,427	5,206,857	5,597,857
 <b><u>MILL LEVIES</u></b>						
County Operating Taxes	73.20	72.50	74.15	74.35	82.84	83.79
Road and Library Taxes	25.23	26.34	26.44	26.29	30.04	30.31
Debt Service/Insurance Taxes	17.80	19.79	19.13	20.15	21.96	22.47
 <b><u>TAXABLE VALUATIONS</u></b>						
County Operating Valuations	223,244	239,468	246,571	252,964	237,836	248,031
Road and Library Valuations	125,025	135,307	139,435	143,113	131,332	137,851

This table shows increase in the taxable valuation of property for FY 2017. The Valuations shown were adjusted by a negotiated tax appeal between Northwestern Energy and the Department of Revenue. Under state law the Commission could have increased the number of mills to offset the reduction in taxable values, but decided not to make changes in the number of mills. In addition, taxes generated by newly taxable property (new construction) accounted for a 4.89% increase in taxes, with the balance coming from a small increase associated with inflationary adjustment. The County Commission did not maximize the number of mills levied for the Permissive Medical levy; however, they did increase the mills and taxes levied for this Levy. In addition, the Commission did not maximize taxes for county operating and rural taxes as authorized by state law. This results in the county not assessing taxes of \$2,323,089. The Commission may impose these taxes in future years if they deem it is in the best interest of the County.

### Contacting the County Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of Gallatin County's finances and the County's accountability for the money it receives. If you have any questions about this report or want additional information, contact the Finance Department - Accounting Office at 311 West Main Street, Bozeman, MT 59715, phone 406-582-3048 or e-mail [jill.therrien@gallatin.mt.gov](mailto:jill.therrien@gallatin.mt.gov).

Gallatin County, Montana  
Board of County Commissioners

  
\_\_\_\_\_  
Don Seifert, Chairman

# **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

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

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

# **FUND FINANCIAL STATEMENTS**

Gallatin County, State of Montana  
Balance Sheet  
Governmental Funds  
June 30, 2016

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

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

Gallatin County, Montana  
 Reconciliation of the Governmental Funds Balance Sheet to the  
 Statement of Net Position  
 June 30, 2016

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

**Total fund balances - governmental funds** \$ 48,284,875

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$252,977,305 and the accumulated depreciation is \$113,371,103. 139,606,202

Deferred inflows of resources (unavailable property taxes and unavailable fines and forfeitures and fees) are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds. 8,643,986

Net other post employment benefit obligation reported in the statement of net position do not require the use of current financial resources and are not reported as liabilities in government funds until actually due. (1,405,039)

The net pension liability and related deferred inflows and outflows are not accounted for in the governmental funds. Excess reacquisition costs related to bond refunding are accounted for as deferred inflows of resources in the government-wide statements. The following number reports the net result of the current and long-term effect of these resources. (20,954,004)

Long-term liabilities, including bonds payable, compensated absences, capital leases and notes payable are not due and payable in the current period and therefore are not reported in the funds. (52,225,956)

Internal service funds are used by the County to charge the costs of employee health insurance. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 7,179,444

**Total net position - governmental activities** \$ 129,129,508

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

Gallatin County, State of Montana  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016

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

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

Gallatin County, Montana  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds	\$ 7,841,778
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$5,888,097) depreciation (\$7,729,169) in the current period (exclusive of internal service funds).	(1,841,072)
In the statement of activities, the loss or gain on the sale or disposal of capital assets is recognized. The governmental funds recognize only the proceeds from the sale of these assets.	(55,564)
Deferred inflows of resources in the governmental funds are reported on the full accrual method in the government-wide financial statements.	226,641
The current period net increase in compensated absences and Other Post Employment Benefits require the use of current financial resources and, therefore, generated no expenditure to be reported in the governmental funds.	(192,122)
The net pension liability and related pension deferred inflows and outflows of the County are reported on the full accrual method and solely in the government-wide financial statements.	459,472
The issuance of long-term debt provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums when the debt is first issued, whereas these amounts are deferred and amortized as a component of interest and fiscal charges in the statement of activities. If debt is refunded at a cost more than the carrying amount of the old debt, this excess acquisition cost is also amortized as a component of interest and fiscal charges in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.	(1,644,874)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.	1,601,506
Change in net position of governmental activities	<u>\$ 6,395,765</u>

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

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

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

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

Gallatin County, State of Montana  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2016

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

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

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

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

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

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

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

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

# **NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES**

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

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

**New Accounting Pronouncements**

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

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

**Reporting Entity**

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

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

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

**Reporting Entity (Continued)**

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

**Fund Accounting**

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

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

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

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

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

**Government-Wide and Fund Financial Statements**

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

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

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

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

*Government-Wide Financial Statements* – The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government utilizing a full accrual basis of accounting. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

**Cash and Investments**

Except for certain specific bank deposits and investments held separately on behalf of certain fiduciary funds, cash resources (to the extent available) of the individual funds are combined to form an investment pool. The pool is managed by the County Treasurer. The pool is not registered with the Securities and Exchange Commission as an investment company and is not subject to regulatory oversight. Investments of the pool, which are authorized by state law, consist primarily of repurchase agreements, the State of Montana’s Short-Term Investment Pool (STIP), U.S. Treasury Bills, and securities of the U.S. Government, its agencies, or government sponsored entities. Investments, with limited exceptions, are reported at fair value. Investments in nonparticipating certificates of deposit are reported at cost. Money market investments, including U.S. Treasury and Agency obligations that mature within one year of acquisition are reported at amortized cost. Bank deposits include demand deposits and overnight repurchase agreements in County banks and are also reported at cost. Fair value is defined as the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined annually, and requires the use of valuation techniques, a specific method or combination of methods using one or more of three approaches: market, cost or income approach.

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

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

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

**Cash and Investments (Continued)**

The method used to determine the values of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of withdrawal. Interest income earned as a result of pooling and changes in the fair value of investments are distributed to the appropriate funds as designated by state law utilizing a formula based on the applicable cash balance participation of each fund. The general fund receives interest revenue from those funds not specifically designated by state law to receive interest. Government sponsored entities include: Fannie Mae, Freddie Mac, Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Company, and Federal Farm Credit Bank.

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

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

**Restricted Cash and Investments**

Certain assets of the proprietary funds are restricted for specific use as required by the bond indenture agreement covenants established with the issuance and sale of the revenue bonds. This represents a liability to the proprietary funds. These restricted assets represent cash and investments restricted for use to repay current debt, future debt, landfill closure/post closure liabilities, and replacement and depreciation for the purpose of replacing the system in the future. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

**Receivables and Payables**

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

Accounts receivable represents amounts due from fines and forfeitures, charges for services, and intergovernmental revenues. These amounts are shown net of an allowance for uncollectible accounts. The allowance for bad debts for the Rest Home is 2% of aged accounts receivable. For the County Rest Home, the allowance for doubtful accounts at June 30, 2016, was \$10,397. The process for determining the allowance for bad debts for Justice Court is 30% of balances that are less than 5 years old and receivables that are 5 years or older are written off. For Justice Court the allowance for doubtful accounts at June 30, 2016, was \$51,134. All other receivables are considered fully collectible.

Property tax levies are set on the later of the first Thursday in September or within 30 calendar days after receiving certified taxable valuation (MCA 7-6-4036) in connection with the budget process. Real property (and certain attached personal property) taxes are billed within 10 days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, they become delinquent. These taxes attach as an enforceable lien immediately if not paid when due. A lien is placed upon the property and after 3 years, the County may exercise the lien and take title to the property.

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

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

**Receivables and Payables (Continued)**

Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due 30 days after billing. Mobile home taxes are billed in two halves. The first is due 30 days after billing; the second due November 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges. Personal property taxes attach as an enforceable lien immediately if not paid when due. Only amounts collected in the current year meet the criteria for revenue recognition. The remainder amounts are deferred until collected.

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

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

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

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

**Inventories**

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

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

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

**Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15-40
Building improvements	10-20
Infrastructure:	
Road	20-60
Bridge	50-75
Vehicles	7
Equipment other than vehicles	5-20
Office equipment	5-20
Computer equipment	5
Intangibles:	
Software	7

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the County's governmental fund balance sheet, there was one item that qualified as a deferred inflow of resources. This item was entirely comprised of unavailable revenue for property taxes and fines and forfeitures as of June 30, 2016. These amounts are (and were) reported as revenue in the government-wide financial statements in the period in which they were earned/levied and thus no deferred inflows of resources were reported. The government-wide and proprietary statements of net position did report some deferred inflows of resources for pension related activities.

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

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

**Compensated Absences Payable**

As required by State law, the County allows for employees to accumulate earned but unused vacation and sick leave benefits. Unused vacation leave benefits are 100 percent payable upon separation and 25 percent of unused sick leave benefits are payable upon separation. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation. Annual accumulations greater than this amount can be carried over, but no more than 90 days can be carried into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. The liability associated with governmental fund-type employees is reported in the general long-term debt account group, while the liability associated with proprietary fund-type employees is recorded in each respective fund. Expenditures for unpaid vacation and sick leave benefits are recorded when paid in the governmental funds on the modified accrual basis of accounting and expenses for vacation and sick leave benefits are recorded when accrued in the proprietary funds on the full accrual basis of accounting. The County also allows exempt employees to carry up to 20 hours in compensatory time. Only non-exempt employees are paid compensatory time at 100% upon termination.

**Net Pension Liability (NPL)**

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

**Other Postemployment Benefits**

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

**Long-Term Obligations**

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

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

**Fund Balance**

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

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

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

**Fund Balance (Continued)**

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

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

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

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

Unassigned fund balance represents spendable amounts that have not been restricted, committed, or assigned to a specific purpose within the general fund.

**Hierarchy of Spending**

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

**Minimum General Fund-Fund Balance**

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

**Interfund Transactions**

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

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

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

**Net Position**

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

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

**Budgetary Information**

The County adopts an annual budget for all of its funds in accordance with Title 7, Chapter 6, Part 40 of the Montana Code Annotated. Statute requires the adoption of a preliminary budget, public hearings on the preliminary budget and the final adoption of the budget by the later of the first Thursday in September or within 30 calendar days after receiving certified taxable valuation from the Department of Revenue (County assessor). The County must also submit a copy of the final budget to the Department of Administration by the later of October 1 or 60 days after the receipt of taxable values from the Department of Revenue.

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

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

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

**Excess of Expenditures over Appropriations**

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

**Deficit Fund Balances**

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

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

**NOTE 3. CASH AND INVESTMENTS**

The County maintains a cash and investment pool for all funds under the control of the County Treasurer. The non-pooled cash and investments represent funds held for other individuals or districts to be utilized for a specific purpose or capital project. All investments meet collateral requirements specified by State Law. Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's month-end cash balance in relation to total pool investments.

Montana statutes require that the County obtain securities for the uninsured portion of the deposits as follows: 1) securities equal to 50% of such deposits, if the institution in which the deposits are made has a net worth to total assets ratio of 6% or more or 2) securities equal to 100% of the uninsured deposits, if the institution in which the deposits are made has a net worth to total assets ratio of less than 6%. State statutes do not specify in whose custody or name the collateral is to be held. The amount of collateral held for County deposits at June 30, 2016 equaled or exceeded the amount required by State statutes.

Along with limitations placed on investments by State law, the County minimizes interest rate risk and custodial risk by restrictions set forth by County policy. Custodial risk is the risk that in an event of a financial institution failure, the County investments may not be returned or the County will not be able to recover the collateral securities in the possession of the outside party. Interest rate risk is defined as the risk that the fair value of investments could decrease in a rising interest rate environment. The County maintains a listing of financial institutions that are approved for investment purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOTE 4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund Transfers**

The principal purpose of the County's interfund transfers were indirect costs and administrative and grant fees. The following is an analysis of operating transfers in and out during the fiscal year ended June 30, 2016:

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

**Interfund Receivables and Payables**

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

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

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

**NOTE 5. CAPITAL ASSETS**

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

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

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

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

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

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

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

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

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

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

**NOTE 7. LONG-TERM DEBT**

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

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

*General Obligation Bonds* – The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds outstanding as of June 30, 2016 were as follows:

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

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

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

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

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

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

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term of Years</u>	<u>Final Maturity</u>	<u>Bonds Issued</u>	<u>Outstanding 6/30/16</u>	<u>Annual Serial Payment</u>
Landfill Land	2010	1.25	10	2020	\$ 1,250,000	\$ 562,500	Varies
<b>Total Revenue Bonds</b>					<u>\$ 1,250,000</u>	<u>\$ 562,500</u>	

Revenue bond resolutions include various restrictive covenants. The more significant covenants 1) require that cash be restricted and reserved for operations, construction, debt service, and replacement and depreciation; 2) specify minimum required operating revenue; and 3) specific and timely reporting of financial information to bond holders and registrar. The County was in compliance with applicable covenants as of June 30, 2016.

*Special Assessment Debt* – Special assessment bonds are payable from the collection of special assessments levied against benefited property owners within defined special improvement districts. The bonds are issued with specific maturity dates, but must be called and repaid earlier, at par plus accrued interest, if the related special assessments are collected.

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

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Term of Years</u>	<u>Final Maturity</u>	<u>Bonds Issued</u>	<u>Outstanding 6/30/16</u>	<u>Annual Serial Payment</u>
#371	1999	3.0-7.2	20	2020	\$ 63,000	\$ 8,000	Varies
#378	2001	3.6-5.5	20	2021	1,188,000	300,000	Varies
#382	2002	1.85-4.25	15	2017	199,000	15,000	Varies
#383	2002	2.2-5.5	20	2023	200,200	30,000	Varies
#386	2003	1.75-4.9	15	2018	300,000	50,000	Varies
#387	2005	2.1-5.0	15	2020	180,000	60,000	Varies
#388	2005	2.1-5.0	15	2020	160,000	40,000	Varies
#391	2006	2.0-5.25	20	2026	395,000	195,000	Varies
#392	2006	3.0-7.0	15	2026	60,000	11,000	Varies
#393	2007	4.2-5.5	19	2027	900,000	535,000	Varies
#395	2010	2.0-6.0	20	2030	1,765,000	1,380,000	Varies
#396	2010	2.5-6.0	20	2030	4,715,000	3,710,000	Varies
#605-606	2015	4.00	20	2035	765,000	740,625	Varies
#607	2016	3.55	16	2032	107,000	107,000	Varies
<b>Total Special Assessment Bonds</b>					<u>\$ 10,997,200</u>	<u>\$ 7,181,625</u>	

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

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

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

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

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

**Compensated Absences Payable**

Compensated absences payable as of June 30, 2016, which represents vacation and sick leave earned by employees and is payable upon separation, is as follows:

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

**Capital Leases**

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

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

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

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

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

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

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

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

**Requirements to Amortize Debt**

The annual requirements to amortize all long-term debt outstanding, except compensated absences and closure/post closure care costs, as of June 30, 2016 were as follows:

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

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

**NOTE 8. EMPLOYEE BENEFIT PLANS**

**Plan Description and Provisions**

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

*Plan Description*

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

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

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

***Summary of Benefits***

**Eligibility for benefit**

Service retirement:

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

Early Retirement:

Early retirement, actuarially reduced:	
Hired prior to July 1, 2011:	Age 50, 5 years of membership service; or Any age, 25 years of membership service
Hired on or after July 1, 2011:	Age 55, 5 years of membership service

Vesting

5 years of membership service

Member's highest average compensation (HAC)

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

Compensation Cap

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

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

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

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

Monthly benefit formula

Members hired prior to July 1, 2011:

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

Guaranteed Annual Benefit Adjustment (GABA)

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

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

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

***Overview of Contributions***

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

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

Employer contributions to the system

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

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

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

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

Employer contributions to the system (Continued)

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

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

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

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

***Stand-Alone Statements***

The PERS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena, MT 59620-0131, 406-444-3154. CAFR information including stand-alone financial statements can be found at <http://mpera.mt.gov/annualreports.shtml>. The latest actuarial valuation and experience study can be found at <http://mpera.mt.gov/actuarialvaluations.shtml>.

GALLATIN COUNTY, STATE OF MONTANA  
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(CONTINUED)  
JUNE 30, 2016

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

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

***Actuarial Assumptions***

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

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

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

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

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

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA/

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

***Discount Rate***

The discount rate used to measure the TPL was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non- employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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

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

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

*Target Allocations*

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

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

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

*Sensitivity Analysis*

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

The above table presents the NPL calculated using the discount rate of 7.75%, as well as what the NPL would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

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

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

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

***Summary of Significant Accounting Policies***

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the NPL; deferred inflows of resources and deferred outflows of resources related to pensions; pension expense; information about the fiduciary net position; and, additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

***Pension Amounts***

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

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

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

PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, the State is required to report a proportionate share of a local government or school district's collective NPL that is associated with the non-State employer.

The State of Montana also has a funding situation that is not special funding whereby the State general fund provides contributions from the coal tax severance fund. All employers are required to report the portion of coal tax severance income and earnings attributable to the employer.

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

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

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

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

*Net Pension Liability (NPL) (Continued)*

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

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

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

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

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

***Pension Expense***

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

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

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

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

*Recognition of Deferred Inflows and Outflows*

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the NPL beginning in the year ended June 30, 2017.

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

Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to pension expense
2017	\$ (658,692)
2018	\$ (658,692)
2019	\$ (657,061)
2020	\$ 354,512
2021	\$ -
Thereafter	\$ -

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

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

**SHERIFF'S RETIREMENT SYSTEM (SRS)**

***Plan Description***

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

***Summary of Benefits***

Eligibility for benefit

20 years of membership service, regardless of age

Other Retirement Option

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

Vesting

5 years of membership service.

Member's highest average compensation (HAC)

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

Compensation Cap

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

Monthly benefit formula

2.5% of HAC per year of service.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit.

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

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

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

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

*Overview of Contributions*

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

Fiscal Year	Member	Employer
2010 - 2016	9.245%	10.115%
2008 - 2009	9.245%	9.825%
1998 - 2007	9.245%	9.535%

*Stand-Alone Statements*

The SRS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena MT 59620-0131, 406-444-3154. CAFR information including our stand alone financial statements can be found on our website at <http://mpera.mt.gov/annualReports.shtml>. The latest actuarial valuation and experience study can be found at our website at <http://mpera.mt.gov/actuarialValuations.asp>.

*Actuarial Assumptions*

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

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

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

- For members hired prior to July 1, 2007 3.00%
- For members hired on or after July 1, 2007 1.50%
- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries are based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

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

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

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

**Discount Rate**

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

**Target Allocations**

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

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

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

**Sensitivity Analysis**

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

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

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

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

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

***Summary of Significant Accounting Policies***

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the NPL; deferred inflows of resources and deferred outflows of resources related to pensions; pension expense; information about the fiduciary net position; and, additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

***Pension Amount Totals***

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

***Net Pension Liability***

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

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

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

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

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

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

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

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

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

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

***Pension Expense***

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

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

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

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

# Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the NPL beginning in the year ended June 30, 2017.

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

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

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

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

Year ended June 30:	Amount of deferred outflows and deferred inflows recognized in future years as an increase or (decrease) to pension expense
2017	\$ (205,687)
2018	\$ (205,687)
2019	\$ (205,687)
2020	\$ 169,662
2021	\$ 23,257
Thereafter	\$ -

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

***Plan Description***

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

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

***Summary of Benefits***

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

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

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

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

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

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

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

***Overview of Contributions***

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

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

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

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

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

***TRS Stand-Alone Statements***

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

***Actuarial Assumptions***

The TPL as of June 30, 2015, is based on the results of an actuarial valuation date of July 1, 2015. There were several significant assumptions and other inputs used to measure the TPL. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of the last actuarial experience study, dated May 1, 2014. Among those assumptions were the following:

- Total Wage Increases\* 4%-8.51%
- Investment Return 7.75%
- Price Inflation 3.25%
- Postretirement Benefit Increases 1.50%
- Tier One Members: If the retiree has received benefits for at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
- Tier Two Members, the retirement allowance will be increased by an amount equal to or greater than 0.5% but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members, service retired members, and beneficiaries
  - For Males: 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018. For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.
  - For Females: 1992 Base Rates from the RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and 1992 Base Rates from the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018
- Mortality among disabled members
  - For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.
  - For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

\*Total Wage Increases include 4.00% general wage increase assumption.

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

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

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

***Discount Rate***

The discount rate used to measure the TPL was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the State general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2119. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. No municipal bond rate was incorporated in the discount rate.

***Target Allocations***

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

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

The assumed long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated May 1, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015, is summarized in the above table.

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

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

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

*Sensitivity Analysis*

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

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

***Summary of Significant Accounting Policies***

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

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

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

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

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

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

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

*Net Pension Liability (NPL) (Continued)*

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

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

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

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

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

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

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

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

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

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

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

*Net Pension Liability (NPL) (Continued)*

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

***Pension Expense***

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

***Deferred Inflows and Outflows***

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

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

\* Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2017.

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

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

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

*Deferred Inflows and Outflows (Continued)*

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

Year ended June 30:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense (a) - (b)
2017	\$ 971	\$ 2,820	\$ (1,849)
2018	\$ 971	\$ 2,820	\$ (1,849)
2019	\$ 112	\$ 2,248	\$ (2,136)
2020	\$ 1,145	\$ -	\$ 1,145
2021	\$ -	\$ -	\$ -
Thereafter	\$ -	\$ -	\$ -

**LOCAL RETIREMENT PLANS**

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

**NOTE 9. RESTRICTED CASH AND INVESTMENTS**

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

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

**NOTE 10. RESTRICTED FUND BALANCE AND NET POSITION**

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

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

**NOTE 11. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS**

State and Federal laws and regulations require that the County place a final cover on its landfill when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. The County has elected to use the Local Government Financial Test to satisfy its financial responsibility under RCRA Subtitle D. Although closure and post closure care costs will be paid only near or after the date the landfill stops accepting waste, the landfill reports a portion of these closure and post closure care costs as an operating expense each period. The costs expensed during a period are based on landfill capacity used as of each balance sheet date. Independent engineering reports show that there is a \$2,121,697 liability for landfill closure and post closure as of June 30, 2016, which represents the cumulative amount reported to date based on the use of 58.36% of the estimated capacity of the landfill. The remaining estimated cost of closure and post closure care will be recognized as the remaining estimated capacity is filled.

The estimated total current cost of closure and post closure care remaining to be recognized is \$1,514,003. These amounts are based on what it should cost to perform all closure and post closure in 2016. The County expects to close the landfill in the year 2026. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The engineering report estimates 9.6 years of life remaining from the date of the report – August 2016.

The County is required by State and Federal laws and regulations to demonstrate financial assurance for the costs of closure and post closure care costs. For the fiscal year ended June 30, 2016 the County demonstrated its ability to handle closure and post closure care costs by passing the local government financial test.

**NOTE 12. SERVICES PROVIDED TO OTHER GOVERNMENTS**

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

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

**NOTE 13. RISK MANAGEMENT**

The County faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers' compensation, i.e. employee injuries, and (f) medical insurance costs of employees. Commercial policies transferring all risks of loss, except for relatively small deductible amounts are purchased for property and content damage, employees' torts, and professional liabilities. Employee medical insurance is provided for by purchase of re-insurance, and given the lack of coverage available; the County has minimal coverage for potential losses from environmental damages. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County has contracted with Traveler's insurance company for workers' compensation coverage. The County budgets and pays the required premium on a quarterly basis.

**Self-Insurance**

The County provides medical insurance coverage for its employees via a partially self-insured plan. It provides medical and dental benefits and is operated as an Internal Service Fund. Rates are determined in consultation with the administrator based on past claim experience. Incurred but unreported claims at June 30, 2016, were estimated by the plan administrator. Claims payable as of yearend are:

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

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

**NOTE 14. COMMITMENTS**

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

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

Future appropriations will fund these commitments as work is performed.

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

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

As required by Governmental Accounting Standards Board (GASB) Statement No. 45 Other Postemployment Benefits, the County has calculated and included a postemployment benefit liability in 2016.

**Plan Description**

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

**Funding Policy**

The County provides no direct subsidy to the health insurance premiums for retirees. Retirees pay for the entire cost of the health insurance premium. Eligible retired employees include former fulltime and certain other employees. As of June 2016 there are 31 retirees and/or survivors enrolled for the employer's sponsored health insurance plan.

**Annual OPEB Cost Obligation**

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

Annual required contribution	\$ 328,467
Interest on net OPEB obligation	41,127
Adjustment to annual required contribution	<u>(56,206)</u>
Annual OPEB cost (expense)	313,388
Contributions made	<u>(148,235)</u>
Increase in net OPEB obligation	165,153
Net OPEB obligation - beginning of year	<u>1,645,064</u>
Net OPEB obligation - end of year	<u>\$ 1,810,217</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the years ended June 30, 2016, 2015, 2014, and 2013 are as follows:

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

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

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

**Funded Status and Funding Progress**

As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was \$2,984,599 all of which was unfunded. There are no assets set aside to fund these benefits as the County funds post-retirement health insurance benefits on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the Plan) was \$18,891,846 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.8%.

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

**Methods and Assumptions**

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

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

Turnover rates were based on specific gender age data assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Amortization factor for a 30-year, level percent of pay amortization on an open basis, using a 2.5 percent discount rate and a 4 percent payroll growth assumption.

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

**NOTE 16. PENDING LITIGATION**

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

# **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

Gallatin County, State of Montana  
PUBLIC SAFETY FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 RID MAINTENANCE  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 1,569,121	\$ 1,569,121	\$ 1,438,471	\$ (130,650)
Investment Earnings	-	-	75,211	75,211
Total revenues	<u>1,569,121</u>	<u>1,569,121</u>	<u>1,513,682</u>	<u>(55,439)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works-Operations	7,603,160	7,603,160	788,831	6,814,329
Total expenditures	<u>7,603,160</u>	<u>7,603,160</u>	<u>788,831</u>	<u>6,814,329</u>
Excess (deficiency) of revenues over expenditures	<u>(6,034,039)</u>	<u>(6,034,039)</u>	<u>724,851</u>	<u>6,758,890</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,034,039)	(6,034,039)	724,851	6,758,890
Fund balances - beginning	6,006,859	6,006,859	6,006,859	-
Fund balances - ending	<u>\$ (27,180)</u>	<u>\$ (27,180)</u>	<u>\$ 6,731,710</u>	<u>\$ 6,758,890</u>

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

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL)</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio %</u> (a/b)	<u>Annual Covered Payroll</u> ( c )	<u>UAAL as a Percentage of Covered Payroll %</u> (b-a/c)
June 30, 2009	\$ -	\$ 3,731,698	\$ 3,731,698	0.00%	\$ 17,387,654	21.50%
June 30, 2011	\$ -	\$ 1,477,499	\$ 1,477,499	0.00%	\$ 16,393,964	9.01%
June 30, 2012	\$ -	\$ 1,606,557	\$ 1,606,557	0.00%	\$ 17,049,722	9.40%
June 30, 2013	\$ -	\$ 3,751,564	\$ 3,751,564	0.00%	\$ 17,094,644	22.50%
June 30, 2014	\$ -	\$ 4,007,572	\$ 4,007,572	0.00%	\$ 17,778,430	22.50%
June 30, 2015	\$ -	\$ 2,843,552	\$ 2,843,552	0.00%	\$ 18,165,236	15.65%
June 30, 2016	\$ -	\$ 2,984,599	\$ 2,984,599	0.00%	\$ 18,891,846	15.80%

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

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

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

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

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

**Schedule of Contributions:**

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

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

# **OTHER SUPPLEMENTARY INFORMATION**

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

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

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

#### Levied or Assessment Funds:

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

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

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

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

Three Rivers Mosquito District

Riverside Mosquito District

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

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

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

River Rock

Bridger Canyons

Sypes Canyon #2

Bear Canyon

Big Sky

So. Gallatin Canyon

Hyalite

Wheatland

Springhill

Zoning #1

Hebgen Lake

Sypes Canyon #1

Zoning #6

Trail Creek

Manhattan Jurisdictional Area

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

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

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

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

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

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

Churchill	Logan
Riverside	Willow Creek

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

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

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

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

#### **Grant Funds –**

##### Health Related Grants

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

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

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

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

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

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

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

##### Other Grants

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

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

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

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

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

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

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

PILT Fund – Used to account for the receipt of federal revenue based on the federal land acreage in the county. These moneys receipt of grant revenue from the state to the City / County Health Department used as required by the grant.

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

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

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

TIGER Grant Fund – Tracks receipt of federal transportation grant revenue sent to the state and other dedicated revenue used to support the construction of the Airport I-90 Interchange.

#### Public Safety Grants

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

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

#### Public Safety Grants (continued)

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

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

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

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

#### Public Safety Grants (continued)

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

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

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

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

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

#### **Other Special Revenue Funds –**

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

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

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

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

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

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

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

## GALLATIN COUNTY, STATE OF MONTANA

### SPECIAL REVENUE FUNDS

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

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

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

City County Building Fund – Inactive

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

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

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

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

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

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

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

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

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

	2270	2361	2372	2390	2393	2395
	HEALTH	HISTORIC PRESERVATION	PERMISSIVE MEDICAL LEVY	DRUG FORFEITURES	CLK & REC. RECORDS PRESERVATION	ECONOMIC DEVELOPMENT
<b>ASSETS</b>						
Cash & Investments	\$ 1,130,805	\$ 9,942	\$ 72,395	\$ 36	\$ 134,597	\$ 365,555
Real Estate Tax Receivable	35,714	-	44,785	-	-	-
Personal Tax Receivable	7,282	-	7,908	-	-	-
Protested Tax Receivable	2,110	-	2,787	-	-	-
Accounts Receivable-Net	51,225	-	-	-	-	-
Due from/Advance to Other fund	158,274	-	-	-	-	-
Inventories	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 1,385,410</u>	<u>\$ 9,942</u>	<u>\$ 127,875</u>	<u>\$ 36</u>	<u>\$ 134,597</u>	<u>\$ 365,555</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 100,578	\$ 8,500	\$ -	\$ -	\$ 1,171	\$ -
Other Accrued Payables	76,107	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Unearned Grant Revenue	70,963	-	-	-	-	-
<b>Total liabilities</b>	<u>\$ 247,648</u>	<u>\$ 8,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,171</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue, Fines and Forfeitures, Fees	-	-	-	-	-	-
Unavailable Revenue, Property Taxes	45,106	-	55,480	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>45,106</u>	<u>-</u>	<u>55,480</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>						
Inventories	-	-	-	-	-	-
Restricted for:						
Grants						
Debt Service Obligations	113,114	-	-	-	-	365,555
RID Debt Services	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Committed for:						
Contractual Obligations						
RID Maintenance	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	72,395	-	133,426	-
Public Works	-	-	-	36	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	979,542	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community Developr	-	1,442	-	-	-	-
Conservation Of Natural Resourc	-	-	-	-	-	-
Assigned for:						
General Government						
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Health	-	-	-	-	-	-
Social & Economic Services	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Housing & Community Developr	-	-	-	-	-	-
Conservation Of Natural Resourc	-	-	-	-	-	-
Unassigned:						
	-	-	-	-	-	-
<b>Total fund balance</b>	<u>1,092,656</u>	<u>1,442</u>	<u>72,395</u>	<u>36</u>	<u>133,426</u>	<u>365,555</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,385,410</u>	<u>\$ 9,942</u>	<u>\$ 127,875</u>	<u>\$ 36</u>	<u>\$ 134,597</u>	<u>\$ 365,555</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

are an integral part of this

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

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

are an integral part of this

Gallatin County, State of Montana  
2110 ROAD  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2111 ROAD IMPACT FEE FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	15,000	15,000	43,997	28,997
Investment Earnings	150	150	840	690
Contributions/Donations	-	-	-	-
Total revenues	<u>15,150</u>	<u>15,150</u>	<u>44,837</u>	<u>29,687</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	76,198	76,198	1,738	74,460
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>76,198</u>	<u>76,198</u>	<u>1,738</u>	<u>74,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,048)</u>	<u>(61,048)</u>	<u>43,099</u>	<u>104,147</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(61,048)	(61,048)	43,099	104,147
Fund balances - beginning	73,480	73,480	73,480	-
Fund balances - ending	<u>\$ 12,432</u>	<u>\$ 12,432</u>	<u>\$ 116,579</u>	<u>\$ 104,147</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 13,297	\$ 14,075	\$ 21,015	\$ 6,940
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>13,297</u>	<u>14,075</u>	<u>21,015</u>	<u>6,940</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	15,436	16,214	14,030	2,184
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Total expenditures	<u>15,436</u>	<u>16,214</u>	<u>14,030</u>	<u>2,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,139)</u>	<u>(2,139)</u>	<u>6,985</u>	<u>9,124</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,139)	(2,139)	6,985	9,124
Fund balances - beginning	(3,538)	(3,538)	(3,538)	-
Fund balances - ending	<u>\$ (5,677)</u>	<u>\$ (5,677)</u>	<u>\$ 3,447</u>	<u>\$ 9,124</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, 2016

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

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

Gallatin County, State of Montana  
2200 MOSQUITO DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2210 PARK  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2220 LIBRARY  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2250 COUNTY WIDE PLANNING  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 158,132	\$ 158,132	\$ 165,640	\$ 7,508
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	10,500	10,500	15,814	5,314
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>168,632</u>	<u>168,632</u>	<u>181,454</u>	<u>12,822</u>
<b>EXPENDITURES</b>				
Current:				
General Government	228,290	228,290	15,962	212,328
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>228,290</u>	<u>228,290</u>	<u>15,962</u>	<u>212,328</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,658)</u>	<u>(59,658)</u>	<u>165,492</u>	<u>225,150</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
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	(222,458)	(222,458)	2,692	225,150
Fund balances - beginning	259,012	259,012	259,012	-
Fund balances - ending	<u>\$ 36,554</u>	<u>\$ 36,554</u>	<u>\$ 261,704</u>	<u>\$ 225,150</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 43,861	\$ 43,861	\$ 44,189	\$ 328
Licenses and Permits				-
Intergovernmental Revenues	-	-	110	110
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	208	208
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>43,861</u>	<u>43,861</u>	<u>44,507</u>	<u>646</u>
<b>EXPENDITURES</b>				
Current:				
General Government	16,722	16,722	16,652	70
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	27,672	27,672	27,656	(16)
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>44,394</u>	<u>44,394</u>	<u>44,308</u>	<u>54</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533)</u>	<u>(533)</u>	<u>199</u>	<u>732</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(533)	(533)	199	700
Fund balances - beginning	614	614	614	-
Fund balances - ending	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ 813</u>	<u>\$ 700</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	-
Licenses and Permits	85,000	85,000	70,060	(14,940)
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	3,000	3,000	3,999	999
Contributions/Donations	-	-	-	-
Total revenues	<u>88,000</u>	<u>88,000</u>	<u>74,059</u>	<u>(13,941)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation of Natural Resource	598,112	598,112	104,328	493,784
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>598,112</u>	<u>598,112</u>	<u>104,328</u>	<u>493,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(510,112)</u>	<u>(510,112)</u>	<u>(30,269)</u>	<u>479,843</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(10,500)	(10,500)
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(10,500)</u>	<u>(10,500)</u>
Net change in fund balances	(510,112)	(510,112)	(40,769)	469,343
Fund balances - beginning	501,106	501,106	501,106	-
Fund balances - ending	<u>\$ (9,006)</u>	<u>\$ (9,006)</u>	<u>\$ 460,337</u>	<u>\$ 469,343</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, 2016

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

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

Gallatin County, State of Montana  
2270 HEALTH  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
<b>REVENUES</b>					
Property Taxes	\$ 1,317,222	\$ 1,317,222	\$ 1,337,495	\$ 20,273	
Licenses and Permits	180,000	180,000	227,158	47,158	
Intergovernmental Revenues	217,969	217,969	137,883	(80,086)	
Charges for Services	259,847	259,847	280,281	20,434	
Fines and Forfeitures	-	-	-	-	
Miscellaneous	-	-	81,742	81,742	
Investment Earnings	-	-	-	-	
Contributions/Donations	-	-	-	-	
Total revenues	<u>1,975,038</u>	<u>1,975,038</u>	<u>2,064,559</u>	<u>89,521</u>	
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	
Public Safety	-	-	-	-	
Public Works	-	-	-	-	
Public Health	2,047,820	2,122,885	1,886,428	236,457	
Social and Economic Services	-	-	-	-	
Culture and Recreation	-	-	-	-	
Housing And Community Development	-	-	-	-	
Conservation Of Natural Resources	-	-	-	-	
Debt service:					
Principal	141,076	141,076	40,000	101,076	
Interest	-	-	28,688	(28,688)	
Capital outlay	358,124	283,059	15,000	268,059	
Total expenditures	<u>2,547,020</u>	<u>2,547,020</u>	<u>1,970,116</u>	<u>576,904</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(571,982)</u>	<u>(571,982)</u>	<u>94,443</u>	<u>666,425</u>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(146,820)	(146,820)	(85,336)	61,484	85336
Sale of Fixed Assets	-	-	-	-	
Transfers In	17,883	17,883	34,943	17,060	
Bond Proceeds	-	-	-	-	
Total other financing source (uses)	<u>(128,937)</u>	<u>(128,937)</u>	<u>(50,393)</u>	<u>78,544</u>	
Net change in fund balances	(700,919)	(700,919)	44,050	744,969	
Fund balances - beginning	1,048,606	1,048,606	1,048,606	-	
Fund balances - ending	<u>\$ 347,687</u>	<u>\$ 347,687</u>	<u>\$ 1,092,656</u>	<u>744,969</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, 2016

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

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

Gallatin County, State of Montana  
2372 PERMISSIVE MEDICAL LEVY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2390 DRUG FORFEITURES  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	10,000	10,000	12,997	2,997
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>12,997</u>	<u>2,997</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	725	725	595	130
Public Works	-	-	-	-
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>725</u>	<u>725</u>	<u>595</u>	<u>130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,275</u>	<u>9,275</u>	<u>12,402</u>	<u>3,127</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(23,322)	(23,322)	(16,143)	7,179
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(23,322)</u>	<u>(23,322)</u>	<u>(16,143)</u>	<u>7,179</u>
Net change in fund balances	(14,047)	(14,047)	(3,741)	10,306
Fund balances - beginning	3,777	3,777	3,777	-
Fund balances - ending	<u>\$ (10,270)</u>	<u>\$ (10,270)</u>	<u>\$ 36</u>	<u>10,306</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, 2016

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

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

Gallatin County, State of Montana  
2395 ECONOMIC DEVELOPMENT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2398 COUNTY FIRE CONTROL PERMIT FND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2420 SR-CHURCHILL LIGHT DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2790 WATER QUALITY DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 249,176	\$ 249,176	\$ 262,959	\$ 13,783
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	8,500	7,405	(1,095)
Charges for Services	60,965	60,965	58,340	(2,625)
Fines and Forfeitures	-	-	-	-
Miscellaneous	150	150	1,109	959
Investment Earnings	400	400	2,598	2,198
Contributions/Donations	-	-	-	-
Total revenues	<u>310,691</u>	<u>319,191</u>	<u>332,411</u>	<u>13,220</u>
<b>EXPENDITURES</b>				
Current:				-
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	316,526	321,526	261,119	60,407
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	118,575	122,075	2,082	(119,993)
Total expenditures	<u>435,101</u>	<u>443,601</u>	<u>263,201</u>	<u>(59,586)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(124,410)</u>	<u>(124,410)</u>	<u>69,210</u>	<u>193,620</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(124,410)	(124,410)	69,210	193,620
Fund balances - beginning	255,497	255,497	255,498	1
Fund balances - ending	<u>\$ 131,087</u>	<u>\$ 131,087</u>	<u>\$ 324,708</u>	<u>\$ 193,621</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	125,000	189,127	189,127	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>125,000</u>	<u>189,127</u>	<u>189,127</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	125,000	189,127	189,127	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>125,000</u>	<u>189,127</u>	<u>189,127</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
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, 2016

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

Gallatin County, State of Montana  
2820 GAS TAX  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2830 JUNK VEHICLE  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	24,228	24,228	57,014	32,786
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment Earnings	-	-	-	-
Contributions/Donations	-	-	-	-
Total revenues	<u>24,228</u>	<u>24,228</u>	<u>57,014</u>	<u>32,786</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	69,093	69,093	54,652	14,441
Public Health	-	-	-	-
Social and Economic Services	-	-	-	-
Culture and Recreation	-	-	-	-
Housing And Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>69,093</u>	<u>69,093</u>	<u>54,652</u>	<u>14,441</u>
Excess (deficiency) of revenues over expenditures	<u>(44,865)</u>	<u>(44,865)</u>	<u>2,362</u>	<u>47,227</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(51,795)	(51,795)	-	51,795
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total other financing source (uses)	<u>(51,795)</u>	<u>(51,795)</u>	<u>-</u>	<u>51,795</u>
Net change in fund balances	(96,660)	(96,660)	2,362	99,022
Fund balances - beginning	96,109	96,109	96,109	-
Fund balances - ending	<u>\$ (551)</u>	<u>\$ (551)</u>	<u>\$ 98,471</u>	<u>\$ 99,022</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, 2016

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

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

Gallatin County, State of Montana  
2840 NOXIOUS WEED TRUST FUND GRANTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2850 911 EMERGENCY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2859 COUNTY LAND INFORMATION FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2865 DNRC GRANT - COMPOST FACILITY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2870 CRIME CONTROL  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2871 SW REGIONAL YTH. DET. FACILITY  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2900 PILT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2902 FOREST RECEIPTS - TITLE III  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2915 OPERATION FREEDOM FROM FEAR  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2916 COPS GRANT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2917 VICTIM WITNESS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2918 LAW ENFORCEMENT BLOCK GRANT  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2927 HOMELAND SECURITY GRANT  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2940 CDBG GRANTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2950 D.U.I. PROGRAM  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2968 CANCER PREVENTION  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2969 PUBLIC HEALTH EMERGENCY PREPAREDNESS  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2971 W.I.C.  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2973 MATERNAL CHILD  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2976 COMMUNICABLE DISEASE FUND  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2979 FEDERAL HEALTH GRANT FUND  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
2987 TIGER GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
 2990 DRUG ENFORCEMENT GRANT  
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2016

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

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

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

## GALLATIN COUNTY, STATE OF MONTANA

### DEBT SERVICE FUNDS

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

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

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

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

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

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

Wheatland Hills #2  
Canary Lane  
Amsterdam Road  
Bear Creek 2 & 3  
Ousal Falls Road  
Franklin Hills

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

Meadow Subd.  
Lake Subd  
Evergreen Way  
Trail Creek Road  
Firelight

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Debt service funds  
June 30, 2016

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

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

Gallatin County, State of Montana  
3040 OPEN SPACE BOND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
3050 DETENTION CENTER BOND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
3205 INTERCAP LOAN FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
3400 RURAL REVOLVING  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

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

## GALLATIN COUNTY, STATE OF MONTANA

### CAPITAL PROJECT FUNDS

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

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

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

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

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

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

Treasure State Endowment Program (TSEP) Fund – Used to account for receipt of dedicated grant revenues from the state TSEP accounts to pay for capital projects approved for grant funding.

Communittee Develop Block Program (CDBG) Fund – Tracks federal grant revenue received for approved CDBG projects for expenses approved for the individual projects.

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Capital projects funds  
June 30, 2016

	4140 OPEN SPACE BOND PROGRAM FUND	4200 CP - RID FUNDS	4310 CTEP PROJECTS	4320 INFRASTRUCTURE LOAN PROGRAM FN
<b>ASSETS</b>				
Cash & Investments	\$ 4,453,791	\$ 291,876	\$ -	\$ -
Accounts Receivable-Net	54,831	-	85,583	-
<b>Total assets</b>	<u>4,508,622</u>	<u>291,876</u>	<u>85,583</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	83,232	-	46,077	-
Due To Other Funds	-	-	37,270	-
<b>Total liabilities</b>	<u>83,232</u>	<u>-</u>	<u>83,347</u>	<u>-</u>
<b>Fund Balances:</b>	4,425,390	291,876	2,236	-
<b>Nonspendable:</b>				
Inventories	-	-	-	-
Restricted for:				
Grants	-	-	-	-
Debt Service Obligations	-	-	-	-
RID Debt Services	-	-	-	-
Construction Projects	4,425,390	291,876	2,236	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Committed for:				
Contractual Obligations	-	-	-	-
RID Maintenance	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Assigned for:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Social & Economic Services	-	-	-	-
Culture & Recreation	-	-	-	-
Housing & Community Development	-	-	-	-
Conservation Of Natural Resources	-	-	-	-
Unassigned:	-	-	-	-
<b>Total fund balance</b>	<u>4,425,390</u>	<u>291,876</u>	<u>2,236</u>	<u>-</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 4,508,622</u>	<u>\$ 291,876</u>	<u>\$ 85,583</u>	<u>\$ -</u>

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

Gallatin County, State of Montana  
Combining Balance Sheet  
Nonmajor Capital projects funds  
June 30, 2016

	4331 JUNK VEHICLE- CAPITAL IMPROVEMT	4350 TSEP - CONSTRUCTION FUND	4430 CDBG - GRANTS	4990 STIMULUS ACTIVITIES	Total Nonmajor Capital projects funds
<b>ASSETS</b>					
Cash & Investments	\$ 107,626	\$ -	\$ 9,292	\$ -	#REF!
Accounts Receivable-Net	-	-	-	-	#REF!
<b>Total assets</b>	<u>107,626</u>	<u>-</u>	<u>9,292</u>	<u>-</u>	<u>#REF!</u>
<b>LIABILITIES</b>					
Accounts Payable	25	-	-	-	#REF!
Due To Other Funds	-	-	-	-	#REF!
<b>Total liabilities</b>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>#REF!</u>
<b>Fund Balances:</b>	107,601	-	9,292	-	#REF!
<b>Nonspendable:</b>					
Inventories	-	-	-	-	-
Restricted for:					
Grants	-	-	-	-	-
Debt Service Obligations	-	-	-	-	-
RID Debt Services	-	-	-	-	-
Construction Projects	107,601	-	9,292	-	116,893
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Committed for:					
Contractual Obligations	-	-	-	-	-
RID Maintenance	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Assigned for:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health	-	-	-	-	-
Social & Economic Services	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Housing & Community Development	-	-	-	-	-
Conservation Of Natural Resources	-	-	-	-	-
Unassigned:					
	-	-	-	-	-
<b>Total fund balance</b>	<u>107,601</u>	<u>-</u>	<u>9,292</u>	<u>-</u>	<u>116,893</u>
Total liabilities and fund balances (deficits)	<u>\$ 107,626</u>	<u>\$ -</u>	<u>\$ 9,292</u>	<u>\$ -</u>	<u>#REF!</u>

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

Gallatin County, State of Montana  
4140 OPEN SPACE BOND PROGRAM FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
4200 CP - RID FUNDS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
4310 CTEP PROJECTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
4320 INFRASTRUCTURE LOAN PROGRAM FN  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
4331 JUNK VEHICLE-CAPITAL IMPROVEMT  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
4350 TSEP - CONSTRUCTION FUND  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

Gallatin County, State of Montana  
4430 CDBG - GRANTS  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2016

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

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

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

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

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

### **INTERNAL SERVICE FUNDS**

Motor Pool Fund – Accounts for receipt of charges for services dedicated payment of expenses to maintain the county motor pool.

Employee Health Insurance Fund – Tracks the receipt of premiums for employees, dependents, COBRA and retirees and the recording of expenses associated with medical, dental and vision insurance claims.

Central Maintenance Fund – Used to account for receipt of dedicated charges for services from County and City departments charged for space utilized within county buildings.

Central Communications Fund – Accounts for revenue generated by a telephone, cell phone or computer useage charge along with the payment of expenses associated with the telephone and computer infrastructure.

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

Liability Insurance Fund – Used to account for receipt of deductible reserve and expenses not covered by insurance company's associated with property and liability coverages.

Gallatin County, State of Montana  
Combining Statement of Net Position  
Nonmajor Internal service funds  
June 30, 2016

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

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

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

	MOTOR POOL	EMPLOYEE HEALTH INSURANCE	CENTRAL MAINTENANCE	COMMUNICATIONS (PHONE SYSTEM)	COPIER RESERVE FUND	LIABILITY INSURANCE FUND	Total Internal service funds
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 38,647	\$ -	\$ 136,840	\$ 447,372	\$ -	\$ -	\$ 622,859
Miscellaneous	-	-	902	-	-	-	902
Internal Services	-	5,829,437	1,401,388	-	69,558	301,233	7,601,616
Total operating revenues	<u>38,647</u>	<u>5,829,437</u>	<u>1,539,130</u>	<u>447,372</u>	<u>69,558</u>	<u>301,233</u>	<u>8,225,377</u>
<b>OPERATING EXPENSES</b>							
Internal Service-Personnel	2,626	-	466,939	58,404	-	-	527,969
Internal Service-Supplies	18,939	645	102,687	6,332	8,204	-	136,807
Internal Service-Purchased Ser	-	119,898	798,474	302,793	27,035	-	1,248,200
Internal Service-Fixed Charges	-	566,712	59,902	24,744	2,278	112,095	765,731
Internal Service-Depreciation	9,332	-	1,264	90,833	20,027	-	121,456
Internal Serv-Benefit Payments	-	4,841,132	-	-	-	-	4,841,132
Total operating expenses	<u>30,897</u>	<u>5,528,387</u>	<u>1,429,266</u>	<u>483,106</u>	<u>57,544</u>	<u>112,095</u>	<u>7,641,295</u>
Operating income (loss)	<u>7,750</u>	<u>301,050</u>	<u>109,864</u>	<u>(35,734)</u>	<u>12,014</u>	<u>189,138</u>	<u>584,082</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Investment Earnings	-	38,472	12,801	7,540	2,003	8,796	69,612
Sale of Fixed Assets	-	-	-	-	(187)	-	(187)
Transfers Out	-	-	-	(7,701)	-	-	(7,701)
Total nonoperating revenues (expenses)	<u>-</u>	<u>38,472</u>	<u>12,801</u>	<u>(161)</u>	<u>1,816</u>	<u>8,796</u>	<u>61,724</u>
Income (loss) before contributions and transfers	7,750	339,522	122,665	(35,895)	13,830	197,934	645,806
Transfers In	-	871,500	-	84,200	-	-	955,700
Change in net position	<u>7,750</u>	<u>1,211,022</u>	<u>122,665</u>	<u>48,305</u>	<u>13,830</u>	<u>197,934</u>	<u>1,601,506</u>
Total net position - beginning	88,683	2,492,359	933,662	1,183,477	231,971	647,786	5,577,938
Total net position - ending	<u>\$ 96,433</u>	<u>\$ 3,703,381</u>	<u>\$ 1,056,327</u>	<u>\$ 1,231,782</u>	<u>\$ 245,801</u>	<u>\$ 845,720</u>	<u>\$ 7,179,444</u>

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

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

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

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

# **STATISTICAL SECTION**

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

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

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

Fund No.	Description	Approved Budget	Cash Reserved	Res. %	Total	Cash	Non-Tax Revenue	Taxes	Mill Value	FY 2016 Mills	MAX MILLS	FY 2015 Mills
<b>Grant, Districts and Miscellaneous Funds</b>												
2111	Road Impact Fee	76,198	5,627	0.00%	81,825	66,675	15,150	-				
	Predatory Animal Control	15,436	1,000	0.00%	16,436	(3,454)	6,593	13,297				
	Mosquito Control Districts	225,812	-	N/A	225,812	136,125	5,400	84,287				
2210	Parks	67,248	-	N/A	67,248	13,650	53,598	-				
2250	County Planning	391,090	100,000	25.57%	491,090	322,458	11,000	157,632	66,084	2.39	2.92	2.39
	Zoning Districts	44,394	-	N/A	44,394	533	-	43,861				
2255	Open Space Opeations	598,112	-	N/A	598,112	510,112	88,000	-				
2361	Historic Preservation	12,089	-	N/A	12,089	3,589	8,500	-				
2390	Drug Forferiture	24,047	-	N/A	24,047	14,047	10,000	-				
2393	Records Preservation	242,257	-	N/A	242,257	112,257	130,000	-				
2395	Economic Development	365,564	-	N/A	365,564	365,564	-	-				
2398	County Fire Permit	54,548	-	N/A	54,548	39,548	15,000	-				
	Lighting Districts	36,700	10,890	29.67%	47,590	27,936	-	19,654				
	RID Maintenance	7,602,926	-	N/A	7,602,926	6,033,796	-	1,569,131				
2790	Local Water Quality	435,101	134,863	31.00%	569,964	259,410	62,015	248,539	37,658	\$ 6.60		\$ 6.60
2800	Alcohol Rehabilitation	125,000	-	N/A	125,000	-	125,000	-				
2820	Gas Tax	905,551	-	N/A	905,551	589,951	315,600	-				
2830	Junk Vehicle	120,888	-	N/A	120,888	96,660	24,228	-				
2836	MTUPP	113,059	-	N/A	113,059	(710)	113,769	-				
2840	Noxious Weed Grants	15,833	-	N/A	15,833	8,333	7,500	-				
2850	9-1-1 Dispatch Grant	1,711,832	-	0.00%	1,711,832	1,061,832	650,000	-				
2859	Land Information	38,858	-	N/A	38,858	13,858	25,000	-				
2870	Crime Control	89,272	-	0.00%	89,272	45,935	43,337	-				
2871	Youth Detention Grant	256,064	-	N/A	256,064	4,487	251,577	-				
2900	P.I.L.T.	2,929,574	500,000	17.07%	3,429,574	3,429,474	100	-				
2902	Forest Receipts	1,620	-	0.00%	1,620	1,620	-	-				
2915	Freedom From Fear Grant	96,796	-	N/A	96,796	7,985	88,811	-				
2917	Victim Witness	281,390	22,664	8.05%	304,054	22,154	281,900	-				
2918	Law Enforcement Blk Grnt	15,876	-	N/A	15,876	-	15,876	-				
2927	Homeland Security	132,417	-	N/A	132,417	2,716	129,701	-				
2940	CDBG - Grants	60,348	-	N/A	60,348	23,831	36,517	-				
2950	D.U.I. Task Force	146,539	43,000	29.34%	189,539	116,539	73,000	-				
2968	Cancer Prevention Grant	359,386	119,332	33.20%	478,718	331,518	147,200	-				
2969	Health Preparedness Grant	257,848	76,841	29.80%	334,689	220,231	114,458	-				
2971	W.I.C. Grant	357,584	44,196	12.36%	401,780	42,626	359,154	-				
2973	Maternal Child Hlth Grant	449,425	69,267	15.41%	518,692	518,692	92,656	-				
2976	Communicable Disease	750,921	114,509	15.25%	865,430	315,792	549,638	-				
2979	Federal Health Grants	517,929	24,192	4.67%	542,121	2,524	539,597	-				
2987	TIGER Grant	308,044	-	N/A	308,044	308,044	-	-				
2990	MRDTF Grant	410,440	-	N/A	410,440	1,772	408,668	-				
<b>subtotal Grants, Districts, Misc.</b>		<b>20,644,016</b>	<b>1,266,381</b>	<b>6.13%</b>	<b>21,910,397</b>	<b>14,642,075</b>	<b>5,131,923</b>	<b>2,136,400</b>				

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

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

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

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

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

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

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

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

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

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

## GALLATIN COUNTY, MONTANA

### NET POSITION BY COMPONENT

#### Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

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

# GALLATIN COUNTY, MONTANA

## CHANGE IN NET POSITION

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

	2006	2007	2008	2009	2010	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government	8,780	8,511	9,253	9,916	10,046	9,473	9,838	10,139	10,200	10,027
Public safety	9,625	10,336	12,764	12,400	14,183	16,489	16,934	17,621	17,954	17,293
Public works	8,613	7,077	6,841	8,236	8,735	9,496	11,043	17,215	12,192	5,629
Public health	2,734	3,029	2,970	3,224	3,315	3,392	3,606	3,597	3,899	4,179
Social and economic	429	490	498	439	536	486	495	492	471	472
Culture and recreation	1,583	1,607	1,559	1,683	2,763	1,823	1,899	2,000	1,972	1,976
Housing & Comm. Dev.	153	165	86	73	3,316	90	414	156	108	490
Conservation of Nat. Res.	179	160	97	81	118	111	146	147	114	132
Miscellaneous / Unallocated	78	103	51	63	8	-	-	-	-	-
Interest on long-term debt	531	848	857	1,620	2,185	2,376	2,638	2,082	1,975	3,559
<b>Total governmental activities</b>	<b>32,704</b>	<b>32,326</b>	<b>34,976</b>	<b>37,735</b>	<b>45,205</b>	<b>43,735</b>	<b>47,014</b>	<b>53,449</b>	<b>48,885</b>	<b>43,758</b>
Business-type activities:										
Gallatin county landfill	2,340	2,019	1,856	2,646	2,941	3,159	3,019	3,041	2,708	2,581
Rest home	4,701	4,518	4,717	5,169	5,426	5,736	5,813	5,921	5,978	6,112
West Yellowstone Refuse	935	904	918	823	756	829	859	992	949	979
<b>Total business-type activities</b>	<b>7,976</b>	<b>7,441</b>	<b>7,492</b>	<b>8,638</b>	<b>9,122</b>	<b>9,724</b>	<b>9,691</b>	<b>9,953</b>	<b>9,635</b>	<b>9,672</b>
<b>Total primary government expenses</b>	<b>40,680</b>	<b>39,767</b>	<b>42,468</b>	<b>46,373</b>	<b>54,327</b>	<b>53,459</b>	<b>56,705</b>	<b>63,402</b>	<b>58,520</b>	<b>53,429</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	2,170	2,662	1,955	1,806	2,043	2,001	2,032	2,342	2,828	3,657
Public safety	1,899	2,228	2,291	2,525	1,639	1,763	2,708	3,981	3,760	2,845
Public works	576	912	316	587	329	157	83	101	80	102
Public health	505	331	270	270	303	342	357	441	480	614
Social and economic	29	39	75	64	68	30	-	-	-	-
Culture and recreation	506	523	502	475	612	503	560	588	570	643
Housing & Comm. Dev.	484	505	339	226	193	180	231	487	537	589
Conservation of Nat. Res.	184	138	149	125	87	117	106	95	85	70
Operating Grants and contributions	4,877	3,311	3,516	5,369	5,232	5,597	7,205	5,573	5,465	7,017
Capital grants and contributions	365	1,469	57	804	4,414	479	244	6,658	3,046	147
<b>Total governmental activity revenue</b>	<b>11,596</b>	<b>12,117</b>	<b>9,471</b>	<b>12,251</b>	<b>14,921</b>	<b>11,170</b>	<b>13,526</b>	<b>20,266</b>	<b>16,851</b>	<b>15,686</b>
Business-type activities										
Charges for services:										
Gallatin county landfill	3,315	3,973	4,072	4,014	3,637	3,976	3,536	3,823	4,254	4,444
Rest home	4,808	4,202	4,300	5,352	5,725	5,324	5,283	5,227	4,827	5,211
West Yellowstone Refuse	1,178	1,130	994	874	789	886	786	863	804	770
Operating Grants and contributions	107	82	3,838	75	91	295	420	180	141	208
<b>Total business-type activity revenue</b>	<b>9,408</b>	<b>9,388</b>	<b>13,205</b>	<b>10,315</b>	<b>10,241</b>	<b>10,480</b>	<b>10,025</b>	<b>10,092</b>	<b>10,026</b>	<b>10,633</b>
<b>Total primary government revenue</b>	<b>21,004</b>	<b>21,505</b>	<b>22,675</b>	<b>22,565</b>	<b>25,162</b>	<b>21,650</b>	<b>23,551</b>	<b>30,358</b>	<b>26,877</b>	<b>26,319</b>
<b>Net (expense) revenue</b>										
Governmental activities:										
	(21,108)	(20,209)	(25,506)	(25,484)	(30,285)	(32,565)	(33,488)	(33,184)	(32,034)	(28,072)
Business-type activities										
	1,432	1,947	5,713	1,676	1,119	757	334	139	391	961
<b>Total primary government (expense) revenue</b>	<b>(19,676)</b>	<b>(18,262)</b>	<b>(19,793)</b>	<b>(23,808)</b>	<b>(29,166)</b>	<b>(31,809)</b>	<b>(33,154)</b>	<b>(33,044)</b>	<b>(31,643)</b>	<b>(27,110)</b>

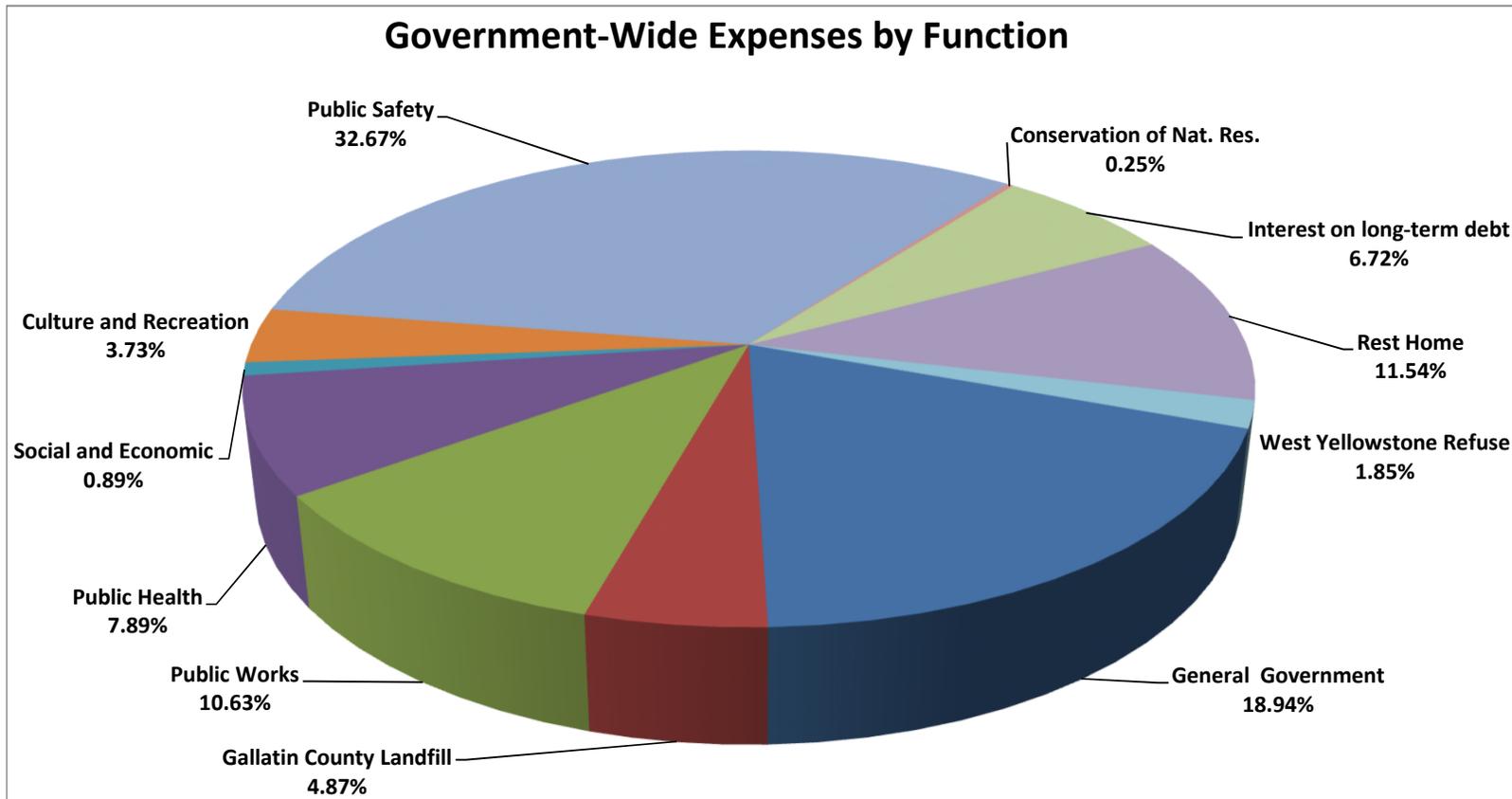
**GALLATIN COUNTY, MONTANA**  
**CHANGE IN NET POSITION (Continued)**

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

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property Taxes	21,078	22,672	24,650	24,914	29,436	30,201	31,088	32,028	33,425	34,018
Local option tax	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants/contributions	785	242	2,043	2,072	2,148	2,346	2,444	2,692	3,009	3,185
Investment earnings	983	1,567	1,491	975	837	316	(579)	628	527	628
Miscellaneous	0	-	49	600	262	543	569	104	(20)	2,531
Sale/disposal of Fixed assets	-	17	12	7	6	(15)	(1,014)	11	18	53
Other	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>22,846</b>	<b>24,498</b>	<b>28,245</b>	<b>28,569</b>	<b>32,689</b>	<b>33,392</b>	<b>32,508</b>	<b>35,464</b>	<b>36,959</b>	<b>40,415</b>
Business-type activities:										
Taxes	111	65	61	65	-	-	-	1	-	2
Unrestricted grants/contributions	-	-	-	-	-	-	-	-	84	214
Investment earnings	133	273	324	240	157	115	(161)	276	162	190
Sale/disposal of Fixed assets	-	-	(140)	-	(13)	(1)	(8)	261	39	217
<b>Total business-type activities</b>	<b>245</b>	<b>338</b>	<b>245</b>	<b>305</b>	<b>144</b>	<b>114</b>	<b>(168)</b>	<b>538</b>	<b>285</b>	<b>622</b>
<b>Total primary government expenses</b>	<b>23,091</b>	<b>24,835</b>	<b>28,491</b>	<b>28,874</b>	<b>32,833</b>	<b>33,505</b>	<b>32,340</b>	<b>36,002</b>	<b>37,244</b>	<b>41,038</b>
<b>Change in Net Position</b>										
Governmental activities:	1,738	4,288	2,739	3,085	2,405	826	(980)	2,280	4,925	12,343
Business-type activities	1,677	2,285	5,958	1,981	1,263	871	166	677	676	1,584
<b>Total primary government</b>	<b>3,414</b>	<b>6,573</b>	<b>8,698</b>	<b>5,066</b>	<b>3,668</b>	<b>1,697</b>	<b>(814)</b>	<b>2,957</b>	<b>5,601</b>	<b>13,927</b>

Government-Wide Expenses by Function

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



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

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

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

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

(accrual basis of accounting)

(amounts expressed in thousands)

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

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

(amounts expressed in thousands)

<b>FISCAL YEAR</b>	<b>REAL PROPERTY</b>	<b>PERSONAL PROPERTY</b>	<b>MOBILE HOMES</b>	<b>CENTRALLY ASSESSED</b>	<b>TAX INCREMENT DISTRICT</b>	<b>TOTAL TAXABLE ASSESSED VALUE</b>
2006	145,197	6,977	1,361	15,380	(854)	168,061
2007	155,176	7,635	1,383	18,000	(884)	181,310
2008	167,823	8,627	1,380	20,308	(1,035)	197,103
2009	179,273	9,314	1,340	20,557	(1,223)	209,262
2010	194,498	9,661	1,216	19,991	(2,870)	222,497
2011	200,807	8,990	1,138	23,104	(3,120)	230,919
2012	205,442	8,279	1,048	23,139	(3,283)	234,625
2013	211,386	6,533	973	24,302	(3,708)	239,486
2014	218,776	6,533	973	24,302	(4,013)	246,571
2015	224,256	6,729	983	25,031	(4,035)	252,964
2016	210,529	2,775	945	28,052	(4,224)	238,077
2017	216,023	2,861	995	34,583	(4,344)	248,031

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

Source: Department of Revenue Montana Certified Values - Online CSV

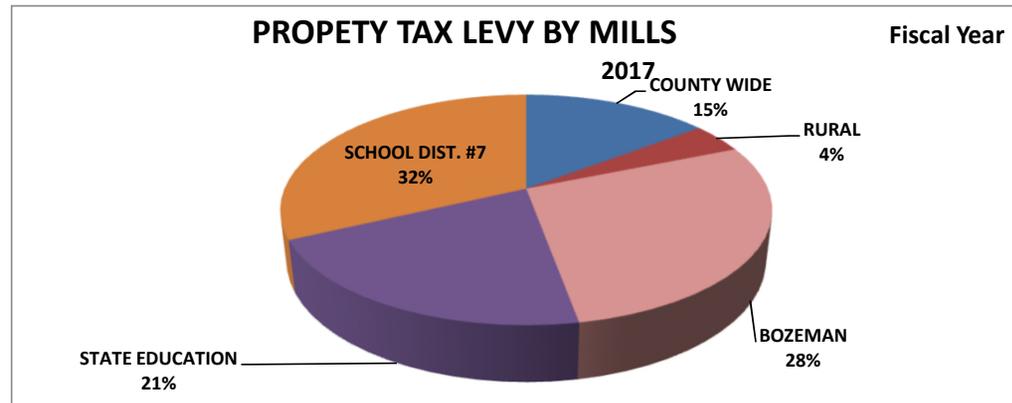
**GALLATIN COUNTY, MONTANA  
ASSESSED VALUE, MARKET AND ESTIMATED TAXABLE VALUE OF PROPERTY**

<b>FISCAL YEAR</b>	<b>TOTAL COUNTY MARKET VALUE</b>	<b>TOTAL COUNTY TAXABLE VALUE</b>	<b>COUNTY OPEN SPACE TAXABLE VALUE</b>
2006	5,004,202,230	166,681,835	160,125,399
2007	5,526,323,702	181,081,364	174,462,565
2008	6,105,440,980	196,866,339	190,388,900
2009	6,641,798,174	209,638,913	203,197,000
2010	7,303,040,362	223,244,509	217,532,000
2011	7,779,879,169	230,919,537	225,562,849
2012	8,272,189,432	235,791,352	231,490,476
2013	8,722,835,096	239,468,735	235,497,392
2014	9,286,890,790	250,638,591	242,436,871
2015	9,864,130,849	252,967,865	249,046,843
2016	15,030,549,843	237,835,957	234,985,893
2017	15,409,943,054	254,462,431	244,626,407

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

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

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

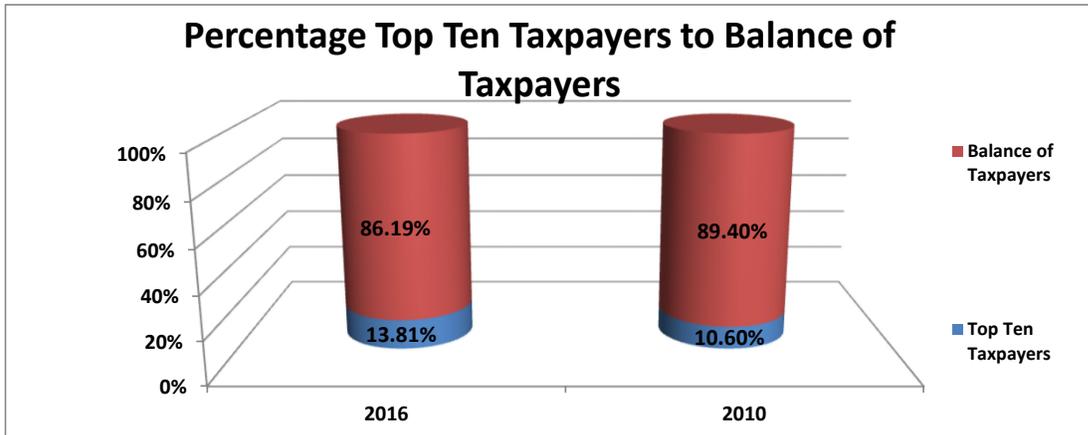


**GALLATIN COUNTY, MONTANA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT TAX YEAR AND EIGHT YEARS PREVIOUS**

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

Source: Gallatin County Treasurer

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

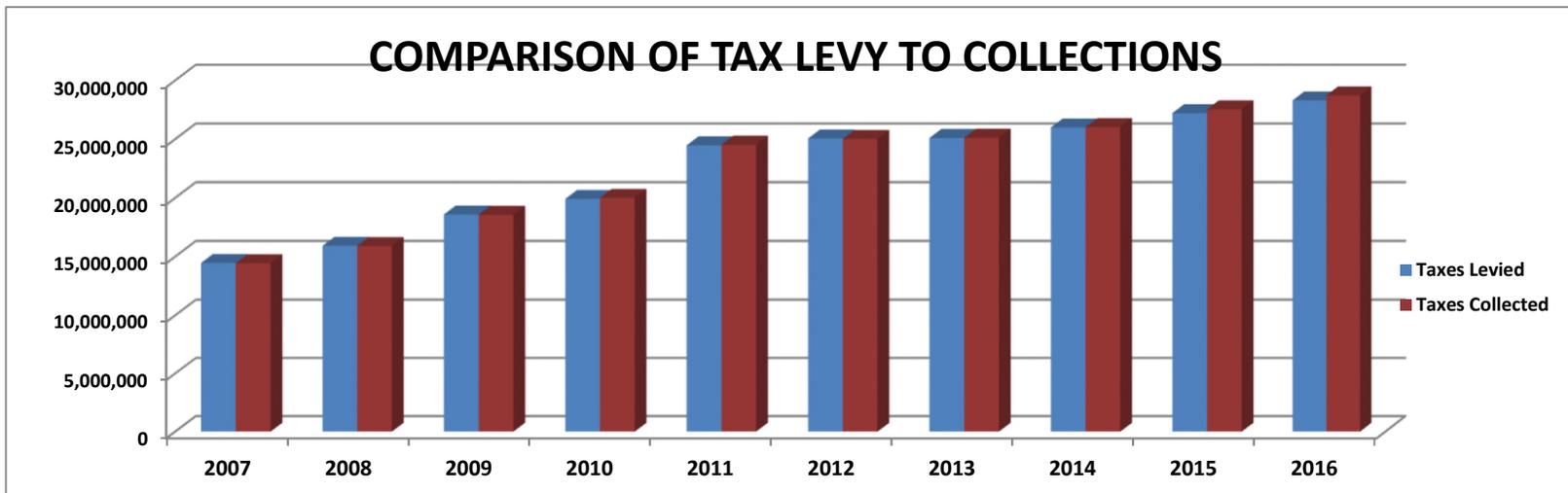


**GALLATIN COUNTY, MONTANA  
REAL PROPERTY TAXES AND COLLECTIONS  
GOVERNMENTAL FUND TYPES**

LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (1)	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY		DELINQUENT TAX COLLECTIONS	TOTAL COLLECTIONS FOR YEAR	
		AMOUNT	PERCENTAGE OF LEVY		TOTAL TAXES RECEIVED	PERCENTAGE OF LEVY (1)
2007	14,467,128	13,955,859	96.47%	484,729	14,440,588	99.82%
2008	15,920,029	15,429,097	96.92%	476,783	15,905,880	99.91%
2009	18,587,687	17,884,756	96.22%	671,601	18,556,357	99.83%
2010	19,915,058	18,904,174	94.92%	1,104,396	20,008,570	100.47%
2011	24,479,020	23,112,451	94.42%	1,417,728	24,530,179	100.21%
2012	25,058,721	23,822,021	95.06%	1,191,274	25,013,295	99.82%
2013	25,103,215	24,357,848	97.03%	760,631	25,118,479	100.06%
2014	25,997,048	25,163,044	96.79%	862,873	26,025,917	100.11%
2015	27,212,974	26,652,121	97.94%	888,759	27,540,880	101.20%
2016	28,299,020	28,107,443	99.32%	609,982	28,717,425	101.48%

SOURCE: Gallatin County Finance Department



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

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	% of Personal Income <sup>(1)</sup>	% / Capita <sup>(1)</sup>
	General Obligation Bonds	Special Assessment Debt	Contracts / Loans	Capital Leases	Revenue Bonds	Closure / Post Closure			
2005	7,505	4,223	1,905	1,038	3,930	1,013	19,614	0.009%	\$ 24
2006	12,100	3,520	2,650	875	3,775	2,254	25,176	0.010%	\$ 30
2007	11,628	3,576	3,835	710	4,089	1,954	25,792	0.009%	\$ 30
2008	11,027	3,600	5,745	545	2,342	2,327	25,586	0.009%	\$ 28
2009	46,432	3,290	6,210	1,320	1,612	2,123	60,987	0.022%	\$ 68
2010	46,511	4,681	5,508	1,226	2,422	1,982	62,331	0.022%	\$ 70
2011	44,710	8,828	6,081	1,273	1,904	1,800	64,595	0.021%	\$ 71
2012	42,825	8,226	3,721	1,158	1,306	1,728	58,963	0.020%	\$ 64
2013	43,099	7,528	3,004	1,039	938	1,755	57,363	0.019%	\$ 61
2014	41,872	7,108	2,230	917	813	1,880	54,820	0.018%	\$ 56
2015	39,410	7,374	1,367	796	685	1,963	51,595	0.017%	\$ 54
2016	38,953	7,182	890	1,614	563	2,122	51,324	0.017%	\$ 53

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

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amount Available in Debt Service Funds</b>	<b>Total</b>	<b>% of Taxable Value<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2004	7,895	54	7,841	5.87%	\$ 10.12
2005	7,505	75	7,430	4.42%	\$ 9.20
2006	12,100	110	11,990	6.61%	\$ 14.19
2007	11,628	217	11,411	5.79%	\$ 13.06
2008	11,027	44	10,983	5.25%	\$ 12.23
2009	46,432	467	45,965	20.66%	\$ 50.88
2010	46,511	35	46,475	20.13%	\$ 51.87
2011	44,710	129	44,581	19.00%	\$ 48.81
2012	42,825	417	42,408	17.71%	\$ 45.79
2013	43,099	495	42,604	17.28%	\$ 44.99
2014	41,872	344	41,528	16.42%	\$ 42.68
2015	39,410	440	38,970	16.37%	\$ 39.11
2016	38,953	278	38,675	16.24%	\$ 38.38

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

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

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

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

Last Ten Fiscal Years  
(amounts expressed in thousands)

Fiscal Year	2006	2007	2008	2009	2010	2012	2013	2014	2015	2016
<b>Calculation of Legal Debt Margins</b>										
Assessed Value		5,004,202	5,526,324	6,104,449	6,641,798	8,217,172	8,712,241	9,834,392	9,834,392	15,030,550
Allowed debt percentage	1.40%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Debt Limit	-	125,105	138,158	152,611	166,045	205,429	217,806	245,860	245,860	375,764
Outstanding debt applicable to limit	17,043	17,551	18,772	55,626	54,968	49,689	49,151	47,114	43,691	41,457
Legal Debt margin	(17,043)	107,554	119,386	96,985	111,077	155,740	168,655	198,746	202,169	334,307
Outstanding debt applicable to limit as a percentag of debt limit	#DIV/0!	14.03%	13.59%	36.45%	33.10%	24.19%	22.57%	19.16%	17.77%	11.03%

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

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

Last Ten Fiscal Years

<b>FISCAL YEAR</b>	<b>RURAL IMPROVEMENT BOND OUTSTANDING</b>	<b>AMOUNT NEEDED FOR 5%</b>	<b>REVOLVING FUND CASH</b>	<b>REVOLVING FUND %</b>
2007	3,576,000	178,800	638,110	17.84%
2008	3,600,000	180,000	686,430	19.07%
2009	3,290,000	164,500	762,158	23.17%
2010	4,681,000	234,050	766,111	16.37%
2011	8,828,000	441,400	854,654	9.68%
2012	8,226,000	411,300	1,054,047	12.81%
2013	7,528,000	376,400	1,071,284	14.23%
2014	7,108,000	355,400	1,077,706	15.16%
2015	7,374,000	368,700	1,098,133	14.89%
2016	7,181,625	359,081	1,086,318	15.13%

**Note: The Amount Needed For 5% references state statute that requires the County to maintain between 5% and 10% in the RID Revolving Fund**

**GALLATIN COUNTY, MONTANA**  
**RURAL SPECIAL DISTRICT ASSESSMENTS BILLING & COLLECTIONS**

<b>FISCAL YEAR</b>	<b>RID ASSESSMENTS BILLING</b>	<b>RID SPECIAL ASSESSMENT COLLECTIONS</b>	<b>RID CURRENT YEAR DELINQUENCY</b>	<b>%</b>
2006	624,746	600,695	24,050	3.85%
2007	616,813	593,164	23,648	3.83%
2008	632,869	596,541	36,328	5.74%
2009	639,665	591,338	48,327	7.56%
2010	524,629	489,624	35,005	6.67%
2011	1,024,305	863,567	160,738	15.69%
2012	937,779	820,131	117,648	12.55%
2013	895,739	784,296	111,443	12.44%
2014	871,471	792,179	79,291	9.10%
2015	860,503	790,909	69,593	8.09%
2016	812,634	762,740	49,894	6.14%

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

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

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

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

## GALLATIN COUNTY, MONTANA

### Summary of Outstanding Rural Special Improvement Districts

June 30, 2016

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

## GALLATIN COUNTY, MONTANA DEMOGRAPHIC ACTIVITY

Last Ten Fiscal Years

FISCAL YEAR	ESTIMATED POPULATION (a)	BIRTHS (b)	DEATHS (b)	ESTIMATED PER	
				CAPITA PERSONAL INCOME (e)	PERSONAL INCOME (e) (in thousands)
2005	80,748	1,072	390	33,023	2,652
2006	84,489	1,214	431	35,475	2,979
2007	87,359	1,238	427	36,844	3,191
2008	89,824	1,256	447	37,004	3,291
2009	90,343	1,144	476	34,113	3,042
2010	89,599	1,072	482	35,174	3,152
2011	91,333	1,079	525	36,735	3,357
2012	92,604	1,117	479	35,293	3,225
2013	94,694	1,133	544	35,356	3,231
2014	97,304	1,305	504	38,079	3,480
2015	99,653	1,368	515	40,159	3,670

### Business Activity

Last Ten Fiscal Years

FISCAL YEAR	YELLOWSTONE PARK - WEST ENTRANCE	BUILDING PERMITS (in thousands)	AIRLINE PASSENGERS (Deboardings)	ELECTRICAL CONNECTIONS	NATURAL GAS CONNECTIONS
2005	2,835,651	-	336,803	1,901	1,078
2006	2,870,295	-	315,912	1,639	1,030
2007	3,151,342	243,000	335,598	1,337	870
2008	3,066,579	-	351,281	914	514
2009	3,295,187	97,000	340,563	702	380
2010	3,640,183	101,000	362,828	617	341
2011	3,394,321	144,000	398,288	530	259
2012	3,447,729	159,000	433,288	747	464
2013	3,188,032	201,000	442,120	994	678
2014	3,513,484	235,000	482,832	1,263	694
2015	4,097,705	216,000	509,423	1,438	891

### SCHOOLS

### EMPLOYMENT STATISTICS

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

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

Last Ten Fiscal Years

FUNCTION / PROGRAM	2006	2007	2008	2010	2011	2012	2013	2014	2015	2016
<b>GENERAL GOVERNMENT</b>										
Legislative services	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.50
Judicial services	33.67	25.31	24.90	34.57	33.90	33.98	33.87	33.90	34.90	35.40
Administrative services	21.90	23.67	24.48	21.75	21.00	20.90	21.59	21.90	23.15	23.15
Financial services	23.71	23.21	23.92	24.96	24.96	24.61	25.81	25.63	26.17	27.50
Election & record services	16.00	16.67	17.21	13.75	13.75	12.75	12.75	12.75	12.75	12.75
Planning services	9.00	10.00	10.00	7.75	7.25	6.90	6.90	7.10	8.15	9.07
Legal services	18.80	19.00	20.00	21.00	21.00	21.00	21.00	21.00	21.00	21.83
Other general government	10.63	12.67	8.39	2.57	4.26	0.14	0.44	0.19	-	1.00
<b>PUBLIC SAFETY</b>										
Law enforcement services	51.23	55.50	56.40	59.41	56.59	60.65	58.26	59.84	63.51	64.00
Detention services	36.00	32.92	33.00	30.43	44.00	53.00	52.00	52.00	53.50	53.83
Animal control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dispatch & Law records	28.00	28.00	28.63	30.00	29.50	29.50	30.50	31.75	32.75	32.50
Other public safety services	10.28	12.57	8.29	2.57	4.26	0.14	0.44	0.19	-	2.79
<b>PUBLIC WORKS</b>										
Bridge maintenance	7.36	7.36	7.36	7.36	7.36	7.36	7.36	7.41	7.41	7.41
Road and street maintenance	26.60	26.11	26.11	25.11	25.11	25.39	26.14	26.14	26.14	26.14
Facilities administration	3.65	3.65	3.62	3.12	5.54	6.74	6.74	6.49	6.74	6.74
Solid waste	10.50	13.50	16.50	20.50	18.00	18.00	19.00	18.00	18.00	18.00
Weed spraying services	2.00	2.50	3.40	2.25	3.00	3.00	2.88	2.75	2.75	2.75
<b>PUBLIC HEALTH</b>										
Health administration	2.00	3.00	2.00	3.83	3.83	3.00	3.00	3.00	3.00	3.00
Health environmental services	11.50	11.06	12.06	10.17	10.00	9.75	10.00	10.00	10.00	10.92
Health human services	18.93	15.06	18.37	16.80	18.02	19.22	20.56	19.45	21.40	24.30
Nursing home	90.30	89.80	91.70	102.90	102.90	104.67	105.58	105.58	107.68	98.88
<b>RECREATION AND OTHER</b>										
Extension	3.75	4.00	4.50	4.00	4.00	3.50	3.00	3.00	3.00	3.00
Fair	8.00	9.34	9.25	10.00	10.00	10.00	10.25	10.00	9.00	8.50
Parks	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.06	1.06
<b>TOTAL</b>	<b>450.90</b>	<b>452.00</b>	<b>457.19</b>	<b>461.89</b>	<b>475.33</b>	<b>480.30</b>	<b>484.18</b>	<b>484.16</b>	<b>497.06</b>	<b>500.02</b>

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

Last Ten Fiscal Years

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

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

Last Ten Fiscal Years

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

# **SINGLE AUDIT SECTION**

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

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

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

Federal Grantor/Pass-Through	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Revenue	Federal Expenditures	Clusters	
<b>U.S. Department of Homeland Security</b>							
Passed through the Montana Disaster & Emergency Services							
Homeland Security Grant Program - Cyber Security	97.067	EMW-2015-SS-00005	\$ 80,623	\$ 52,454	\$ 52,454		
Emergency Management Performance Grant - Emergency Services	97.042	EMW-2015-EP-00004	\$ 72,500	\$ 44,789	\$ 44,789		
		Passed through the Montana Disaster & Emergency Services:	\$ 153,123	\$ 97,242	\$ 97,242		
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 153,123</b>	<b>\$ 97,242</b>	<b>\$ 97,242</b>		
<b>U.S. Department of Justice</b>							
Direct:							
LLEBG Bulletproof Vest Program	16.607	DIRECT	\$ 4,264	\$ 3,211	\$ 3,211	Bulletproof Vest Partnership Program 16.607	
LLEBG Bulletproof Vest Program	16.607	DIRECT	\$ 1,853	\$ 865	\$ 865		
Equitable Sharing Program	16.922	DIRECT	\$ 136,791	\$ 80,077	\$ 80,077		
COPS I HIRING Grant	16.710	DIRECT	\$ 375,000	\$ 71,203	\$ 71,203		
		Total Direct:	\$ 517,908	\$ 155,355	\$ 155,355		
Passed through the State Department of Justice - Montana Board of Crime Control:							
Victim Witness Program	16.588	15-W03-91829	\$ 43,060	\$ 43,060	\$ 43,060	VAWA Cluster 16.588	
Operation Freedom from Fear	16.588	15-W02-91834	\$ 50,060	\$ 50,060	\$ 50,060		
JAG Byrne Memorial Justice Assistance Grant - Missouri River Drug Task Force	16.738	14-G01-91889	\$ 234,164	\$ 234,164	\$ 234,164		
		Total Passed through the State Department of Justice - Montana Board of Crime Control:	\$ 327,284	\$ 327,284	\$ 327,284	JAG Program Cluster 16.738	
Passed through the City of Bozeman							
JAG Grant W/City of Bozeman	16.738	INTERLOCAL 2015-349	\$ 7,736	\$ 7,733	\$ 7,733		
Gallatin Project Consortium: Rural Project to End Violence Against Women	16.589	INTERLOCAL 2015-162	\$ 82,561	\$ 20,337	\$ 20,337		
		Total Passed through the City of Bozeman:	\$ 90,297	\$ 28,071	\$ 28,071		
<b>Total U.S. Department of Justice</b>			<b>\$ 935,469</b>	<b>\$ 510,710</b>	<b>\$ 510,710</b>		
<b>U.S. Department of Transportation</b>							
Passed through the State Department of Transportation:							
Montana Department of Transportation - Highway Traffic Safety STEP Overtime	20.600, 20.601, 20.602	107904	\$ 23,000	\$ 5,696	\$ 5,696	Highway Safety 20.600, 20.607	
Montana Department of Transportation - Highway Traffic Safety STEP Overtime	20.600 & 20.607	108499	\$ 23,000	\$ 13,367	\$ 13,367		
Montana Department of Transportation - State Highway Traffic Safety Section	20.600 & 20.607	108274	\$ 7,200	\$ 7,200	\$ 7,200		
Montana Department of Transportation - State Highway Traffic Safety Section	20.600 & 20.607	108572	\$ 8,150	\$ 8,150	\$ 8,150	Highway Planning 20.205	
Community Transportation Enhancement Program CTEP Manhattan Yadon Path	20.205	8824	\$ 58,208	\$ 37,416	\$ 37,416		
Community Transportation Enhancement Program CTEP Three Forks West Side Path	20.205	8826	\$ 94,044	\$ 86,808	\$ 86,808		
Community Transportation Enhancement Program CTEP Three Forks Depot Renovation	20.205	8850	\$ 90,278	\$ 16,380	\$ 16,380		
Community Transportation Enhancement Program CTEP Anderson School Trail Phase II (STPE 16(100) UPN 8577	20.205	8577	\$ 180,591	\$ 71,302	\$ 71,302		
		Total Passed through the State Department of Transportation:	\$ 484,471	\$ 246,318	\$ 246,318		
Direct - Federal Aviation Administration							
FAA - Pogreba Airport Improvements Taxilane	20.106	DIRECT	\$ 90,000	\$ 39,373	\$ 39,373		
		Total Direct - Federal Aviation Administration	\$ 90,000	\$ 39,373	\$ 39,373		
<b>Total U.S. Department of Transportation</b>			<b>\$ 574,471</b>	<b>\$ 285,692</b>	<b>\$ 285,692</b>		
<b>Total Federal Assistance</b>			<b>\$ 5,703,149</b>	<b>\$ 2,871,004</b>	<b>\$ 2,871,004</b>		

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

Federal Grantor/Pass-Through	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Federal Revenue	Federal Expenditures	Clusters
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**Note 1. Basis of Presentation:**

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

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

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

**Note 3. Allocation**

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

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

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

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

**Note 6. Federal Equitable Sharing**

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

**Note 6. Subrecipients:**

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

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

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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gallatin County, State of Montana (the County), as of and for the year ended June 30, 2016, which collectively comprise the County's basic financial statements and have issued our report thereon as of February 3, 2017.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Gallatin County Response to Finding**

Gallatin County's response to the finding identified in our audit is described in the accompanying schedule. Gallatin County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Bozeman, Montana  
February 3, 2017

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

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

**Report on Compliance on Major Federal Program**

We have audited Gallatin County, State of Montana's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance on each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements (referred to above), which could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

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

Bozeman, Montana  
February 3, 2017

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

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

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	No

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

**Identification of major programs:**

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

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

Auditee qualified as low-risk auditee? No

**Prior year findings:**

2015-01 - Status: Partially implemented.

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

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

*Criteria:*

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

*Condition:*

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

*Context:*

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

*Effect:*

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

*Cause:*

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

*Recommendation:*

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

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

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

*Criteria:*

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

*Condition:*

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

*Context:*

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

*Effect:*

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

*Cause:*

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

*Recommendation:*

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



## GALLATIN COUNTY

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

County Commission

Donald F. Seifert  
Joe P. Skinner  
Steve White

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

January 31, 2017

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

RE: Official Responses to Findings:

Dear Kyla Stafford:

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

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

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

*Condition:*

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

*Recommendation:*

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

*Management's Response:*

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

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

*Condition:*

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

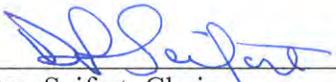
*Recommendation:*

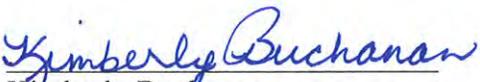
We recommend management implement a process to review all intergovernmental revenue to ensure that the Schedule of Expenditure of Federal Awards is complete.

*Management's Response:*

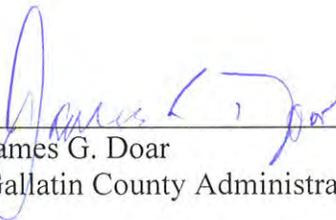
The County implemented a process where a review of all intergovernmental revenue is done on a yearly basis by two persons for the FY 2016 audit. This resulted in the identification and reporting of the Federal Equitable Sharing revenue and the Federal Forest Receipts revenue. We will continue to use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

Respectfully submitted:

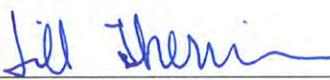
  
\_\_\_\_\_  
Don Seifert, Chair  
Gallatin County Commission

  
\_\_\_\_\_  
Kimberly Buchanan  
Gallatin County Treasurer

  
\_\_\_\_\_  
Jennifer Blossom  
Gallatin County Auditor

  
\_\_\_\_\_  
James G. Doar  
Gallatin County Administrator

  
\_\_\_\_\_  
Edward Blackman, Finance Director  
Gallatin County Finance

  
\_\_\_\_\_  
Jill Therrien, Accountant  
Gallatin County Finance

